

**COUNTY OF COLUMBIA, NEW YORK**  
Financial Statements and Supplemental Information  
December 31, 2020  
(With Independent Auditor's Report Thereon)

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December 31, 2020

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*Independent Auditor's Report*

Members of the Board of Supervisors  
County of Columbia, New York:

**Report on the Financial Statements**

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

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our (1) unmodified audit opinion on the business-type activities, general fund, capital projects fund, solid waste fund, and aggregate remaining fund information; and (2) qualified audit opinion on the governmental activities, and aggregate discretely presented component units.

## **Summary of Opinions**

<b>Opinion Unit</b>	<b>Type of Opinion</b>
Governmental Activities	Qualified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Qualified
General Fund	Unmodified
Capital Project Fund	Unmodified
Solid Waste Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

### ***Basis for Qualified Opinions on Governmental Activities and Discretely Presented Component Units***

GASB Technical Bulletin No. 2004-1 requires that entities such as the Columbia Tobacco Asset Securitization Corporation (CTASC) be reported as a part of the primary government. The County has reflected CTASC as a discretely presented component unit and the effect of this departure in the Governmental Activities financial statements is an understatement of assets, liabilities and revenue of \$1,859,653, \$20,626,597 and \$939,753, respectively, and an overstatement in net position of \$18,766,944. The effect of this departure in the aggregate discretely presented component units is an overstatement of assets, liabilities and revenue of \$1,859,653, \$20,626,597 and \$939,753, respectively, and an understatement of net position of \$18,766,944.

### ***Qualified Opinions on Governmental Activities and Aggregate Discretely Presented Component Units***

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinions paragraph on the Governmental Activities and Aggregate Discretely Presented Component Units, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities and Aggregate Discretely Presented Component Units of the County, as of December 31, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinion on the Business-Type Activities, General Fund, Capital Project Fund, Solid Waste Fund, and Aggregate Remaining Fund Information***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Business-Type Activities, General Fund, Capital Project Fund, Solid Waste Fund, and the Aggregate Remaining Fund Information for the County, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, budgetary comparison information on pages 66 and 67, the schedule of changes in total OPEB liability and related ratios on page 68, schedule of the County's proportionate share of net pension liability on page 69, and schedule of the County's employer share of pension contributions on page 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the

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

#### *Other Supplemental 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 combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The nonmajor governmental and proprietary fund financial statements and 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. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

#### *Other Information – Letter*

The letter on page 76 from Orrick, Herrington & Sutcliffe, LLP has been presented by the County to address management's assertion that the long-term debt of CTASC is non-recourse debt of the County. The letter has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2021 on our consideration of the County's internal control over financial reporting and 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.

The logo for UHY LLP, featuring the letters 'UHY' in a large, stylized, handwritten font, with 'LLP' in a smaller, simpler font to the right.

Hudson, New York

October 18, 2021, except for our report on the Schedule of Expenditures of Federal Awards, for which the date is January 31, 2022

## COUNTY OF COLUMBIA, NEW YORK

### Management's Discussion and Analysis

December 31, 2020

Management believes that in general, GASB 34 and beyond, financial reports have become far too complicated for the average person (taxpayer) to comprehend. We see governmental financial reports as much more confusing than clear. GASB research has indicated that some users find this financial statement to be somewhat confusing and not as helpful as it might be for making decisions.

This Management Discussion and Analysis (MD&A) of the County of Columbia, New York (the County) provides a clearer financial performance overview of the County's financial activities for the year ended December 31, 2020 with emphasis on the Governmental Funds. This document should be read in conjunction with the County's financial statements which begin on page 14.

Following this MD&A are the basic financial statements of the County together with the notes thereto which are essential to a full understanding of the data contained in the financial statements.

The County has a land area of over 648 square miles and a population of approximately 60,000, and is located in eastern New York State. Its northern and southern boundaries are the Counties of Rensselaer and Dutchess, respectively. Its western and eastern boundaries are the Hudson River and the Commonwealth of Massachusetts, respectively. The County includes eighteen Towns and the City of Hudson. The County is part of the Hudson, NY Metropolitan Statistical Area and is primarily agricultural and residential with some industrial and commercial properties.

### **GOVERNMENTAL ORGANIZATION**

The County was founded in 1786 and the County seat is located in the City of Hudson. The legislative body is the County Board of Supervisors which consists of twenty three members. Each elected Town Supervisor (18) has a seat on the board along with five (5) elected Ward Supervisors from the City of Hudson. The presiding officer is the County Chairman, who is appointed for a one year term by the Board of Supervisors.

Additional elected County officials are the County Clerk, District Attorney, Treasurer, Sheriff and three Coroners, elected at large to four year terms, respectively. The County Board of Supervisors appoints the County Controller/Auditor, Commissioner of Social Services, County Attorney, Budget Officer, Compliance Officer and the Clerk of the Board.

### **FINANCIAL HIGHLIGHTS**

- The County's governmental fund balances decreased by \$2 million as illustrated in the Statement of Revenue, Expenditures, and Changes in Fund Balances- Governmental Funds (p.19). The \$2 million decrease is mostly attributable to \$10 million spent in capital outlays in the capital fund. The general fund increased by \$2.8 million resulting in a total general fund balance of approximately \$20.6 million of which \$14.1 million is cash, both restricted and unrestricted. The non-major funds increased by \$1.7 million.

## COUNTY OF COLUMBIA, NEW YORK

### Management's Discussion and Analysis, Continued

#### **FINANCIAL HIGHLIGHTS (Continued)**

- The County's governmental net position decreased by \$9.3 million as a result of this year's activity, which is illustrated in the Statement of Activities (p.16). This decrease resulted in part from the recognition of additional liabilities of \$15.4 million in other postemployment benefits and \$31.2 million in pension liabilities. See note 2 to the financial statements for more detailed information.
- The County's \$156.2 million in governmental and business-type activity expenses was partially funded with program revenue of \$49.6 million and \$96.2 million funded with general revenue, which is illustrated in the Statement of Activities (p.16).
- The original 2020 budget included \$2 million of planned use of general fund balance. As 2020 progressed and the threat of the pandemic increased the budget was revised with 20% budget cuts across Departments and the new planned use of fund balance was only \$.5 million. In the end County expenditures were under budgeted projections by \$4.4 million, partly due to employee furloughs. This resulted in a general fund balance increase of approximately \$3.9 million. After a transfer of encumbrances rolled forward from prior year of (\$.7) million, \$.1 million in interfund transfers to the capital fund and unused appropriated fund balance of \$(.5) million, the general fund had an increase in fund balance of \$2.8 million (p.66).
- The capital projects fund reported a decrease in fund balance this year of approximately \$6.6 million due to \$10 million in capital outlays (p.19).
- The net other postemployment benefit plan (OPEB) obligation for the County as of December 31, 2020 increased \$15.8 million to a total of \$105.5 million. The net pension liability- ERS increased \$32.1 million to a total of \$43.6 million (p.15). See note 2 to the financial statements for more detailed information.

#### **USING THIS ANNUAL REPORT**

This annual report consists of a set of financial statements. The statement of net position and the statement of activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements begin thereafter. For governmental activities, these statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

#### **REPORTING THE COUNTY AS A WHOLE**

Our analysis of the County as a whole begins with the statement of net position. One of the most important questions asked about the County's finances is, "Is the County, as a whole, better or worse off as a result of the current year's activities?" The statement of net position and the statement of activities report information about the County as a whole and about its activities in a manner that helps to answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.



COUNTY OF COLUMBIA, NEW YORK

Management's Discussion and Analysis, Continued

**REPORTING THE COUNTY AS A WHOLE (Continued)**

These two statements report the County's net position and changes therein. You can think of the County's net position – the difference between assets and deferred inflows and liabilities and deferred outflows – as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating.

You will need to consider other nonfinancial factors, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

In the statement of net position and the statement of activities, we divide the County into three kinds of activities:

- Governmental activities – Most of the County's basic services are reported here, including public safety, public works, economic assistance, health, parks, and general support. Property taxes, sales taxes, franchise fees, and state and federal grants finance most of these activities.
- Business-type activities – The County charges fees to customers to help cover all or most of the costs of certain services it provides. The Water and Sewer Funds beginning January 1, 2017 are reported as business-type activities. The solid waste activities of the County are also reported as business-type activities.
- Component units – The County includes five separate legal entities in its report – the Columbia County Soil and Water Conservation District, the Columbia County Industrial Development Agency, the Columbia Economic Development Corporation, the Columbia Capital Resource Corporation, and the Columbia Tobacco Asset Securitization Corporation (CTASC). Although legally separate, these "component units" are important because the County is financially accountable for them. Information included in the accompanying financial statements regarding the component units has been derived from separately issued audited financial statements which can be obtained from the Columbia County Treasurer's Office.

**REPORTING THE COUNTY'S MOST SIGNIFICANT FUNDS**

Our analysis of the County's major funds provides detailed information about its most significant funds – not the County as a whole. Some funds are required to be established by State law or by bond covenants. Additionally, the County Board of Supervisors may establish other funds to help it control and manage resources for particular purposes. The County has three types of funds – governmental, fiduciary, and proprietary.

- Governmental funds – Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for expenditure. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash, as well as liabilities that will be paid using these resources. The governmental funds statements provide a detailed short-term view of the County's general government operation and the basic services it provides. Governmental funds information helps you determine whether there are more or fewer financial resources that can be expended in the near future to finance the County's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations to the fund financial statements.

COUNTY OF COLUMBIA, NEW YORK

Management’s Discussion and Analysis, Continued

**REPORTING THE COUNTY’S MOST SIGNIFICANT FUNDS (Continued)**

- Fiduciary funds – Used to account for assets held by the County as an agent for individuals, private organizations, other governmental units, and/or other funds.
- Proprietary funds – When the County charges customers for the services it provides – whether to outside customers or to other units of the County – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the County’s enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

**THE COUNTY AS A WHOLE**

The County’s net position decreased \$9.7 million during 2020. Over time, net position may serve as one useful indicator of government’s financial condition. A significant portion of the County’s net position is represented by capital assets (e.g. land, buildings, infrastructure, machinery, and equipment) less any related outstanding debt used to acquire those assets. The County uses these assets to provide services to citizens; consequently these assets are not available for future spending. Program expenses in 2020 for the County’s Governmental Activities were \$152 million.

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the County’s governmental and business-type activities (p.14 – 16).

**Table 1**

	Net Position (In Millions)					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 64.0	\$ 53.8	\$ (0.3)	\$ (0.5)	\$ 63.7	\$ 53.3
Capital and noncurrent assets	78.0	69.2	2.9	2.8	80.9	72.0
Total Assets	142.0	123.0	2.6	2.3	144.6	125.3
Deferred outflows	38.8	16.7	0.9	0.3	39.7	17.0
Current liabilities	45.8	22.0	0.6	0.3	46.4	22.3
Long-term liabilities	194.8	163.5	4.0	2.9	198.8	166.4
Total Liabilities	240.6	185.5	4.6	3.2	245.2	188.7
Deferred inflows	9.4	14.2	0.2	0.3	9.6	14.5
Net position:						
Net investment in capital assets	28.2	20.2	1.9	1.2	30.1	21.4
Restricted	4.8	8.2	-	-	4.8	8.2
Unrestricted	(102.3)	(88.5)	(3.2)	(2.1)	(105.5)	(90.6)
Total net position	\$ (69.3)	\$ (60.1)	\$ (1.3)	\$ (0.9)	\$ (70.6)	\$ (61.0)

COUNTY OF COLUMBIA, NEW YORK

Management's Discussion and Analysis, Continued

**THE COUNTY AS A WHOLE (Continued)**

**Table 2**

	Changes in Net Assets (In Millions)					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Program revenue:						
Charges for services	\$ 9.9	\$ 10.8	\$ 3.2	\$ 2.7	\$ 13.1	\$ 13.5
Operating grants	31.5	33.7	-	0.4	31.5	34.1
Capital grants	5.1	2.0	-	-	5.1	2.0
General revenue:						
Property taxes	44.2	45.0	0.6	0.6	44.8	45.6
Other taxes	49.2	47.0	-	-	49.2	47.0
Other general revenue	2.8	3.2	-	-	2.8	3.2
Total revenue	<u>142.7</u>	<u>141.7</u>	<u>3.8</u>	<u>3.7</u>	<u>146.5</u>	<u>145.4</u>
Program expenses:						
General governmental support	38.8	34.4	-	-	38.8	34.4
Education	6.3	5.9	-	-	6.3	5.9
Public safety	20.3	19.7	-	-	20.3	19.7
Health	16.9	16.4	-	-	16.9	16.4
Transportation	14.7	15.9	-	-	14.7	15.9
Economic assistance and development	48.8	47.0	-	-	48.8	47.0
Culture and recreation	3.0	2.7	-	-	3.0	2.7
Home and community services	1.9	2.0	-	-	1.9	2.0
Debt service - interest	1.3	1.3	-	-	1.3	1.3
Business-type activities:	-	-	4.2	3.5	4.2	3.5
Total expenses	<u>152.0</u>	<u>145.3</u>	<u>4.2</u>	<u>3.5</u>	<u>156.2</u>	<u>148.8</u>
Increase (Decrease) in net position	<u>\$ (9.3)</u>	<u>\$ (3.6)</u>	<u>\$ (0.4)</u>	<u>\$ 0.2</u>	<u>\$ (9.7)</u>	<u>\$ (3.4)</u>

COUNTY OF COLUMBIA, NEW YORK

Management’s Discussion and Analysis, Continued

**THE COUNTY AS A WHOLE (Continued)**

Table 3 presents the cost of each of the County’s five largest governmental programs: general government support, public safety, health, transportation, and economic assistance and development – as well as each program’s net cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the County’s taxpayers by each of these functions.

**Table 3**

	Governmental Activities (In Millions)			
	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government support	\$ 38.8	\$ 36.6	\$ 34.4	\$ 32.1
Public safety	20.3	14.2	19.7	15.0
Health	16.9	5.7	16.4	5.5
Transportation	14.7	9.7	15.9	9.4
Economic assistance and development	48.8	26.9	47.0	25.0
All others	12.5	12.3	11.9	11.8
Totals	<u>\$ 152.0</u>	<u>\$ 105.4</u>	<u>\$ 145.3</u>	<u>\$ 98.8</u>

**THE COUNTY’S FUNDS**

As the County completed the year, its governmental funds (as presented in the balance sheet) reported a combined fund balance of \$21.2 million, which is \$2 million less than 2019’s total of \$23.3 million. The general fund reported an increase of \$2.8 million in fund balance, the Capital Projects Fund reported a decrease in fund balance of (\$6.5) million and Non-major funds reported an increase in fund balance of \$1.7 million (p.19).

An overview of the governmental funds results for 2020 follows. This overview includes more detailed information about sources and uses of funds.

COUNTY OF COLUMBIA, NEW YORK

Management's Discussion and Analysis, Continued

**THE COUNTY'S FUNDS (Continued)**

**Table 4**

	Governmental Funds			
	Summary of Revenue (In Millions)			
	2020		2019	
	<u>Revenue</u>	<u>% of total</u>	<u>Revenue</u>	<u>% of total</u>
Real property taxes	\$ 43.2	30.2%	\$ 42.1	29.8%
Real property tax items	1.7	1.2%	2.7	1.9%
Sales and use taxes	49.2	34.4%	47.0	33.2%
Departmental income	8.0	5.6%	9.9	7.0%
Intergovernmental charges	1.4	1.0%	0.2	0.1%
Use of money and property	2.0	1.4%	2.4	1.7%
Licenses and permits	-	0.0%	-	0.0%
Fines and forfeitures	0.1	0.1%	0.1	0.1%
Sale of property and comp. for loss	0.1	0.1%	0.3	0.2%
Miscellaneous local sources	0.7	0.5%	0.5	0.4%
Interfund revenue	0.4	0.3%	0.6	0.4%
State aid	22.0	15.1%	22.6	15.9%
Federal aid	14.4	10.1%	13.1	9.3%
Total revenue	<u>\$ 143.2</u>	<u>100.0%</u>	<u>\$ 141.5</u>	<u>100.0%</u>

	Governmental Funds			
	Summary of Expenditures (In Millions)			
	2020		2019	
	<u>Expenditures</u>	<u>% of total</u>	<u>Expenditures</u>	<u>% of total</u>
General governmental support	\$ 26.9	18.5%	\$ 26.3	17.9%
Education	6.2	4.3%	5.9	4.0%
Public safety	15.0	10.3%	15.2	10.4%
Health	12.1	8.3%	13.0	8.9%
Transportation	9.6	6.6%	13.8	9.4%
Economic assistance and development	34.9	24.0%	36.9	25.2%
Culture and recreation	2.2	1.5%	2.1	1.4%
Home and community services	1.3	0.9%	1.5	1.0%
Employee Benefits	22.7	15.6%	22.6	15.4%
Debt service - principal and interest	4.5	3.1%	3.9	2.7%
Capital outlays	10.0	6.9%	5.5	3.7%
Total expenditures	<u>\$ 145.4</u>	<u>100.0%</u>	<u>\$ 146.7</u>	<u>100.0%</u>

COUNTY OF COLUMBIA, NEW YORK

Management’s Discussion and Analysis, Continued

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Actual charges to appropriations (expenditures) were \$4.4 million less than the final budget amounts. The most significant unfavorable variance occurred in employee benefits which was greater than budgeted amounts by (\$3.6) million. These increases were due primarily to increasing health insurance costs. The most significant favorable variance for appropriations occurred in economic assistance and development, health, and public safety which was \$3.2, \$2.4, and \$2 million, respectively due primarily to employee furloughs, hard freezes in already vacant positions and DSS programs (offset in revenue) (p.66).

Resources available for appropriation were approximately (\$.5) million less than the final budgeted amount. The most significant favorable variance occurred in sales and use taxes which exceeded budgeted amounts by \$3.8 million due primarily to an increase in sales tax revenue. The \$3.8 million increase was partially offset by \$1.1 million in additional sales tax sharing with towns and city of Hudson. The most significant unfavorable variances occurred in state aid which was \$2.4 million less than budgeted due primarily to DSS programs (offset in expenses) and departmental income which was \$2.3 million less than budgeted amounts due to Covid and the closing of County departments and public services for part of 2020.

The final 2020 budget did not require the appropriated \$2 million use of fund balance, due primarily to the favorable increase in sales tax, employee furloughs, and hard freezes in already vacant positions.

**CAPITAL ASSET, DEBT ADMINISTRATION, AND LONG-TERM LIABILITIES**

Capital Assets

At December 31, 2020, the County had \$80.9 million invested in a broad range of capital assets including equipment, buildings, airport facilities, jail, roads, and bridges (see Table 5 below).

**Table 5**

	Capital Assets at Year End (In Millions)					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land and land improvements	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7	\$ 1.3	\$ 1.3
Buildings	32.3	32.3	1.2	1.2	33.5	33.5
Machinery and equipment	22.1	21.0	1.7	1.7	23.8	22.7
Infrastructure	57.8	51.6	-	-	57.8	51.6
Construction work in progress	13.8	8.6	1.0	0.9	14.8	9.5
Accumulated depreciation	<u>(48.6)</u>	<u>(44.9)</u>	<u>(1.7)</u>	<u>(1.7)</u>	<u>(50.3)</u>	<u>(46.6)</u>
Totals	<u>\$ 78.0</u>	<u>\$ 69.2</u>	<u>\$ 2.9</u>	<u>\$ 2.8</u>	<u>\$ 80.9</u>	<u>\$ 72.0</u>

At year-end, the County has \$47 million in bonds outstanding versus \$50 million in prior year. In addition, the County also had short-term capital borrowings of \$4.1 million as of December 31, 2020 compared to \$0 in 2019.

The County’s other long-term liabilities consist of \$4.2 million of compensated absences, which represents vacation and sick pay earned by and due to eligible employees upon termination, \$105.5 million of other postemployment benefits which represents the accrual for benefits other than pensions

## COUNTY OF COLUMBIA, NEW YORK

### Management's Discussion and Analysis, Continued

due employees upon termination, \$43.6 million of net pension liability and \$11.5 of workers' compensation claims payable (p.15).

### **COLUMBIA TOBACCO ASSET SECURITIZATION CORPORATION ACCOUNTING PRESENTATION**

Government Accounting Standards Board Technical Bulletin No. 2004-1 provides authoritative guidance which requires inclusion of the Columbia Tobacco Asset Securitization Corporation (CTASC) as a part of the primary government thereby requiring presentation of the related long-term debt obligations as obligations of the County. The County disagrees with this presentation. It believes that the long-term debt of the CTASC is non-recourse debt of the County and including this debt as debt of the County would be misleading to the users of the financial statements. The County has sought and obtained representations from its bond counsel supporting its representation that this debt is non-recourse debt of the County. This representation has been included in the accompanying financial statements following the supplemental information.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND TAX RATES**

The County, like most other municipalities in New York State, is normally challenged on a fiscal level by the increases of unpredictable and extraordinary mandated expenses such as retirement costs, fuel and energy costs, Social Services mandates like Medicaid and Welfare programs, snow removal, storm sewer management, and health and liability insurance premium increases. These factors have adversely affected the County, and it is because of these increasing costs and factors that the preparation of the budgets have become increasingly difficult. In addition to the items listed above, in 2011 the New York State Legislature passed legislation limiting the annual growth of local property taxes to 2 percent or the lower of the rate of inflation (Tax Cap).

In December 2019, a novel strain of coronavirus disease (COVID-19) was first reported in Wuhan, China. Less than four months later, on March 11, 2020, the World Health Organization declared COVID-19 a pandemic. On March 16<sup>th</sup>, 2020, the Chairman of the Board of Columbia County declared a Local State of Emergency. On March 21<sup>st</sup>, 2020 through June 14<sup>th</sup>, 2020 all County buildings were closed to the public and non-essential staff were directed to work from home during that time, if capable. A budget work group was formed during this time to monitor the ongoing financial impact of the County and make a plan going forward. The plan included cutting almost all capital expenditures, departmental appropriation cuts by 20%, a hiring freeze, employee furloughs, and prudent cash management. The County saw a significant decrease in cash flow due to New York State withholding funds, especially in the department of DSS, where there was approximately \$13 million estimated in receivables owed. By implementing these plans by the budget work group, the County was able to maintain jobs, services, and see an increase in fund balance at the end of 2020. However, as of the date of this report, COVID-19 is still a threat with the current increase of cases due to the Delta and other variants.

On March 11, 2021, the federal government signed into law The American Rescue Plan (ARP) that addresses issues related to the ongoing pandemic. The ARP Act also creates new programs to address continuing pandemic-related crisis and fund recovery efforts. It provides significant funding to local governments and school districts in NYS. The County has been allocated \$11,549,602 of which \$5,774,801 was received on May 19, 2021. As of the date of this report, there is still guidance being issued on how and what these funds can be used for. The County has formed a "stimulus discussion" committee that meets weekly to review the continually changing guidance and to come up with a plan for how to best spend the funds for the County and its residents. The funds must all be spent by December 31, 2024.

COUNTY OF COLUMBIA, NEW YORK

Management's Discussion and Analysis, Continued

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND TAX RATES (CONTINUED)**

Our overall goal for fiscal year 2021 continues to be to maintain continuous service to the residents of the County and where possible enhance services while keeping any cost increases to a minimum. The County remains optimistic about its ability to maintain its level of services, minimize property tax increases, and prevent reduction in County personnel.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the:

Columbia County  
County Treasurers Office  
15 North 6<sup>th</sup> Street  
Hudson, NY 12534  
(518) 828-0513



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

Assets	Primary Government			Component Units
	Governmental Activities	Business- Type Activities	Total	
<b>Current Assets:</b>				
Cash and equivalents	\$ 19,023,863	\$ 529,799	\$ 19,553,662	\$ 1,792,131
Restricted cash and equivalents	4,801,936	-	4,801,936	1,183,503
Receivables, net of allowance for uncollectibles	13,125,620	160,278	13,285,898	849,548
Due from other governments	25,706,010	-	25,706,010	25,282
Internal balances	1,015,808	(1,015,808)	-	-
Due from fiduciary fund	(1,000)	-	(1,000)	-
Current portion of notes receivable	-	-	-	218,473
Inventories	26,606	-	26,606	-
Prepaid expenses	135,252	-	135,252	15,783
Total current assets	<u>63,834,095</u>	<u>(325,731)</u>	<u>63,508,364</u>	<u>4,084,720</u>
<b>Noncurrent assets:</b>				
Investments held by fiscal agent	-	-	-	1,002,128
Notes receivable, less current portion	-	-	-	1,323,897
<b>Capital assets:</b>				
Not being depreciated	14,427,018	1,735,205	16,162,223	-
Being depreciated, net	63,639,479	1,155,196	64,794,675	14,340
Total assets	<u>141,900,592</u>	<u>2,564,670</u>	<u>144,465,262</u>	<u>6,425,085</u>
<b>Deferred outflows of resources</b>				
Other postemployment benefits	13,424,231	231,714	13,655,945	-
Pension- ERS	25,405,274	677,066	26,082,340	-
Total deferred outflows of resources	<u>38,829,505</u>	<u>908,780</u>	<u>39,738,285</u>	<u>-</u>

See independent auditor's report and accompanying notes to the financial statements.

COUNTY OF COLUMBIA, NEW YORK  
Statement of Net Position (Continued)  
December 31, 2020

Liabilities	Primary Government			Component Units
	Governmental Activities	Business- Type Activities	Total	
<b>Current liabilities</b>				
Accounts payable	\$ 7,651,152	\$ 336,493	\$ 7,987,645	\$ 44,810
Accrued liabilities	4,086,223	63,960	4,150,183	49,207
Bond anticipation notes payable	4,135,000	-	4,135,000	-
Due to other governments	4,955,379	-	4,955,379	-
Due to employees' retirement system	4,402,637	117,333	4,519,970	-
Due to school districts	7,944,316	-	7,944,316	-
Deposits payable	-	-	-	82,181
Bonds due within one year:				
General obligation bonds	3,257,055	58,080	3,315,135	210,305
Compensated absences	788,813	23,154	811,967	-
Other postemployment benefits liability	2,055,964	25,457	2,081,421	-
Net pension liability - ERS	6,555,162	156,444	6,711,606	-
<b>Total current liabilities</b>	<b>45,831,701</b>	<b>780,921</b>	<b>46,612,622</b>	<b>386,503</b>
<b>Non-current liabilities:</b>				
Bonds due in more than one year:				
General obligation bonds	42,471,698	911,630	43,383,328	582,066
Tobacco settlement bonds	-	-	-	20,579,408
Unearned revenue, long-term portion	-	-	-	18,311
Debt reserve deposit	-	-	-	10,000
Workers' compensation claims payable	11,529,534	-	11,529,534	-
Compensated absences	3,299,900	68,697	3,368,597	-
Other postemployment benefits liability	101,597,607	1,833,483	103,431,090	-
Net pension liability - ERS	35,941,235	976,110	36,917,345	-
<b>Total liabilities</b>	<b>240,671,675</b>	<b>4,570,841</b>	<b>245,242,516</b>	<b>21,576,288</b>
<b>Deferred inflows of resources</b>				
Unavailable revenues- grants and aid	3,630	-	3,630	9,404
Pension - ERS	2,454,311	65,409	2,519,720	-
Other postemployment benefits	6,986,277	125,293	7,111,570	-
<b>Total deferred inflows of resources</b>	<b>9,444,218</b>	<b>190,702</b>	<b>9,634,920</b>	<b>9,404</b>
<b>Net Position</b>				
Net investment in capital assets	28,202,744	1,920,691	30,123,435	14,340
Restricted for:				
Tax stabilization	2,858,889	-	2,858,889	-
Debt service	1,709,442	-	1,709,442	-
Loans and other	233,605	-	233,605	(17,559,989)
Unrestricted (deficit)	(102,390,476)	(3,208,784)	(105,599,260)	2,385,042
<b>Total net deficit</b>	<b>\$ (69,385,796)</b>	<b>\$ (1,288,093)</b>	<b>\$ (70,673,889)</b>	<b>\$ (15,160,607)</b>

See independent auditor's report and accompanying notes to the financial statements.

COUNTY OF COLUMBIA, NEW YORK  
Statement of Activities  
December 31, 2020

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets primary Government			
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total	Component Units
Governmental activities:								
General government support	\$ 38,764,436	\$ 1,970,287	\$ 147,671	\$ -	\$ (36,646,478)	\$ -	\$ (36,646,478)	\$ -
Education	6,272,491	-	-	-	(6,272,491)	-	(6,272,491)	-
Public safety	20,316,006	1,318,838	2,768,776	2,019,817	(14,208,575)	-	(14,208,575)	-
Health	16,917,327	4,321,974	6,933,888	-	(5,661,465)	-	(5,661,465)	-
Transportation	14,764,999	559,761	1,307,518	3,078,784	(9,818,936)	-	(9,818,936)	-
Economic assistance and development	48,811,794	1,767,329	20,174,120	-	(26,870,345)	-	(26,870,345)	-
Culture and recreation	2,985,079	-	94,178	-	(2,890,901)	-	(2,890,901)	-
Home and community services	1,867,060	-	6,756	-	(1,860,304)	-	(1,860,304)	-
Interest	1,307,350	-	-	-	(1,307,350)	-	(1,307,350)	-
Total governmental activities	<u>152,006,542</u>	<u>9,938,189</u>	<u>31,432,907</u>	<u>5,098,601</u>	<u>(105,536,845)</u>	<u>-</u>	<u>(105,536,845)</u>	<u>-</u>
Business-type activities:								
Solid Waste fund	3,988,953	2,834,493	-	-	-	(1,154,460)	(1,154,460)	-
Non-major funds	225,916	284,424	-	-	-	58,508	58,508	-
Total business-type activities	<u>4,214,869</u>	<u>3,118,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,095,952)</u>	<u>(1,095,952)</u>	<u>-</u>
Total primary government	<u>\$ 156,221,411</u>	<u>\$ 13,057,106</u>	<u>\$ 31,432,907</u>	<u>\$ 5,098,601</u>	<u>(105,536,845)</u>	<u>(1,095,952)</u>	<u>(106,632,797)</u>	<u>-</u>
Component units:								
Columbia County Soil and Water Conservation District	671,475	14,486	312,021	314,521	-	-	-	(30,447)
Columbia Economic Development Corporation	1,170,862	91,751	363,323	391,000	-	-	-	(324,788)
Columbia Tobacco Asset Securitization Corporation	1,409,184	14,672	-	-	-	-	-	(1,394,512)
Non-major component units	43,471	6,500	5,000	-	-	-	-	(31,971)
Total component units	<u>\$ 3,294,992</u>	<u>\$ 127,409</u>	<u>\$ 680,344</u>	<u>\$ 705,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,781,718)</u>
General revenue:								
Real property taxes					42,576,491	570,599	43,147,090	-
Real property tax items					1,649,993	-	1,649,993	-
Sales and use taxes					49,199,463	-	49,199,463	-
Sales of property and compensation for loss					74,879	-	74,879	-
Use of money and property					1,965,259	1,476	1,966,735	25,463
Other sources					727,242	55,107	782,349	962,325
Total general revenue					<u>96,193,327</u>	<u>627,182</u>	<u>96,820,509</u>	<u>987,788</u>
Change in net position					(9,343,518)	(468,770)	(9,812,288)	(793,930)
Net deficit at beginning of year					(60,042,278)	(819,323)	(60,861,601)	(14,366,677)
Net (deficit) at end of year					<u>\$ (69,385,796)</u>	<u>\$ (1,288,093)</u>	<u>\$ (70,673,889)</u>	<u>\$ (15,160,607)</u>

See independent auditor's report and accompanying notes to the financial statements.

COUNTY OF COLUMBIA, NEW YORK  
Balance Sheet - Governmental Funds  
December 31, 2020

	General	Capital Projects	Non-major Funds	Total
<b>Assets :</b>				
Cash and cash equivalents	\$ 11,066,331	\$ -	\$ 3,638,026	\$ 14,704,357
Restricted cash	3,092,494	1,709,442	-	4,801,936
Taxes receivable, net of allowance for uncollectibles	4,334,110	-	-	4,334,110
School and City taxes receivable	7,341,537	-	-	7,341,537
Accounts receivable, net of allowance for uncollectibles	1,551,728	5,580	266,935	1,824,243
Due from other funds	1,058,645	176,772	187,750	1,423,167
State and federal receivables	20,340,257	2,360,247	81,854	22,782,358
Due from other governments	122,639	-	-	122,639
Inventory	26,606	-	-	26,606
Prepaid expenditures	135,252	-	-	135,252
Total assets	<u>\$ 49,069,599</u>	<u>\$ 4,252,041</u>	<u>\$ 4,174,565</u>	<u>\$ 57,496,205</u>
<b>Liabilities:</b>				
Accounts payable	\$ 4,954,378	\$ 2,035,351	\$ 613,375	\$ 7,603,104
Accrued expenses	3,069,643	-	195,241	3,264,884
Other deposits	12,516	-	-	12,516
Group insurance	554,094	-	-	554,094
BANS payable	-	4,135,000	-	4,135,000
Due to school districts	7,944,316	-	-	7,944,316
Due to other funds	31,669	199,693	176,998	408,360
Due to other governments	4,955,379	-	-	4,955,379
Due to employees' retirement system	3,905,464	-	497,173	4,402,637
Payroll liabilities	4,100	-	-	4,100
Total liabilities	<u>25,431,559</u>	<u>6,370,044</u>	<u>1,482,787</u>	<u>33,284,390</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues - grants and aid	3,630	-	-	3,630
Unavailable revenues - property taxes	3,060,589	-	-	3,060,589
Total deferred inflows of resources	<u>3,064,219</u>	<u>-</u>	<u>-</u>	<u>3,064,219</u>
<b>Fund Balances (deficit):</b>				
Non-spendable	161,858	-	-	161,858
Restricted:				
Tax stabilization reserve	2,858,889	-	-	2,858,889
Miscellaneous reserve	233,605	-	-	233,605
Assigned:				
Capital projects	-	-	-	-
Encumbrances	342,108	-	-	342,108
Health care reserve	801,920	-	-	801,920
Other assigned	-	-	2,691,778	2,691,778
Federal Salary Share	478,601	-	-	478,601
Unassigned	15,696,840	(2,118,003)	-	13,578,837
Total fund balances	<u>20,573,821</u>	<u>(2,118,003)</u>	<u>2,691,778</u>	<u>21,147,596</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 49,069,599</u>	<u>\$ 4,252,041</u>	<u>\$ 4,174,565</u>	<u>\$ 57,496,205</u>

See independent auditor's report and accompanying notes to the financial statements.

COUNTY OF COLUMBIA, NEW YORK  
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
Year Ended December 31, 2020

Fund balance - all governmental funds	\$	21,147,596
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Amounts reported for governmental activities in the statement of net position are different due to the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		78,066,497
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Long-term liabilities, including bonds payable and other debt, are not due and payable in the current period and are, therefore, not reported in the funds.		(45,728,753)
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Deferral of inflows of resources for property taxes earned in the current year is recognized as revenue under the accrual basis of accounting.		3,060,589
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Other postemployment benefits are recognized as a liability under full accrual accounting.		(103,653,571)
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Compensated absences are recognized as a liability under full accrual accounting.		(4,088,713)
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Net pension liability (ERS) is recognized as a liability under full accrual accounting.		(42,496,397)
---	--	--------------

Interest expense is recorded on cash basis in the funds but on the accrual basis of accounting for full accrual accounting.		(250,628)
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The worker's compensation fund reports receivables from other participating governments, cash, prepaid expenses and current liabilities in its internal service fund which represents the non-County portion of the liability.		6,698,202
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Workers compensation claims payable are recognized as liabilities under full accrual accounting.		(11,529,535)
--	--	--------------

Some deferred inflows and outflows are not reported in governmental funds. These consist of the following:

Deferred outflows of resources - pensions		25,405,274
Deferred outflows of resources - OPEB		13,424,231
Deferred inflows of resources - pensions		(2,454,311)
Deferred inflows of resources - OPEB		(6,986,277)
		(6,986,277)

Net position of the governmental activities	\$	(69,385,796)
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COUNTY OF COLUMBIA, NEW YORK  
Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds  
Year Ended December 31, 2020

	General	Capital Projects	Non-major Funds	Total
Revenue:				
Real property taxes	\$ 30,893,439	\$ -	\$ 12,351,367	\$ 43,244,806
Real property tax items	1,649,993	-	-	1,649,993
Sales and use taxes	49,199,463	-	-	49,199,463
Departmental income	8,008,570	-	43,151	8,051,721
Intergovernmental charges	1,444,493	-	-	1,444,493
Use of money and property	349,513	6,607	1,609,139	1,965,259
Licenses and permits	5,642	-	-	5,642
Fines and forfeitures	57,100	-	-	57,100
Sales of property and compensation for loss	50,140	-	24,739	74,879
Miscellaneous local sources	593,917	-	101,645	695,562
Interfund revenue	-	-	379,234	379,234
State aid	18,372,952	2,707,624	974,972	22,055,548
Federal aid	12,084,984	2,322,409	-	14,407,393
Total revenue	<u>122,710,206</u>	<u>5,036,640</u>	<u>15,484,247</u>	<u>143,231,093</u>
Expenditures:				
General government support	26,926,315	-	-	26,926,315
Education	4,493,086	1,729,404	-	6,222,490
Public safety	14,949,024	-	-	14,949,024
Health	12,100,198	-	-	12,100,198
Transportation	518,496	-	9,125,513	9,644,009
Economic assistance and development	34,858,775	-	-	34,858,775
Culture and recreation	2,118,177	-	28,904	2,147,081
Home and community services	1,290,857	-	-	1,290,857
Employee benefits	19,692,672	-	3,012,483	22,705,155
Debt service - principal and interest	2,952,046	-	1,590,619	4,542,665
Capital outlays	-	10,059,455	-	10,059,455
Total expenditures	<u>119,899,646</u>	<u>11,788,859</u>	<u>13,757,519</u>	<u>145,446,024</u>
Excess (deficiency) of revenue over expenditures	<u>2,810,560</u>	<u>(6,752,219)</u>	<u>1,726,728</u>	<u>(2,214,931)</u>
Other financing sources (uses):				
Interfund transfers in (out)	(10,877)	29,818	(18,941)	-
Premium on BAN issuances	-	31,680	-	31,680
Total other financing sources (uses)	<u>(10,877)</u>	<u>61,498</u>	<u>(18,941)</u>	<u>31,680</u>
Net change in fund balances (deficit)	2,799,683	(6,690,721)	1,707,787	(2,183,251)
Fund balances (deficit) at beginning of year	17,774,138	4,572,718	983,991	23,330,847
Fund balances (deficit) at end of year	<u>\$ 20,573,821</u>	<u>\$ (2,118,003)</u>	<u>\$ 2,691,778</u>	<u>\$ 21,147,596</u>

See independent auditor's report and accompanying notes to the financial statements.

COUNTY OF COLUMBIA, NEW YORK  
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances-  
Governmental Funds to the Statement of Activities  
Year Ended December 31, 2020

Net changes in fund balance - total governmental funds	\$	(2,183,251)
Capital outlays, net of dispositions are expenditures in governmental funds, but are capitalized in the statement of net assets.		13,004,151
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.		(4,136,101)
Property tax revenue is recorded to the extent it is received within 60 days of year-end for governmental funds, but in the statement of activities, this revenue is recorded as earned upon levy.		(668,315)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.		3,107,931
Amortization of bond premiums is not recorded in the governmental funds but is in the statement of net position.		103,093
Accrued postemployment benefits, compensated absences, and settlements and claims do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.		(16,045,669)
Certain items related to the change in net pension liability are reflected in the statement of net position.		
Net pension liability		(31,224,388)
Deferred outflows of resources - pensions		14,444,381
Deferred outflows of resources - OPEB		7,684,266
Deferred inflows of resources - pensions		3,259,284
Deferred inflows of resources - OPEB		1,371,358
Prepaid expense		1,423,987
Expenses for payments to the internal service fund are recognized as expenses in the governmental funds as paid, but are recognized in the statement of activities as incurred.		491,464
Interest is accrued on the outstanding bonds on the statement of net assets but is not recorded as an expenditure in the governmental funds.		24,291
Change in net position of governmental activities	\$	(9,343,518)

See independent auditor's report and accompanying notes to the financial statements.

COUNTY OF COLUMBIA, NEW YORK  
Statement of Net Position - Proprietary Funds  
December 31, 2020

	Business-type Activities			Internal service funds Self Insured Workers' Compensation Plan
	Enterprise funds			
	Solid Waste Fund	Non-major funds	Total	
<b>Assets</b>				
Current Assets:				
Cash and equivalents	\$ 307,231	\$ 222,568	\$ 529,799	\$ 4,319,506
Accounts receivable, net:	78,410	81,870	160,280	4,831,332
State and federal receivables	-	-	-	-
Due from other governments	-	-	-	2,426,743
Due from other funds	-	214,468	214,468	-
Prepaid expenses	-	-	-	-
Total current assets	<u>385,641</u>	<u>518,906</u>	<u>904,547</u>	<u>11,577,581</u>
Noncurrent assets:				
Capital assets:				
Capital assets - not being depreciated	1,098,702	636,502	1,735,204	-
Capital assets - net of depreciation	<u>1,155,197</u>	<u>-</u>	<u>1,155,197</u>	<u>-</u>
Total noncurrent assets	<u>2,253,899</u>	<u>636,502</u>	<u>2,890,401</u>	<u>-</u>
Total assets	<u>2,639,540</u>	<u>1,155,408</u>	<u>3,794,948</u>	<u>11,577,581</u>
Deferred outflows of resources - OPEB	<u>231,714</u>	<u>-</u>	<u>231,714</u>	<u>-</u>
Deferred outflows of resources - pension - ERS	<u>651,281</u>	<u>25,785</u>	<u>677,066</u>	<u>-</u>
<b>Liabilities</b>				
Current liabilities:				
Bonds payable	54,469	-	54,469	-
Accounts payable	279,785	56,708	336,493	48,113
Accrued liabilities	61,093	2,867	63,960	324
Due to other funds	468,158	762,118	1,230,276	-
Due to Employees' Retirement System	<u>112,865</u>	<u>4,469</u>	<u>117,334</u>	<u>-</u>
Total current liabilities	<u>976,370</u>	<u>826,162</u>	<u>1,802,532</u>	<u>48,437</u>
Noncurrent liabilities:				
Bonds payable	882,608	-	882,608	-
Unamortized Bond Premiums payable	32,633	-	32,633	-
Other postemployment benefits liability	1,858,940	-	1,858,940	-
Compensated absences	91,851	-	91,851	-
Net pension liability - ERS	1,089,422	43,132	1,132,554	-
Accrued workers' compensation liability	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,529,144</u>
Total noncurrent liabilities	<u>3,955,454</u>	<u>43,132</u>	<u>3,998,586</u>	<u>11,529,144</u>
Total liabilities	<u>4,931,824</u>	<u>869,294</u>	<u>5,801,118</u>	<u>11,577,581</u>
Deferred inflows of resources - OPEB	<u>125,293</u>	<u>-</u>	<u>125,293</u>	<u>-</u>
Deferred inflows of resources - pension - ERS	<u>62,918</u>	<u>2,491</u>	<u>65,409</u>	<u>-</u>
Net position (deficit):				
Net investment in capital assets	1,284,189	636,502	1,920,691	-
Unrestricted	<u>(2,881,689)</u>	<u>(327,094)</u>	<u>(3,208,783)</u>	<u>-</u>
Total net position (deficit)	<u>\$ (1,597,500)</u>	<u>\$ 309,408</u>	<u>\$ (1,288,092)</u>	<u>\$ -</u>

See independent auditor's report and accompanying notes to the financial statements.



COUNTY OF COLUMBIA, NEW YORK  
Statement of Revenue, Expenditures, and Changes in Net Position - Proprietary Funds  
Year Ended December 31, 2020

	Business-type Activities			Internal service funds Self Insured Workers' Compensation Plan
	Enterprise funds			
	Solid Waste Fund	Non-major funds	Total	
Operating revenue:				
Charges for services	\$ 2,834,493	\$ 284,424	\$ 3,118,917	\$ 1,804,283
State grants	-	-	-	-
Other operating revenue	-	-	-	121,863
Total operating revenue	<u>2,834,493</u>	<u>284,424</u>	<u>3,118,917</u>	<u>1,926,146</u>
Operating expenses:				
Personnel services	1,130,817	41,210	1,172,027	7,349
Employee benefits	1,118,607	19,819	1,138,426	1,410,858
Administrative and fiscal services	-	-	-	529,548
Depreciation and amortization	170,696	-	170,696	-
Home and community service	1,543,821	164,887	1,708,708	-
Total operating expenses	<u>3,963,941</u>	<u>225,916</u>	<u>4,189,857</u>	<u>1,947,755</u>
Debt service:				
Interest	25,012	-	25,012	-
Operating gain/(loss)	<u>(1,154,460)</u>	<u>58,508</u>	<u>(1,095,952)</u>	<u>(21,609)</u>
Non-operating revenue (expenses):				
Real property tax	570,599	-	570,599	-
Interest income	736	741	1,477	21,609
Other non-operating revenue	55,107	-	55,107	-
Total non-operating revenue (expenses)	<u>626,442</u>	<u>741</u>	<u>627,183</u>	<u>21,609</u>
Change in net position	(528,018)	59,249	(468,769)	-
Net position (deficit) at beginning of year	(1,069,482)	250,159	(819,323)	-
Net position (deficit) at end of year	<u>\$ (1,597,500)</u>	<u>\$ 309,408</u>	<u>\$ (1,288,092)</u>	<u>\$ -</u>

See independent auditor's report and accompanying notes to the financial statements.

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

	Business-type Activities			Internal service fund
	Enterprise Funds			
	Solid Waste Fund	Non-major funds	Total	Workers' Compensation Plan
Cash flows from operating activities:				
Cash received from providing services	\$ 2,827,713	\$ 260,519	\$ 3,088,232	\$ 2,674,442
Cash received for state grant	-	375,000	375,000	-
Cash payments to suppliers	(1,314,213)	(455,753)	(1,769,966)	(511,704)
Cash payments to employees and contractual services	(1,565,480)	(44,362)	(1,609,842)	(1,463,584)
Other operating revenue (expense)	(25,012)	-	(25,012)	121,863
Net cash provided by (used in) operating services	<u>(76,992)</u>	<u>135,404</u>	<u>58,412</u>	<u>821,017</u>
Cash flows from non-capital financing activities:				
Subsidy from County	570,599	-	570,599	-
Interest and finance charges	736	740	1,476	21,609
Net cash provided by non-capital financing activities	<u>571,335</u>	<u>740</u>	<u>572,075</u>	<u>21,609</u>
Cash flows from capital and related financing activities:				
Principal payments on bonds	(54,469)	-	(54,469)	-
Unamortized Bond Premiums	(2,463)	-	(2,463)	-
Purchase of property, plant, and equipment	(193,832)	(74,321)	(268,153)	-
Other income	55,107	-	55,107	-
Net cash used in capital and related financing activities	<u>(195,657)</u>	<u>(74,321)</u>	<u>(269,978)</u>	<u>-</u>
Net change in cash and equivalents	298,686	61,823	360,509	842,626
Cash and equivalents at beginning of year	8,545	160,745	169,290	3,476,880
Cash and equivalents at end of year	<u>\$ 307,231</u>	<u>\$ 222,568</u>	<u>\$ 529,799</u>	<u>\$ 4,319,506</u>
Reconciliation of operating loss to net cash provided by (use in) operating activities:				
Operating loss	\$ (1,154,460)	\$ 58,508	\$ (1,095,952)	\$ (21,609)
Depreciation and amortization expense	170,696	-	170,696	-
Changes in:				
Accounts receivable	(6,779)	(23,906)	(30,685)	491,466
State and federal receivables	-	375,000	375,000	-
Due from other governments	-	-	-	378,695
Prepaid expenses	18,921	-	18,921	-
Deferred outflows of resources - pensions	(383,649)	(11,885)	(395,534)	-
Deferred outflows of resources - OPEB	(170,392)	-	(170,392)	-
Accounts payable	78,794	8,950	87,744	(2,584)
Accrued liabilities	25,588	184	25,772	75
Due to/from other funds	106,305	(300,000)	(193,695)	20,353
Due to employees' retirement system	112,865	4,469	117,334	-
Net pension liability	852,069	28,838	880,907	-
Net other post employment liability	350,701	-	350,701	-
Deferred inflows of resources - pensions	(57,392)	(4,754)	(62,146)	-
Deferred inflows of resources - OPEB	(17,620)	-	(17,620)	-
Compensated absences	(2,638)	-	(2,638)	-
Accrued workers' compensation liability	-	-	-	(45,378)
Net cash provided by (used in) operating activities	<u>\$ (76,991)</u>	<u>\$ 135,404</u>	<u>\$ 58,413</u>	<u>\$ 821,018</u>

See independent auditor's report and accompanying notes to the financial statements.

Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2020

	Custodial Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 829,585
Accounts receivable	22,584
Due from other funds	2,535
Total assets	\$ 854,704
<b>Liabilities</b>	
Accounts payable and other liabilities	\$ 54,111
Due to local governments	1,535
Total liabilities	55,646
<b>Fiduciary net position-held for others:</b>	
Bail deposits	151,161
Group insurance	68,979
Social services trust	397,709
Court and trust fund	170,830
Other	10,379
Total net position	\$ 799,058

See independent auditors' report and accompanying notes to the financial statements.

Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
for the year Ended December 31, 2020

	Custodial Funds
<b>Additions</b>	
Contributions	
Plan members	\$ 153,395
Total contributions	<u>153,395</u>
Investment earnings:	
Interest	10,379
Total investment earnings	<u>10,379</u>
Other additions:	
Bail	105,019
Court and trust	8,345
SSI benefits	1,069,512
Other	22,584
Total additions	<u><u>1,369,234</u></u>
<b>Deductions</b>	
Benefits paid to participants or beneficiaries	150,858
Benefits paid to individuals	871,429
Payments of tax to other governments	2
Payments to County	170,663
Bail	2,864
Total deductions	<u>1,195,816</u>
Net increase (decrease) in fiduciary net position	173,418
Net Position- beginning, as restated	625,640
Net Position- ending	<u><u>\$ 799,058</u></u>

See independent auditors' report and accompanying notes to the financial statements.

COUNTY OF COLUMBIA, NEW YORK  
Statement of Net Position  
Component Units  
December 31, 2020

	Columbia County Soil and Water Conservation District	Columbia County Economic Development Corporation	Columbia County Tobacco Asset Securitization Corporation	Nonmajor Component Units	Total
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and equivalents	\$ 42,353	\$ 1,681,898	\$ 23,679	\$ 44,201	\$ 1,792,131
Restricted cash and equivalents	802,392	25,344	-	-	827,736
<b>Receivables:</b>					
Receivables	-	1,667	828,787	-	830,454
Due from other governments	-	25,282	-	-	25,282
Land sale receivable	-	9,491	-	9,603	19,094
Notes	-	218,473	-	-	218,473
Prepaid expenses	7,836	2,888	5,059	-	15,783
Total current assets	<u>852,581</u>	<u>1,965,043</u>	<u>857,525</u>	<u>53,804</u>	<u>3,728,953</u>
<b>Noncurrent assets:</b>					
Investments held by fiscal agent	-	-	1,002,128	-	1,002,128
Restricted escrow account	-	295,730	-	56,837	352,567
Security deposit	-	3,200	-	-	3,200
Land sale receivable, net, less current portion	-	9,918	-	2,250	12,168
Notes receivable, net, less current portion	-	1,311,729	-	-	1,311,729
Capital assets being depreciated, net	-	14,340	-	-	14,340
Total noncurrent assets	<u>-</u>	<u>1,634,917</u>	<u>1,002,128</u>	<u>59,087</u>	<u>2,696,132</u>
Total assets	<u>\$ 852,581</u>	<u>\$ 3,599,960</u>	<u>\$ 1,859,653</u>	<u>\$ 112,891</u>	<u>\$ 6,425,085</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 29,715	\$ 13,563	\$ 1,532	\$ 44,810
Accrued liabilities	-	15,581	33,626	-	49,207
Deposits payable	-	25,344	-	56,837	82,181
Loans due within one year	-	194,702	-	15,603	210,305
Total current liabilities	<u>-</u>	<u>265,342</u>	<u>47,189</u>	<u>\$ 73,972</u>	<u>386,503</u>
<b>Noncurrent liabilities:</b>					
Loans due in more than one year	-	579,816	20,640,878	2,250	21,222,944
Unamortized discount	-	-	(61,470)	-	(61,470)
Unearned revenue, long-term portion	-	18,311	-	-	18,311
Debt reserve deposit	-	10,000	-	-	10,000
Total noncurrent liabilities	<u>-</u>	<u>608,127</u>	<u>20,579,408</u>	<u>2,250</u>	<u>21,189,785</u>
Total liabilities	<u>-</u>	<u>873,469</u>	<u>20,626,597</u>	<u>76,222</u>	<u>21,576,288</u>
Deferred inflows of resources	<u>-</u>	<u>9,404</u>	<u>-</u>	<u>-</u>	<u>9,404</u>
<b>Net position (deficit):</b>					
Net investment in capital assets	-	14,340	-	-	14,340
Restricted	802,392	428,242	(18,790,623)	-	(17,559,989)
Unrestricted	50,189	2,274,505	23,679	36,669	2,385,042
Total net position (deficit)	<u>852,581</u>	<u>2,717,087</u>	<u>(18,766,944)</u>	<u>36,669</u>	<u>(15,160,607)</u>
Total liabilities and net position	<u>\$ 852,581</u>	<u>\$ 3,599,960</u>	<u>\$ 1,859,653</u>	<u>\$ 112,891</u>	<u>\$ 6,425,085</u>

See independent auditor's report and accompanying notes to the financial statements.

COUNTY OF COLUMBIA, NEW YORK  
Statement of Activities  
Component Units  
Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expenses) and Changes in Net Position				
	General	Charges for Services	Operating Grants and Contributions	Appropriations	Columbia County Soil and Water Conservation District	Columbia County Economic Development Corporation	Columbia County Tobacco Asset Securitization Corporation	Nonmajor Component Units	Total
Soil and Water Conservation District	\$ 671,475	\$ 14,486	\$ 312,021	\$ 314,521	\$ (30,447)	\$ -	\$ -	\$ -	\$ (30,447)
Columbia Economic Development Corporation	1,170,862	91,751	363,323	391,000	-	(324,788)	-	-	(324,788)
Columbia Tobacco Asset Securitization Corporation	1,409,184	14,672	-	-	-	-	(1,394,512)	-	(1,394,512)
Nonmajor Component Units	43,471	6,500	5,000	-	-	-	-	(31,971)	(31,971)
<b>Total Component Units</b>	<b>\$ 3,294,992</b>	<b>\$ 127,409</b>	<b>\$ 680,344</b>	<b>\$ 705,521</b>	<b>(30,447)</b>	<b>(324,788)</b>	<b>(1,394,512)</b>	<b>(31,971)</b>	<b>(1,781,718)</b>
		General Revenue							
		Unrestricted use of money and property			5,416	10,854	9,176	17	25,463
		Miscellaneous			907	36,618	915,905	1,251	954,681
		Total general revenue			6,323	47,472	925,081	1,268	980,144
		Change in net position			(24,124)	(277,316)	(469,431)	(30,703)	(801,574)
		Net position (deficit) at beginning of year			876,705	2,994,403	(18,297,513)	67,372	(14,359,033)
		Net position (deficit) at end of year			<u>\$ 852,581</u>	<u>\$ 2,717,087</u>	<u>\$ (18,766,944)</u>	<u>\$ 36,669</u>	<u>\$ (15,160,607)</u>

See independent auditor's report and accompanying notes to the financial statements.

COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Columbia, New York (the County) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The following is a summary of significant accounting policies and reporting practices of the County.

The County, which was established in 1786, is governed by County law and other general laws of the State of New York. The governing body consists of 23 supervisors. The Chairman of the Board of Supervisors, elected by the Board each year, is the Chief Executive Officer of the County, the County Treasurer, elected for a four-year term, is the Chief Fiscal Officer of the County, the County Clerk, Sheriff, District Attorney and three coroners are constitutional officials and are elected in accordance with Constitutional provisions.

The County provides the following basic services: general governmental support, education, public safety, health, transportation, highways and streets, economic assistance and development, culture and recreation, and home and community services.

A. Financial Reporting Entity

The financial reporting entity consists of (a) the primary government which is the County of Columbia, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14 – "The Financial Reporting Entity" as amended by GASB Statement No. 39 – "Determining Whether Certain Organizations are Component Units", and GASB Statement No. 61 – "The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34".

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit as a part of the County's reporting entity is generally based on criteria set forth in GASB Statement No. 14 as amended by GASB Statements No. 39 and No. 61, including legal standing, fiscal dependency, and financial accountability. Despite the guidance provided in Statement No. 39, the County has elected to treat the Columbia Tobacco Asset Securitization Corporation as a discretely presented component unit instead of as a blended component unit. Based on the application of these criteria, the following are included as discretely presented component units:

Columbia County Soil and Water Conservation District (the District)(Major Component Unit) – This component unit is a political subdivision established by the County Board of Supervisors for the purpose of improving and advancing the conservation, wise use and orderly development of the soil, water and related natural resources of the County of Columbia, New York.

Columbia Economic Development Corporation (CEDC)(Major Component Unit) – The CEDC is a public benefit corporation created by State legislation to promote and develop industry and employment within the County. CEDC is fiscally dependent and financially accountable to the County. The County is represented by one ex-officio (nonvoting) member of the CEDC Board of Directors.

See independent auditor's report.

COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

Columbia County Industrial Development Agency (IDA)(Non-major Component Unit) – The IDA is a public benefit corporation created by State legislation to promote the economic welfare, recreational opportunities and prosperity of the County and its inhabitants. The IDA’s 7 member board is appointed by the County’s Board of Supervisors.

Columbia Tobacco Asset Securitization Corporation (CTASC)(Major Component Unit) – This entity was incorporated October 28, 2000 as a local development corporation by the County under the provisions of Section 1411 of the New York State Not-for-Profit Corporation Law. Its purpose is to issue bonds securitized solely from County Tobacco Settlement Revenues under the Master Settlement agreement dated November 23, 1998, purchased from the County under the Purchase and Sale Agreement dated October 15, 2000 and November 15, 2005, and to forward to the County the net proceeds from the bond issuances. GASB Technical Bulletin No. 2004-1 requires that CTASC be treated as a blended component unit of the County and reported as a part of the primary government. Despite this guidance, the County has elected to treat CTASC as a discretely presented component unit.

Columbia County Capital Resource Corporation (CRC)(Non-major Component Unit) – This component unit of the County was established in October 2009 by the Columbia County Board of Supervisors under the laws of the State of New York to promote economic growth in the County of Columbia, New York. This is done primarily through the administration of tax exempt bonds. The CRC’s 7 member board is appointed by the County’s Board of Supervisors.

The financial statements of each discretely presented component unit may be obtained from the Columbia County Treasurer at 15 North 6<sup>th</sup> Street, Hudson, New York, 12534.

A joint venture entered into between the County and another local governmental entity is excluded from the reporting entity (see Note 4).

B. Basic Financial Statements

The County’s basic financial statements include both Government-wide (reporting the County as a whole) and Governmental Funds financial statements (reporting the County’s governmental funds). Both the Government-wide and Governmental Funds financial statements categorize primary activities as either Governmental or Business-type. The County’s general governmental support, education, public safety, health, transportation, highways and streets, economic assistance and development, culture and recreation, and home and community services are classified as Governmental Activities.

1. Government-Wide Financial Statements

The Government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of activities for the primary government and for the County’s discretely presented component units. Government-wide financial statements do not include the activities reported in the Fiduciary Funds or fiduciary component units. This government-wide presentation is focused on the sustainability of the County as an entity and the change in the County’s net position resulting from its current year’s activities.

See independent auditor’s report.



COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

1. Government-Wide Financial Statements (Continued)

The Government-wide statements of net position and activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The County first utilizes restricted resources to finance qualifying activities.

The statement of activities reports both the gross and net cost for each of the County's functions or programs. Gross expenses are direct expenses, including depreciation, that are specifically associated with a service, program or department and, therefore, are clearly identifiable to a particular function. These expenses are offset by program revenues – charges paid by the recipients of the goods or services offered by the program, grants, and contributions that are restricted to meeting the program or capital requirements of a particular program. Revenue which is not classified as program revenue is presented as general revenue of the County, with certain limited exceptions. Net cost represents the extent to which each function or program is self-financing or draws from the general revenue of the County.

2. Governmental Fund Financial Statements

The financial transactions of the County are reported in individual funds in the Governmental Funds financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, reserves, fund equity, revenue, and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government function or activities. The County records its transactions using the following fund types and account groups:

Governmental Funds – Governmental Funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources, and the related liabilities are accounted for through Governmental Funds. The measurement focus of the Governmental Funds is based upon determination of financial position and changes in financial position.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB Statements No. 34 sets forth criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The County's Governmental Funds are as follows:

Major Funds:

General Fund – Principal operating fund of the County: includes all operations not required to be accounted for in other funds.

Capital Projects Fund – Established to account for financial resources used for the acquisition or construction of major capital projects (other than those reported in the proprietary funds).

See independent auditor's report.

COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

2. Governmental Fund Financial Statements (Continued)

Special Revenue Non-Major Funds:

County Road Fund – Established to account for revenue and expenditures related to the construction and maintenance of County roads in accordance with New York State laws.

Road Machinery Fund – Established to account for revenues and expenditures related to the purchase, repair, maintenance, and storage of highway machinery, tools, and equipment in accordance with New York State laws.

Special Revenue Fund – Established to account for those revenues that are legally restricted to expenditures for specific purposes. The fund is also used to account for trusts that benefit the local government where principal and interest may be expended.

Special Grant Fund – Established to account for the expenditures relating to the promotion of economic development and the prosperity of the County and its inhabitants through the use of Community Development Block Grants.

Proprietary Funds – Established to account for activities which are similar to those often found in the private sector. The costs of providing goods or services to the general public are accounted for in these funds and are financed or recovered primarily through user fees. The measurement focus is the full accrual, economic resource basis for purposes of determination of operating income, changes in net position, financial position, and cash flows. The following Proprietary Funds are utilized:

Solid Waste Fund – Established to account for revenue and expenditures associated with recycling and waste management programs.

Water Fund (Non-major) – Established to account for water operations for the industrial park water district.

Sewer Fund (Non-major) – Established to account for revenues and expenditures related to operation of the industrial park sewer district. As of December 31, 2020, the Sewer Fund had a negative fund balance of \$63,766. The County is in the construction phase of a new sewer line that will serve new customers and generate additional revenue. The new sewer line will be funded by a zero percent interest Bond through Environmental Facilities Corporation.

Internal Service Fund – Used to account for special activities or services provided by one department to other departments or to other governments on a cost reimbursement basis. The Internal Service fund is used to account for the County's self-insured workers' compensation plan.

Fiduciary Funds – Fiduciary funds are used to account for assets held by the County as an agent for individuals, private organizations, other governmental units, and/or other funds. The County maintains one fiduciary fund, the Custodial Fund.

See independent auditor's report.

COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenue and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

1. Accrual Basis – The Government-wide financial statements and the Proprietary and Fiduciary Funds financial statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the County’s assets, deferred outflows, liabilities and deferred inflows, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recognized when incurred.
2. Modified Accrual Basis – The governmental fund financial statements are presented using the modified accrual basis. Under this basis of accounting, revenue is recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenue that is accrued includes: real property taxes, State and Federal aid, sales tax, and certain user charges. The County considers property tax receivables collected within 60 days after year-end to be available and recognizes them as revenue of the current year. All other revenue deemed collectible within one year after year-end is recognized as revenue in the current year. Because expenditures are the prime factor for determining eligibility, revenue from Federal and State grants is accrued when the related expenditures are made.

Expenditures are recorded when incurred. The costs of capital assets are recognized as expenditures when funds are expensed. Exceptions to this general rule are that (1) principal and interest on indebtedness are not recognized as expenditures until due, (2) compensated absences, such as vacation and sick leave which vests or accumulates, are recognized as expenditures when paid, and (3) other post-employment benefits, such as retiree health insurance, is recognized as an expenditure when paid.

D. Cash and Equivalents/Investments

For financial statement purposes, the County considers all highly-liquid investments with original maturities of three months or less to be cash equivalents. Investments consist of certificates of deposit with original maturities greater than three months and are valued at cost, which approximates fair value.

*Restricted Cash and Cash Equivalents*

Restricted cash and cash equivalents represent amounts to support fund balance restrictions, unearned revenue and debt proceeds set aside for a specific purpose.

See independent auditor’s report.

COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budget Policies

Budgets are adopted annually on a basis of accounting consistent with GAAP for the General, County Road, Road Machinery, Solid Waste, Sewer, Water, and Capital Funds. Appropriations authorized for the current year are increased by the amount of any encumbrances carried forward from the prior year. Encumbrances are not considered as disbursements in the financial plan or as expenditures in the GAAP-based financial statements, but reserve a portion of the applicable appropriation, thereby ensuring that the appropriations are not exceeded.

No later than November 15<sup>th</sup>, the budget officer submits a tentative budget to the Clerk of the Board of Supervisors for the fiscal year commencing the following January 1<sup>st</sup>. The tentative budget includes proposed expenditures and the proposed means of financing for all funds, except Special Grant and Special Revenue Funds.

After public hearings are conducted to obtain taxpayer comments, no later than December 20<sup>th</sup>, the County Board of Supervisors adopts the budget.

Budget modifications to the budgets so adopted are authorized by resolution of the County Board of Supervisors.

Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects and remain in effect for the lives of the projects. Budgetary controls for the Self-Insurance Fund are established through separate annual resolutions.

F. Real Property Taxes

Unpaid school district taxes are turned over to the County for collection. All such taxes are paid to the various jurisdictions and the County obtains ultimate collection responsibility for the unpaid taxes. Any such taxes remaining unpaid at year-end are re-levied as County taxes in the following year.

All properties for which County taxes remain unpaid are subject to lien by the County. Such properties are held for a mandatory two-year period after which the properties are subject to a tax sale.

In the Government-wide financial statement, real property taxes levied are recognized as revenue in the current period, net of an allowance for uncollectible accounts. The Governmental Fund financial statements recognize as revenue only those amounts collected within 60 days following the end of the fiscal year. The remaining balance is recognized as deferred inflows of financial resources.

G. Receivables

Accounts receivable are stated net of an allowance for uncollectible accounts. The County evaluates outstanding receivables based on their age, payment history and availability of collateral. As of December 31, 2020, a provision for taxes receivable was \$2,731,747 and other receivable of \$13,703, respectively.

See independent auditor's report.

COUNTY OF COLUMBIA, NEW YORK  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Major outlay for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add value to the asset or materially extend the asset’s life are not capitalized.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the Government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$ 5,000	N/A	N/A
Buildings and improvements	5,000	Straight-line	15-40
Vehicles and equipment	5,000	Straight-line	5-25
Land improvements	5,000	Straight-line	5-40
Infrastructure	5,000	Straight-line	20-100

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

I. Self-Insurance

The County sponsors and participates in a self-insurance plan for workers’ compensation under Local Law No. 1 and 2 of 1956, pursuant to Article 5 of the Workers’ Compensation Law. The plan is open to any eligible municipality, school district, or public entity within the County. At December 31, 2020, there were 23 participating municipalities, including the County.

The County is responsible for administration of the plan and its reserves. Participant contributions, which are financed on a pay-as-you-go basis, are assessed on an estimated claim basis with excess contributions transferred to the reserve at the end of the fiscal year. Liabilities are recorded when it is probable that a loss has been incurred and the amount of loss can be reasonably estimated. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using expected future investment yield assumptions of 0.22%. The portion of this liability allocable to the County is recorded at its present value of \$11,529,144 in the Government-wide statement of net position which represents the portion to be liquidated with expendable and available financial resources of the County and other plan participants as of December 31, 2020. This liability is offset by assessment receivables from non-County participants of \$2,426,743 at December 31, 2020. Benefits and awards expenditures for the year ended December 31, 2020 were \$1,410,859.

The County has established an administrative only self-insurance medical plan as of January 1, 2015. The County is also a Pharmaceutical Benefit Manager (PBM) for prescribed medications.

See independent auditor’s report.

COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

Under the terms of various union contracts and pursuant to resolutions authorized by the Board of Supervisors, employees are allowed to accrue sick leave at the rate of one day per month (12 days per year). Sick leave credits may be accumulated to a maximum of 220 days or more if approved by the department head. Upon retirement and with 10 years of service, an employee is entitled to convert the cash value of sick days toward future contributions to the group health insurance plan at the rate of \$90 per day for UPSEU and management exempt entitled to benefits, \$115 per day for Sheriff Benevolent Association employees and \$105 per day for Correction Officer's Benevolent Association employees. No cash payments are made for accrued sick time.

Based upon the number of years of service, employees are entitled to vacation which vests on January 1<sup>st</sup> of each year for the following year's employment. A maximum of 15 days of vacation can be carried over for UPSEU and management exempt employees entitled to benefits, 10 days for Sheriff Benevolent Association employees, and 240 hours for Correction Officer's Benevolent Association employees for use in the following year. Upon termination of employment, UPSEU, management exempt entitled to benefits and Sheriff Benevolent Association employees are entitled to a cash payout of all unused vacation time accrued. Correction Officer's Benevolent Association employees can cash out the equivalent of 1 year of service accumulated vacation time.

In addition to accrued vacation and sick time, certain employees are entitled to accumulated comp time. This time can be paid out at any time during the employee's employment or at termination.

K. Other Post-employment Benefits

In addition to providing pension benefits, the County provides health insurance coverage and/or payments for fractional values of unused sick leave for certain retired employees at the time of retirement as discussed in note 2(B)(2).

L. Equity and Fund Balance Classifications

In the Government-wide statements, equity is classified as net position and displayed in three components:

1. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – consists of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – consists of net position without constraints.

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity and Fund Balance Classifications (Continued)

In governmental statements, fund balance is reported in five different classifications; non-spendable, restricted, committed, assigned, and unassigned.

1. Non-spendable consists of amounts that are inherently non-spendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.
2. Restricted consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
3. Committed consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The County Board of Supervisors is the decision-making authority that can, by Board resolution, commit fund balance.
4. Assigned consists of amounts that are subject to purpose constraints that represent an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.
5. Unassigned represents the residual classification for the government's general fund, and could report a surplus or deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The County approved a fund balance policy to maintain an unassigned fund balance in the general fund at fiscal year end of two months of annual general fund appropriations.

When resources are available from multiple classifications, the County spends funds in the following order: restricted, committed, assigned, unassigned.

M. Revenue

Substantially all Governmental Fund revenue is accrued. Property tax receivables expected to be received later than 60 days after year-end are recognized as deferred inflows. In applying GASB Statement No. 33 to grant revenue, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred inflows by the recipient. Subsidies and grants to Proprietary Funds which finance either capital or current operations are reported as non-operating revenue based on GASB Statement No. 33.

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Proprietary Funds Operating and Non-operating Revenues and Expenses

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

O. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, it is the County's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by any applicable legal requirements.

P. Interfund Activity

Interfund activity is generally reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenue and expenditures/expenses. Reimbursements arise when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between Governmental and/or Proprietary Funds are netted as part of the reconciliation to the Government-wide financial statements.

Q. Expenditures in Excess of Budget

Certain individual budgetary expenditures exceeded their budgetary authorizations in the general fund.

R. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

S. Deferred Outflows and Inflows of Resources

In the Statement of Net Position, in addition to assets, the County will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has four items that qualify for reporting in this category. The first item is related to pensions reported in the County-wide Statement on Net Position. This represents the effect of the net change in the County's proportion of the collective net pension asset or liability and difference during the measurement period between the County's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is the County contributions to the pension system subsequent to the measurement date. The third item is related to other post-employment benefits (OPEB) reported in the County-wide Statement on Net Position. This represents the effect of the net change in the County's proportion of the collective net OPEB

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Deferred Outflows and Inflows of Resources (Continued)

asset or liability and difference during the measurement period between the County's contributions and its proportion share of total contributions to the OPEB systems not included in OPEB expense. The fourth item is the County contributions to the OPEB system subsequent to the measurement date.

The County's Statement of Net Position and governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to future periods. The County will not recognize the related revenues until a future event occurs. The County has three types of items that qualify for reporting in this category. The first item occurs because governmental fund property tax revenues are not recognized until available (collected not later than 60 days after the end of the fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, deferred property taxes and grants are reported in the governmental funds balance sheet. The second item is related to pensions reported in the County's Statement of Net Position, and represents the change in the proportion between the County's contributions and proportionate share of contributions. The third item is related to other post-employment benefits (OPEB) reported in the County's Statement of Net Position and represents the change in net OPEB liability that is not immediately recognized in OPEB expense. These changes include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments.

T. Newly Adopted Accounting Standards

During the year ended December 31, 2020, the County adopted the provisions of GASB statement No.84 – "Accounting and Reporting for Fiduciary Funds and Similar Component Units" (GASB 84). This Statement establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 provides that governments should report activities meeting certain criteria in a fiduciary fund in the basic financial statements and present a statement of fiduciary net position and a statement of changes in fiduciary net position.

U. Restatement

During the year ended December 31, 2020, the County implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of GASB Statement No. 84 establishes criteria for identifying fiduciary activities of state and local governments. This Statement also provides for the recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The Fiduciary fund was restated due to the adoption of GASB statement No. 84. The effect of this restatement to the County's fiduciary funds are summarized as follows: Net position ending - December 31, 2019 was \$0. Due to adoption of GASB 84, Net position – December 31, 2019 as restated was \$625,640.

V. Subsequent Events

Management has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued. Additional information regarding subsequent events to year end can be found in Note 7.

See independent auditor's report.

COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES

A. Assets

1. Cash and Investments

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

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. While the County does not have a specific policy for custodial credit risk, State statutes govern the County's investment policies, as discussed previously in these notes.

GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name.

The County's aggregate bank balances of \$25,625,979 (exclusive of component units) are either insured or collateralized with securities held by the pledging financial institution in the County's name.

*Restricted Cash and Cash Equivalents* – Restricted cash of the County consists of unexpended debt proceeds restricted for capital projects in the amount of \$1,709,442. Also, included in restricted cash are General Fund balances subject to externally enforceable legal purpose restrictions, totaling \$233,605 and tax stabilization reserves of \$2,858,889.

2. Property Taxes

County real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes are collected during the period January 1 to December 31. On March 1 interest is accrued on all unpaid taxes in accordance with real property law. Taxes for County purposes apportioned to the area of the County outside the City of Hudson are levied together with taxes for town and special district purposes as a single bill. The towns and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the towns. The collection of County taxes levied on properties within the City of Hudson is enforced by the City; the County receives the full amount of such taxes within the year of levy. Unpaid City school district taxes are turned over to the County for enforcement. Any such taxes remaining unpaid at year end are re-levied as County taxes in the subsequent year. The portion of the receivable (\$5,775,882) that represents taxes re-levied for the city, the village, and school districts and taxes levied for the special assessment district is included in due to other governments.

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

A. Assets (Continued)

2. Property Taxes (Continued)

Another portion of the receivable \$3,060,589 is not considered available under the modified accrual basis of accounting and is included in deferred inflows of resources.

3. Sales Tax

A 4% sales tax is levied in and for the County under the general authority of Article 29 of the Tax Law and specific authority of local law. The County shares this amount with 70% being retained by the County and the remaining 30% distributed to the Towns, Villages, and City of Hudson. The City of Hudson also receives an additional .84% from the County share. This tax is administered and collected by the State Sales Tax Commission in the same manner that relates to State imposed 4% sales and compensating use tax. Net collections, meaning monies collected after deducting expenses of administration and collection and amounts refunded or to be refunded, but inclusive of any applicable penalties and interest, are paid by the State to the County on a monthly basis.

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

A. Assets (Continued)

4. Capital Asset Activity

Capital asset activity for the year ended December 31, 2020 was as follows:

	<u>1/1/2020</u>	<u>Additions</u>	<u>Deletions and adjustments</u>	<u>12/31/2020</u>	<u>Depreciation</u>
<b>Governmental Activities</b>					
Land and land improvements	\$ 595,698	\$ -	\$ -	\$ 595,698	\$ -
Construction in progress	8,645,613	5,185,707	-	13,831,320	-
Buildings	32,281,868	-	-	32,281,868	1,026,127
Machinery and equipment	20,951,592	1,643,904	(453,830)	22,141,666	1,444,443
Infrastructure	<u>51,614,204</u>	<u>6,174,541</u>	<u>-</u>	<u>57,788,745</u>	<u>1,665,531</u>
	114,088,975	13,004,152	(453,830)	126,639,297	<u>\$ 4,136,101</u>
Less Accumulated Depreciation					
Buildings	(13,811,174)	(1,026,127)	-	(14,837,301)	-
Machinery and equipment	(16,072,045)	(1,444,443)	453,830	(17,062,658)	-
Infrastructure	<u>(15,007,310)</u>	<u>(1,665,531)</u>	<u>-</u>	<u>(16,672,841)</u>	-
Total Capital Assets	<u>\$ 69,198,446</u>	<u>\$ 8,868,051</u>	<u>\$ -</u>	<u>\$ 78,066,497</u>	-
<b>Business-type Activities</b>					
<b>Solid Waste Fund</b>					
Land and land improvements	\$ 751,170	\$ -	\$ -	\$ 751,170	\$ -
Construction in progress	347,532	-	-	347,532	-
Buildings	1,208,623	-	-	1,208,623	30,216
Machinery and equipment	<u>1,716,118</u>	<u>193,834</u>	<u>(220,981)</u>	<u>1,688,971</u>	<u>140,481</u>
	4,023,443	193,834	(220,981)	\$ 3,996,296	<u>\$ 170,697</u>
Less Accumulated Depreciation					
Buildings	(953,216)	(30,216)	-	(983,432)	-
Machinery and equipment	<u>(839,465)</u>	<u>(140,481)</u>	<u>220,981</u>	<u>(758,965)</u>	-
Total Capital Assets	<u>\$ 2,230,762</u>	<u>\$ 23,137</u>	<u>\$ -</u>	<u>\$ 2,253,899</u>	-
<b>Sewer Fund</b>					
Construction in progress	\$ 562,181	\$ 74,321	\$ -	\$ 636,502	\$ -
Total Capital Assets	<u>\$ 562,181</u>	<u>\$ 74,321</u>	<u>\$ -</u>	<u>\$ 636,502</u>	<u>\$ -</u>

Construction in progress in the Governmental Fund includes work on a 911 system and new fire training center, estimated to be placed in service in 2021. In the Enterprise Fund construction in progress includes work on a new pole barn at the Greenport transfer station and construction on a sewer project, estimated to be placed in service 2021.

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

A. Assets (Continued)

4. Capital Asset Activity (continued)

Depreciation expense of \$4,306,797 is allocated to specific functions as follows:

	Governmental Activities	Business-type Activities	Total
General Government Support	\$ 903,629	\$ -	\$ 903,629
Education	50,000	-	50,000
Public Safety	585,812	-	585,812
Health	40,649	-	40,649
Transportation	2,379,409	-	2,379,409
Economic Assistance and Opportunity	107,414	-	107,414
Culture and Recreation	21,917	-	21,917
Home and Community	47,271	170,696	217,967
	\$ 4,136,101	\$ 170,696	\$ 4,306,797

B. Liabilities

1. Pension Plans

Employees’ Retirement System (ERS) – The County participates in the New York State and Local Employees’ Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System is a cost-sharing multiple employer deferred benefit pension plan that 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 net assets and record changes in plan 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 provision of the New York State Retirement and Social Security Law (RSSL).

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 County also participates in the Public Employees; Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

1. Pension Plans (Continued)

Employees who joined prior to July 26, 1976 do not have to contribute. Employees who joined after July 27, 1976 contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 and before April 1, 2012 generally contribute 3 percent of their salary for their entire length of service. Those joining on or after April 21, 2012 are required to contribute between 3 and 6 percent, dependent on salary, throughout their working careers. In addition, employee contribution rates 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 Systems fiscal year ending March 31.

In 2020, the County opted to not pay by the prepayment due date of December 15<sup>th</sup> and instead paid on the February 1, 2021 due date. As of the date of this report the contributions for April 2020- March 31, 2021 and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	Solid Waste	Sewer	Governmental Activities	County-Wide
2020	150,486	5,958	5,870,183	6,026,627
2019	119,787	7,214	5,688,735	5,815,736
2018	90,648	6,691	5,553,497	5,650,836

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At December 31, 2020, the County reported the following liability for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The County's proportionate share of the net pension liability was based on a projection 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 ERS in reports provided to the County.

	Solid Waste	Sewer	Governmental Activities	County-Wide
Actuarial valuation date	4/1/2019	4/1/2019	4/1/2019	4/1/2019
Measurement date	3/31/2020	3/31/2020	3/31/2020	3/31/2020
Net pension liability	\$ 1,089,422	\$ 43,132	\$ 42,496,397	\$ 43,628,951
County's allocated portion of the Plan's net pension liability	0.0041140%	0.0001629%	0.1604814%	0.1647583%

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

1. Pension Plans (Continued)

For the year ended December 31, 2020, the County recognized pension expense of \$17,923,360 in the statement of activities for governmental activities for ERS. At December 31, 2020 the County's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			
	Solid Waste	Sewer	Governmental	
			Activities	County-Wide
Difference between expected and actual experience	\$ 64,117	\$ 2,539	\$ 2,501,085	\$ 2,567,741
Change of assumptions	21,936	868	855,676	878,480
Net difference between projected and actual investment earning on pension plan investments	558,491	22,111	21,785,719	22,366,321
Changes in proportion and differences between the County's contribution and proportionate share of contributions	6,737	267	262,794	269,798
	<u>\$ 651,281</u>	<u>\$ 25,785</u>	<u>\$ 25,405,274</u>	<u>\$ 26,082,340</u>

	Deferred Inflows of Resources			
	Solid Waste	Sewer	Governmental	
			Activities	County-Wide
Change of assumptions	\$ 18,941	\$ 750	\$ 738,862	\$ 758,553
Changes in proportion and differences between the County's contribution and proportionate share of contributions	43,977	1,741	1,715,449	1,761,167
	<u>\$ 62,918</u>	<u>\$ 2,491</u>	<u>\$ 2,454,311</u>	<u>\$ 2,519,720</u>

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

1. Pension Plans (Continued)

County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ending December 31,	Governmental			
	Solid Waste	Sewer	Activities	County-Wide
2021	\$ 87,503	\$ 3,464	\$ 3,413,340	\$ 3,504,307
2022	143,961	5,700	5,615,642	5,765,303
2023	197,034	7,801	7,685,940	7,890,775
2024	159,865	6,329	6,236,041	6,402,235
2025	-	-	-	-
Thereafter	-	-	-	-

Actuarial Assumptions – The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. The actuarial valuation used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations as follows:

Investment rate of return (net investment expense, including inflation)	6.8%
Salary increases	4.2%
Cost-of-living adjustments	1.3%
Inflation Rate	2.5%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 system experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP – 2014.

The actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long-term expected 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 return, net of investment expenses 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 the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2019 are summarized in the following table:

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

1. Pension Plans (Continued)

Asset Class:	Long-term expected real rate of return
Domestic Equity	4.05%
International Equity	6.15%
Private Equity	6.75%
Real Estate	4.95%
Absolute Return Strategies	3.25%
Opportunistic Portfolio	4.65%
Real Assets	5.95%
Bonds and Mortgages	0.75%
Cash	0.00%
Inflation-indexed Bonds	0.50%

The real rate of return is net of the long-term inflation assumption of 2.50 percent.

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

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate – The following presents the County’s proportionate share of the current-period discount rate assumption of 6.8%, as well as what the County’s proportionate share of net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.8%) or 1 percentage point higher (7.8%) than the current rate:

	1% Decrease (5.80%)	Current Assumption (6.80%)	1% Increase (7.80%)
Employer's Proportionate Share of the Net Pension (Asset) Liability:			
Solid Waste	\$ 1,999,399	\$ 1,089,422	\$ 251,331
Sewer	79,160	43,132	9,951
Governmental Activities	77,992,888	42,496,397	9,803,980
	\$ 80,071,447	\$ 43,628,951	\$ 10,065,262

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

1. Pension Plans (Continued)

Pension Plan Fiduciary Net Position – The components of the current-year net pension liability of all participating employers as of the respective valuation dates, were as follows:

	(Dollars in thousands)
Valuation Date - 3/31/2020	
Employers' total pension liability	\$ 194,596,261
Fiduciary net position	<u>(168,115,682)</u>
Employers' net pension liability	<u>\$ 26,480,579</u>
Ratio of fiduciary net position to the employers' total pension liability	86.39%

Employer contributions are paid annually based on the System’s fiscal year which ends on March 31<sup>st</sup>. As of December 31, 2020, the County did not recognize deferred outflows of resources for ERS for payments subsequent to the measurement date, since the contribution for the pension year ended March 31, 2021, was made in 2021.

College Portion – The County pays and is billed for the retirement bill for Columbia-Greene Community College. Because they are billed for the retirement, a percentage of the retirement liability is allocated to the college and not reflected in these financial statements.

2. Postemployment Benefits Other Than Pensions

Plan Description – The County provides certain health care benefits for retired employees of the County. The County administers the retirement benefits plan (the Retirement Plan) as a single-employer defined benefit other postemployment benefit plan (OPEB).

In general, the County pays a percent of the premium for medical coverage for the retiree and spouse for the lifetime of the retiree based on the retiree’s years of service at retirement. Substantially all the County’s employees may become eligible for this benefit if they retire with 10 years of credited service to the County.

The Retirement Plan can be amended by action of the County, subject to applicable collective bargaining and employment agreements. The number of employees currently eligible to receive benefits at the January 1, 2019 valuation date, was approximately 1,173. This includes approximately 713 active, 443 retirees and spouses, and 17 spouses of deceased retirees. The Retirement Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no inactive employees entitled to future benefits who are not currently receiving benefits. There are no assets accumulated in a trust to pay benefits.

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

2. Postemployment Benefits Other Than Pensions (Continued)

Actuarial Assumptions and Methods- The total Retirement Plan OPEB liability was based on an actuarial valuation date of January 1, 2019. The County selected the economic, demographic, benefit, and health assumptions. The actuary provided guidance with respect to these assumptions.

Valuation Date	January 1, 2019
Measurement Date	December 31, 2019
Actuarial Cost Method	Entry Age Normal
Discount Rate	2.74%
Payroll Growth	3.00%
Inflation	2.20%
Mortality	Pub-2010 General Employees/Retirees Amount-Weighted Mortality Tables with projection Scale MP-2019.

The discount rate assumption is based on the 20-Bond GO Bond Buyer municipal bond index as of the measurement date December 31, 2019.

*Changes of Assumptions:*

The following changes from the assumptions in the prior measurement date of December 31, 2018 were made:

- a. The discount rate changed from 4.10% to 2.74%. This change increased the liability by approximately \$20.1 million.
- b. Medical trend was updated to reflect current medical provisions and premiums and expected future experience. This change decreased the liability by approximately \$13 million.
- c. The mortality assumption was updated from RP-2006 base healthy mortality with projection scale MP-2018 to the Pub-2010 mortality with projection scale MP-2019. This change increased the liability by approximately \$3.1 million.

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

2. Postemployment Benefits Other Than Pensions (Continued)

Changes in Total OPEB Liability

	Increase (Decrease) Total OPEB Liability		
	Solid Waste	Governmental Activities	County-Wide
Balance as of December 31, 2019	\$ 1,508,239	\$ 88,202,814	\$ 89,711,053
Measured as of December 31, 2018			
Changes for the year:			
Service cost	79,250	4,090,234	4,169,484
Interest on total OPEB liability	65,042	3,735,155	3,800,197
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	248,866	9,992,727	10,241,593
Benefit payments	(42,457)	(2,367,359)	(2,409,816)
Balance as of December 31, 2020	<u>\$ 1,858,940</u>	<u>\$ 103,653,571</u>	<u>\$ 105,512,511</u>
Measured as of December 31, 2019			

Sensitivity of the Liability- The following presents the total OPEB liability of the County, calculated using the discount rate of 2.74%, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.74%) or 1 percentage point higher (3.74 %) than the current rate.

	1% Decrease 1.74%	Discount Rate 2.74%	1% Increase 3.74%
Total OPEB Liability			
Governmental	\$ 122,815,993	\$ 103,653,571	\$ 88,558,972
Solid Waste	2,202,602	1,858,940	1,588,231
	<u>\$ 125,018,595</u>	<u>\$ 105,512,511</u>	<u>\$ 90,147,203</u>

The following presents the total OPEB liability of the County, calculated using the current healthcare cost trend rates as well as what the County’s total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current rate.

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

2. Postemployment Benefits Other Than Pensions (Continued)

	Current Trend		
	1% Decrease	Rate	1% Increase
Total OPEB Liability			
Governmental	\$ 85,500,396	\$ 103,653,571	\$ 127,658,031
Solid Waste	1,533,378	1,858,940	2,289,440
	\$ 87,033,774	\$ 105,512,511	\$ 129,947,471

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

Summary of OPEB Expense:

	January 1, 2020 to December 31, 2020		
	Governmental		
	Solid Waste	Activities	County- Wide
Service cost	\$ 79,250	\$ 4,090,234	\$ 4,169,484
Interest on total OPEB liability	65,042	3,735,155	3,800,197
Effect of plan changes	-	-	-
Recognition of Deferred Inflows/Outflows of Resources			
Recognition of economic/demographic gains or losses	(25,296)	113,198	87,902
Recognition of assumption changes or inputs	16,433	915,858	932,291
OPEB Expense	\$ 135,429	\$ 8,854,445	\$ 8,989,874

As of December 31, 2020, the deferred outflows of resources are as follows:

	Deferred Outflows of Resources		
	Governmental		
	Solid Waste	Activities	County- Wide
Difference between expected and actual experience	\$ 7,929	\$ 442,129	\$ 450,058
Changes in assumptions	198,465	11,066,311	11,264,776
County's contributions subsequent to the December 31, 2019 measurement date	25,320	1,915,791	1,941,111
	\$ 231,714	\$ 13,424,231	\$ 13,655,945

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

2. Postemployment Benefits Other Than Pensions (Continued)

As of December 31, 2020, the deferred inflows of resources are as follows:

	Deferred Inflows of Resources		
	Governmental		
	Solid Waste	Activities	County-Wide
Difference between expected and actual experience	\$ -	\$ -	\$ -
Changes in assumptions	(125,293)	(6,986,277)	(7,111,570)
	\$ (125,293)	\$ (6,986,277)	\$ (7,111,570)

County contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in health benefits as follows:

Year ended December 31:	Governmental		
	Solid Waste	Activities	County-Wide
2021	\$ 17,974	\$ 1,002,219	\$ 1,020,193
2022	17,974	1,002,219	1,020,193
2023	17,974	1,002,219	1,020,193
2024	11,427	637,159	648,586
2025	4,880	272,101	276,981
Thereafter*	10,873	606,246	617,119

\* Additional future deferred inflows and outflows of resources may impact these numbers

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

3. Long-Term Debt

A summary of changes in long-term debt is as follows:

	Balance at January 1, 2020	Increase	Decrease	Balance at December 31, 2020	Current	Long-Term
<b>Governmental Activity</b>						
Serial bonds	\$ 47,770,854	\$ -	\$ (3,107,931)	\$ 44,662,923	\$ 3,164,383	\$ 41,498,540
Bond premiums	1,168,923	-	(103,093)	1,065,830	92,672	973,158
Other postemployment benefits	88,202,814	17,818,117	(2,367,360)	103,653,571	2,055,964	101,597,607
Claims payable	11,574,522	-	(44,988)	11,529,534	-	11,529,534
Compensated absences	3,493,801	10,126,648	(9,531,736)	4,088,713	788,813	3,299,900
Net pension liability (ERS)	11,272,009	31,224,388	-	42,496,397	6,555,162	35,941,235
<b>Total Governmental Long-Term Debt</b>	<b>\$ 163,482,923</b>	<b>\$ 59,169,153</b>	<b>\$(15,155,108)</b>	<b>\$ 207,496,968</b>	<b>\$ 12,656,994</b>	<b>\$ 194,839,974</b>
<b>Business-Type Activity</b>						
Serial Bonds	\$ 991,546	\$ -	\$ (54,469)	\$ 937,077	\$ 55,617	\$ 881,460
Bond premiums	35,096	-	(2,463)	32,633	2,463	30,170
Other postemployment benefits	1,508,239	393,157	(42,456)	1,858,940	25,457	1,833,483
Compensated absences	94,489	264,532	(267,170)	91,851	23,154	68,697
Net pension liability (ERS)	251,648	880,907	-	1,132,555	156,444	976,111
<b>Total Proprietary Fund Long-Term Debt</b>	<b>\$ 2,881,018</b>	<b>\$ 1,538,596</b>	<b>\$ (366,558)</b>	<b>\$ 4,053,056</b>	<b>\$ 263,135</b>	<b>\$ 3,789,921</b>

Interest on governmental fund debt for the year was composed of:

Interest Paid	\$ 1,434,734
Amortization of bond premium	(103,093)
Accrued interest 12/31/2019	(274,919)
Accrued interest 12/31/2020	250,628
<b>Total Expense reported in Statement of Activities</b>	<b>\$ 1,307,350</b>

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

3. Long-Term Debt (Continued)

During 2013, the County deposited \$4,895,000 of proceeds from the sale of refunding bonds to advance refund \$5,464,000 of County serial bonds. The difference is accounted for as a premium which will be amortized over the life on the refunding bonds. The refunding resulted in a book gain of \$569,000 after debt issuance cost of \$45,506. These amounts are recorded as bond premium and will be recognized as reductions to interest expense over the remaining life of the replacement debt.

During 2016, the County deposited \$3,467,417 of proceeds from the sale of refunding bonds to advance refund \$3,425,000 of County serial bonds. The difference is accounted for as a premium which will be amortized over the life of the refunding bonds. The refunding resulted in a book gain of \$73,967 after debt issuance costs of \$66,846. These amounts are recorded as bond premium and will be recognized as reductions to interest expenses over the remaining life of the replacement debt.

During 2019, the County deposited \$16,683,562 of proceeds from the sale of BANs redeemed by issuance of bond for \$15,897,400. The difference is accounted for as a premium which will be amortized over the life of the refunding bonds. The redemption resulted in a book gain of \$948,209 after debt issuance costs of \$10,455. These amounts are recorded as bond premium and will be recognized as reductions to interest expenses over the remaining life of the replacement debt.

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

3. Long-Term Debt (Continued)

Bonds- The County's bonds are comprised of the following:

Description	Date Issued	Original Amount	Interest Rate	Maturity	Balance at 12/31/2020
Governmental Activity					
Serial Bonds					
General Fund	5/13	\$ 4,895,000	2.00%	2025	\$ 1,720,000
General Fund	5/14	9,805,000	2.00-3.75%	2037	7,935,000
Refunding Bonds	3/16	3,440,000	1.50-4.00%	2032	1,665,000
General & Road Funds	2/16	14,050,000	2.00-3.00%	2031	10,775,000
General, Road & Machinery	12/16	8,675,000	3.125-3.625%	2033	7,340,958
General Fund	5/17	1,165,000	2.00%	2024	680,000
General & Road Funds	1/19	1,616,600	2.00-3.00%	2030	1,482,345
General & Road Funds	6/19	8,375,000	2.25%-5.00%	2041	8,140,000
General & Road Funds	11/19	5,094,000	2.125%-5.00%	2039	4,924,620
		<u>57,115,600</u>			<u>44,662,923</u>
Bond Premium	5/13	614,506	N/A	2025	155,264
Bond Premium	5/14	3,465	N/A	2037	2,551
Bond Premium	3/16	73,967	N/A	2032	53,535
Bond Premium	5/17	12,670	N/A	2024	6,058
Bond Premium	1/19	51,024	N/A	2030	41,747
Bond Premium	6/19	521,129	N/A	2041	485,598
Bond Premium	11/19	339,464	N/A	2039	321,077
		<u>58,731,825</u>			<u>45,728,753</u>
Business-Type Activity					
Enterprise	12/16	200,000	3.125-3.625%	2033	169,042
Enterprise	1/19	490,800	2.00-3.00%	2030	457,655
Enterprise	11/19	321,000	2.125%-5.00%	2039	310,380
		<u>1,011,800</u>			<u>937,077</u>
Bond Premium	1/19	15,491	N/A	2030	12,675
Bond Premium	11/19	21,101	N/A	2039	19,958
		<u>1,048,392</u>			<u>969,710</u>
Total		<u>\$ 59,780,217</u>			<u>\$ 46,698,463</u>

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

3. Long-Term Debt (Continued)

The County's future bond debt service requirements are as follows:

	Principal	Interest	Total Debt Service
2021	\$ 3,315,135	\$ 1,375,869	\$ 4,691,004
2022	3,365,135	1,273,475	4,638,610
2023	3,195,135	1,178,453	4,373,588
2024	3,278,115	1,082,878	4,360,993
2025	3,144,299	983,531	4,127,830
2026-2030	15,045,450	3,543,775	18,589,225
2031-2035	9,676,795	1,482,772	11,159,567
2036-2040	5,153,397	397,100	5,550,497
2041	525,000	7,875	532,875
Total	<u>\$ 46,698,462</u>	<u>\$ 11,325,728</u>	<u>\$ 58,024,190</u>

Columbia Tobacco Asset Securitization Corporation (CTASC) – The CTASC bonds are not general obligation debt of the County. Their repayment is entirely dependent on the adequacy of the anticipated future stream of Master Settlement Agreement (MSA) proceeds assigned to CTASC from the County in prior years.

Description	Date Issued	Original Amount	Interest Rate	Maturity	Balance at 12/31/2020
Tobacco settlement bonds - 2000 series	2000	\$ 12,510,000	5.0-6.0%	2005-2042	\$ 6,115,000
Tobacco settlement bonds - 2005 series	2005*	<u>5,644,277</u>	6.0-7.15%	2016-2060	<u>14,525,878</u>
		<u>\$ 18,154,277</u>			<u>\$ 20,640,878</u>

\* Net of bond discount

The balance at December 31, 2020 of \$20,640,878 does not include the unamortized discount of \$61,470.

The CTASC's future debt service requirements, assuming sufficient MSA proceeds to permit payments pursuant to the optional repayment schedule, as has been the case in the last several years, are as follows:

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

3. Long-Term Debt (Continued)

Required Schedule

	Principal		Interest
2021	\$ -	-	\$ 402,431
2022	-	-	402,431
2023	-	-	402,431
2024	-	-	402,431
2025	-	-	402,431
2026-2030	-	-	2,012,157
2031-2035	2,150,000	-	1,691,707
2036-2040	2,695,000	-	879,304
2041-2042	1,270,000	-	85,131
	6,115,000		6,680,454
Series 2005 (see note)	14,525,878	-	-
Payable at December 31, 2020	\$ 20,640,878		\$ 6,680,454

It is mandatory for CTASC to make payments according to the required schedule to meet its obligations to the bond holders; however an optional flexible amortization payment schedule for the 2000 series allows for the bonds to be paid off in the year 2025. This accelerated payment schedule would reduce total interest expense over the remaining life of the bonds and will be utilized by CTASC as funding allows. A principal payment of \$465,000 and interest payment of \$417,544 based upon the accelerated schedule were made during the year ended December 31, 2020. It appears that CTASC will continue to follow the accelerated schedule as long as there are sufficient proceeds to cover the principal and interest; however, there is no official commitment to do so at the present time.

Optional Schedule

	Principal		Interest
2021	\$ 2,505,000	-	\$ 320,797
2022	860,000	-	210,675
2023	910,000	-	152,044
2024	970,000	-	89,769
2025	870,000	-	28,819
	6,115,000		802,104
Series 2005 (see note)	14,525,878	-	-
Payable at December 31, 2020	\$ 20,640,878		\$ 802,104

See independent auditor's report.

COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

B. Liabilities (Continued)

3. Long-Term Debt (Continued)

Bond principal and interest are not payable on the series 2005 until the original TASC Senior Bonds – Series 2000 have been paid in full. The project start date for payment on these bonds is anticipated to commence in 2026 with maturity dates ranging from 2038 to 2060.

4. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of Original Issue	Maturity Date	Interest Rate	Balance on January 1, 2020	New Issues	Redemptions	Balance on December 31, 2020
2020 BAN Roads and Bridges	2020	12/10/2021	1.25%	-	4,135,000	-	4,135,000
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,135,000</u>

Liabilities for bond anticipation notes are accounted for in the Capital Projects fund and Solid Waste fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. Reductions in outstanding BAN obligations when principal payment is made in another fund is reported as BANs redeemed from appropriations. Interest expenditures were recorded in the fund financial statements in the general, non-major and solid waste funds.

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COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

C. Interfund Activity

During the course of normal operations, the County engages in numerous transactions between funds including expenditures for the provision of services, as well as transfers between funds to finance various projects or debt payments.

Individual interfund receivable and payable balances arising from these transactions as of December 31, 2020, were as follows:

Purpose	Interfund Receivables	Interfund Payables	Interfund Transfers In	Interfund Transfers Out
General Fund	\$ 1,058,645	\$ 31,668	\$ -	\$ 10,877
Country Road Fund	187,750	176,998	-	-
Road Machinery Fund	-	-	-	18,941
Capital Projects Fund	176,772	199,693	29,818	-
Other Non-major Funds	-	-	-	-
Internal Service Fund	-	-	-	-
Enterprise Funds	214,468	1,230,276	-	-
Fiduciary Fund	2,535	1,535	-	-
	<u>\$ 1,640,170</u>	<u>\$ 1,640,170</u>	<u>\$ 29,818</u>	<u>\$ 29,818</u>

D. 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.

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

Capital assets, net of accumulated depreciation	\$ 78,066,497
Less related debt:	
Serial bonds issued for capital improvements	(44,662,923)
Bond anticipation notes issued for capital improvements	(4,135,000)
Premium on serial bonds	<u>(1,065,830)</u>
Net investment in capital assets	<u>\$ 28,202,744</u>

See independent auditor’s report.

COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

D. Net Position and Fund Balance (Continued)

- b. Restricted Net Position – The total restricted component of net position \$3,092,494 is restricted for tax stabilization, \$2,858,889, debt service, \$1,709,442, and miscellaneous special reserves, \$233,605.
- c. Unrestricted Net Position (Deficit) – This category represents net position of the County not restricted for any project or purpose.

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

	General Fund	Capital Projects Fund	Non-Major Funds	Total
Restricted for:				
Tax stabilization reserve	\$ 2,858,889	\$ -	\$ -	\$ 2,858,889
Miscellaneous reserve	233,605	-	-	233,605
Total restricted fund balance	\$ 3,092,494	\$ -	\$ -	\$ 3,092,494

- Restricted for tax stabilization reserve – Represents reserves established within the General Fund to finance unanticipated revenue losses or unanticipated expenditures and to lessen or prevent projected increases in excess of 2 ½ percent of the amount of the real property tax levy needed to finance the general fund portion of the annual budget. Use of the tax stabilization reserve is restricted by New York State and any release of funds must be recommended by the chief executive office and resolution adopted by at least two-thirds of vote of the governing board. Additions to the fund may come from budgetary appropriations, unappropriated unreserved fund balance, and such revenues not required by law to be paid into any other fund or account. The fund is not to exceed 10 percent of the general fund portion of the annual budget for the fiscal year for which the appropriation would be made.
- Restricted for miscellaneous reserves – Represents reserves established within the General Fund which will be used to support special purposes.

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.

See independent auditor’s report.

COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

D. Net Position and Fund Balance (Continued)

As of December 31, 2020, the County reported the following fund balance assignments:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>
Assigned for:				
Encumbrances	\$ 342,108	\$ 1,066,977	\$ -	\$ 1,409,085
Capital projects	-	1,709,442	-	1,709,442
Subsequent year's expenditures	-	-	1,000,000	1,000,000
Health care reserve	801,920	-	-	801,920
Federal Salary Share	478,601	-	-	478,601
Other	-	-	1,691,778	1,691,778
Total assigned fund balance	<u>\$ 1,622,629</u>	<u>\$ 2,776,419</u>	<u>\$ 2,691,778</u>	<u>\$ 7,090,826</u>

- Assigned to encumbrances – Represents commitments related to unperformed contracts or purchase orders for goods or services.
- Assigned to subsequent year’s expenditures – Represents available fund balance being appropriated to meet expenditure requirements in the 2021 fiscal year.
- Assigned for health care reserve – Represents reserves established within the General Fund which will be used to pay future health insurance expenditures.
- Assigned for federal salary share – Represents reserves established within the General Fund which will be used to pay future Mental Health services allowable costs.
- Assigned to other use – Represents fund balance within the special revenue funds that is assigned for a specific purpose. The assignments’ purpose relates to each fund’s operations and represent the remaining amounts within funds that are not restricted or committed.

E. Commitments and Contingencies

The County and/or its agencies are named in several lawsuits arising in the ordinary course of the County’s operations. These claims and lawsuits, in the opinion of management, are either adequately covered by insurance or will not result in a material impact on the financial position of the County and, therefore, are not reflected in the accompanying financial statements.

1. Grants

The County participates in a number of Federal and State assisted programs which are subject to periodic program compliance audits by the grantors or their representatives. Accordingly, any noncompliance by the County with the applicable programs could be established at some future date and have a material effect on the financial condition of the County. There were no material questioned or disallowed costs which have been communicated by grantors as a result of audits for the year ended December 31, 2020.

See independent auditor’s report.

COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 2 – DETAILED NOTES (CONTINUED)

E. Commitments and Contingencies (Continued)

2. Self-Insured Health Care

Beginning January 1, 2015, the County implemented a self-insured health care plan, which is partially insured with stop-gap coverage. The County recorded an estimated liability of \$1,158,825 for claims incurred in 2020 paid in 2021.

3. Litigation

The County is a defendant in a number of lawsuits. In the opinion of the County Attorney, after considering all relevant facts, such litigation in the aggregate will not have a material adverse effect on the financial position or results of operations of the County.

NOTE 3 – TRANSACTIONS WITH COMPONENT UNITS

The following schedule presents significant transactions between the primary government and its component units during the year ended December 31, 2020.

<u>Component Unit</u>	<u>Amount</u>	<u>Nature of Transaction</u>
Columbia Economic Development Corp.	\$ 391,000	Operating Support
Columbia County Soil & water	\$ 314,521	Operating Support

The County paid economic support to the CEDC based on contractual obligations between the parties. In addition, the County provided operating support to Columbia-Greene Community College during 2020 (note 5).

NOTE 4 – JOINT VENTURE – COLUMBIA-GREENE COMMUNITY COLLEGE

Columbia County has entered into a joint venture with Greene County in the operation of Columbia-Greene Community College in accordance with the provisions of Article 126 of the Education Law. Columbia-Greene is not a component unit, so it is not included in the financial statements.

Columbia County's share of operating costs for this joint venture totaled \$3,454,977 for the year ended December 31, 2020.

In May of 2018, a resolution was passed by the County Board to commit up to \$5,000,000 to Columbia Greene Community College for capital improvements. In June of 2018 the County issued Bond Anticipation Note B for \$5,350,000 of which \$1,600,000 was for the college to cover this commitment.

As of December 31, 2019, Bond Anticipation Note B for \$5,350,000 was redeemed with the proceeds of long-term Bond, 2019 Series B for \$8,375,000 of which \$4,955,141 is for the college to cover the above commitment.

As of the date of this report, the college has spent \$3,411,338.

NOTE 5 – TAX ABATEMENTS

As of December 31, 2020, the County provides and is subject to tax abatements issued by industrial development agencies (IDAs). IDAs are established under New York State General Municipal law and the Public Authorities Law to foster economic development in specific localities. Tax abatements in Columbia County are issued through the Columbia County Industrial Development Agency (CCIDA), the Hudson IDA, and other local governments.

See independent auditor's report.



COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 5 – TAX ABATEMENTS (CONTINUED)

The IDAs enter into agreements that provide a payment in lieu of taxes (PILOT) to activities that will provide an economic benefit to the locality.

Real property tax exemptions are also available to other entities and are not disclosed here since they do not meet the definition of a tax abatement program in accordance with GASB 77, *Tax Abatement Disclosures*. These exemptions are available to not for profit organizations, veterans, and through other government approved laws and regulations.

The following are the PILOT agreements and the percentage of real property tax that has been abated for the year ended December 31, 2020:

Agreement Purpose	Assessment	Tax Rate	Tax Value	PILOT Received	Amount of Tax Abated
Cross Street	\$ 4,900,000	5.235937	25,656	6,822	\$ 18,834
2990 Realty Corp	1,025,032	6.724298	6,893	7,061	\$ (128)
Valatie Land Dev.	1,200,000	5.614557	6,737	6,737	\$ -
BAC	1,278,000	5.878554	7,513	9,180	\$ (1,667)
Premier	6,500,000	5.709339	37,111	7,564	\$ 29,547

NOTE 6 – RISKS AND UNCERTAINTIES

In December 2019, a novel strain of coronavirus disease (COVID-19) was first reported in Wuhan, China. Less than four months later, on March 11, 2020, the World Health Organization declared COVID-19 a pandemic. On March 16<sup>th</sup>, 2020, the Chairman of the Board of Columbia County declared a Local State of Emergency. On March 21<sup>st</sup>, 2020 through June 14<sup>th</sup>, 2020 all County buildings were closed to the public and non-essential staff were directed to work from home during that time, if capable. A budget work group was formed during this time to monitor the ongoing financial impact of the County and make a plan going forward. The plan included departmental appropriation cuts by 20%, a hiring freeze, and employee furloughs. The County saw a significant decrease in cash flow due to New York State withholding funds, especially in the department of DSS, where there was approximately \$13 million estimated in receivables owed. By implementing these plans by the budget work group, the County was able to maintain jobs, services, and see an increase in fund balance at the end of 2020. However, as of the date of this report, COVID-19 is still a threat with the current increase of cases due to the Delta variants.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 18, 2021, which is the date the financial statements were available to be issued.

The County made the 2020-2021 pension payment by February 1, 2021 in the amount of \$6,026,627.

On March 11, 2021, the federal government signed into law The American Rescue Plan (ARP) that addresses issues related to the ongoing pandemic. The ARP Act also creates new programs to address continuing pandemic-related crisis and fund recovery efforts. It provides significant funding to local governments and school districts in NYS. The County has been allocated \$11,549,602 of which \$5,774,801 was received on May 19, 2021. As of the date of this report, there is still guidance being issued on how and what these funds can be used for. The County has formed a “stimulus discussion” committee that meets weekly to review the continually changing guidance.

See independent auditor’s report.

COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 8 – ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 87 – “Leases.” This Statement requires that government lessees recognize the following: (a) a lease liability and (b) an intangible asset representing the lessee’s right to use the leased asset; and report in its financial statements: (a) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (b) interest expense on the lease liability and (c) note disclosures about the lease. This Statement is effective for fiscal years beginning after June 15, 2021, which is the fiscal year beginning January 1, 2022 for the County. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the County.

GASB Statement No. 91- “*Conduit Debt Obligations*” The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021, which is the fiscal year beginning January 1, 2022 for the County.

GASB Statement No. 94- “Public-Private and Public-Public Partnerships and Availability Payment Arrangements” The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, which is the fiscal year beginning January 1, 2023 for the County.

GASB Statement No. 96- “*Subscription-Based Information Technology Arrangements*” This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, which is the fiscal year beginning January 1, 2023 for the County.

See independent auditor’s report.

COUNTY OF COLUMBIA, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 8 – ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED (Continued)

GASB Statement No. 97- “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84*”

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The statement is effective immediately under certain circumstances which are not applicable to the County. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021, which is the fiscal year beginning January 1, 2022 for the County.

See independent auditor’s report.

REQUIRED SUPPLEMENTAL INFORMATION

COUNTY OF COLUMBIA, NEW YORK  
Statement of Revenue, Expenditures, Encumbrances and Changes in  
Fund Balances - Budget and Actual - General Fund  
Required Supplemental Schedule  
Year Ended December 31, 2020

Revenue	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Real property taxes	\$ 31,135,838	\$ 31,135,838	\$ 30,893,439	\$ (242,399)
Real property tax items	2,084,465	2,084,465	1,649,994	(434,471)
Sales and use taxes	45,372,000	45,372,000	49,199,463	3,827,463
Departmental income	10,034,622	10,265,719	8,008,570	(2,257,149)
Intergovernmental changes	181,750	181,750	1,444,493	1,262,743
Use of money and property	494,200	494,200	349,513	(144,687)
Licenses and permits	10,000	10,000	5,642	(4,358)
Fines and forfeitures	87,000	87,000	57,100	(29,900)
Sale of property and compensation for loss	85,000	85,000	50,140	(34,860)
Miscellaneous local sources	776,950	776,950	593,917	(183,033)
State aid	20,569,870	20,773,748	18,372,951	(2,400,797)
Federal aid	11,784,364	11,990,575	12,084,984	94,409
Total Revenue	<u>122,616,059</u>	<u>123,257,245</u>	<u>122,710,206</u>	<u>(547,039)</u>
Expenditures				
General government support	27,235,189	27,257,008	26,926,315	330,693
Education	4,454,977	4,454,977	4,493,086	(38,109)
Public safety	16,267,079	16,981,721	14,949,024	2,032,697
Health	14,950,049	14,482,757	12,100,198	2,382,559
Transportation	487,012	482,012	518,496	(36,484)
Economic assistance and development	38,461,757	38,059,796	34,858,775	3,201,021
Culture and recreation	2,277,471	2,499,351	2,118,177	381,174
Home and community services	1,560,988	1,314,834	1,290,857	23,977
Employee benefits	16,071,924	16,071,924	19,692,672	(3,620,748)
Debt service - principal and interest	2,750,367	2,750,367	2,952,046	(201,679)
Total Expenditures	<u>124,516,813</u>	<u>124,354,747</u>	<u>119,899,646</u>	<u>4,455,101</u>
Excess (deficiency) of revenue over expenditures	(1,900,754)	(1,097,502)	2,810,560	3,908,062
Appropriated Fund Balance	1,968,004	483,261	-	(483,261)
Prior Year Encumbrances	-	681,491	-	(681,491)
Other uses- interfund transfers	(67,250)	(67,250)	(10,877)	56,373
Revenue over (under) expenditures and other uses	-	-	2,799,683	2,799,683
Fund balances, beginning of year	17,774,138	17,774,138	17,774,138	17,774,138
Fund balances, end of year	<u>\$ 17,774,138</u>	<u>\$ 17,774,138</u>	<u>\$ 20,573,821</u>	<u>\$ 20,573,821</u>

See independent auditor's report.

COUNTY OF COLUMBIA, NEW YORK  
Notes to the Required Supplementary Information  
Year Ended December 31, 2020

1. BUDGETARY INFORMATION

Budgetary Basis of Accounting – See Notes to the Financial Statements, note 1(E) for a description of the County’s budget policies.

*Actual Revenue Under Budgeted* – The County’s General Fund revenues for the year ended December 31, 2020 were under budget as follows:

- State Aid- Due to the Coronavirus Pandemic, the State was withholding funds or cutting State Aid by 20% in many programs.

*Actual Expenditures Under Appropriations* – The County’s General Fund appropriations for the year ended December 31, 2020 were under budget as follows:

- Public Safety – Under the adjusted budget by \$2 million, mostly due to department furloughs and 20% budget cut mandated by the County due to the Coronavirus pandemic.
- Health – Under the adjusted budget by \$2.3 million, mostly due to department furloughs and 20% budget cut mandated by the County due to the Coronavirus pandemic.
- Economic Assistance and Development – Under the adjusted budget by \$3.2 million, mostly due to department furloughs and 20% budget cut mandated by the County due to the Coronavirus pandemic

See independent auditor’s report.

COUNTY OF COLUMBIA, NEW YORK  
Schedule of Changes in Total OPEB Liability and Related Ratios  
Required Supplemental Information  
Year Ended December 31, 2020

in (1000s)

Year Ended December 31

	2020	2019	2018
Total OPEB Liability:			
Service cost	\$ 4,169	\$ 4,649	\$ 3,828
Interest in total OPEB liability	3,800	3,276	3,200
Effect of plan changes	-	1,564	-
Effect of economic/demographic gains or (losses)	-	626	-
Effect of assumption changes or inputs	10,242	(9,890)	4,831
Benefit payments	(2,410)	(2,191)	(1,984)
Net change in total OPEB liability	<u>15,801</u>	<u>(1,966)</u>	<u>9,874</u>
Total OPEB liability, beginning	<u>89,711</u>	<u>91,677</u>	<u>81,802</u>
Total OPEB liability, ending	<u><u>105,512</u></u>	<u><u>89,711</u></u>	<u><u>91,677</u></u>
Covered payroll	N/A	N/A	N/A
Total OPEB liability as a % of covered payroll	N/A	N/A	N/A

See independent auditor's report.

COUNTY OF COLUMBIA, NEW YORK  
Schedule of County's Proportionate Share of Net Pension Liability  
Required Supplemental Information  
Year Ended December 31, 2020

NYSERS Pension Plan

	Year Ended December 31,						
	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Ratio of fiduciary net position to total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	97.20%
<b>Governmental Activities:</b>							
County's proportion of the net pension liability	0.1604814%	0.1590900%	0.1543298%	0.1760672%	0.1827787%	0.1096274%	NA
County's proportionate share of the net pension liability	\$ 42,496,397	\$ 11,272,009	\$ 4,980,907	\$ 16,543,670	\$ 28,915,417	\$ 5,071,485	NA
County's covered payroll	\$ 39,595,138	\$ 40,820,006	\$ 39,719,104	\$ 38,298,377	\$ 39,668,380	\$ 31,862,704	NA
County's proportionate share of net pension liability as a percentage of its covered - employee payroll	107%	27.61%	12.54%	43.20%	72.89%	15.92%	NA
<b>Business-type Activities:</b>							
County's proportion of the net pension liability	0.0042769%	0.0035517%	0.0027050%	0.0030355%	0.1827787%	0.1096274%	NA
County's proportionate share of the net pension liability	\$ 1,132,555	\$ 251,648	\$ 87,303	\$ 285,219	\$ 422,360	\$ 1,115,959	NA
County's covered payroll	\$ 1,133,455	\$ 1,046,447	\$ 983,616	\$ 967,903	\$ 4,664,636	\$ 7,011,252	NA
County's proportionate share of net pension liability as a percentage of its covered - employee payroll	100%	24.05%	8.88%	29.47%	9.05%	15.92%	NA

Note, the amounts presented for each fiscal year were determined as of the March 31 measurement date of the plans. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report.



COUNTY OF COLUMBIA, NEW YORK  
Schedule of County's Employer Share Pension Contributions  
Required Supplemental Information  
Year Ended December 31, 2020

NYSERS Pension Plan							
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 6,026,627	\$ 5,815,736	\$ 5,650,836	\$ 5,743,329	\$ 6,315,736	\$ 6,953,610	\$ 7,858,789
Contributions in relation to the contractually required contribution	-	5,815,736	5,650,836	5,743,329	6,315,736	6,953,610	7,858,789
Contribution deficiency (excess)	<u>\$ 6,026,627</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered employee payroll	<u>\$ 40,728,593</u>	<u>\$ 41,866,453</u>	<u>\$ 40,702,720</u>	<u>\$ 39,266,280</u>	<u>\$ 44,333,016</u>	<u>\$ 38,873,956</u>	<u>\$ 40,547,649</u>
Contributions as a percentage of covered employee payroll	14.8%	13.9%	13.9%	14.6%	14.2%	17.9%	19.4%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report.

SUPPLEMENTAL INFORMATION

COUNTY OF COLUMBIA, NEW YORK  
Balance Sheet - Non-Major Governmental Funds  
Supplemental Information  
December 31, 2020

	Road	Road Machinery	Special Revenue	Special Grant	Total
<b>Assets</b>					
Cash	\$ 3,251,583	\$ 280,066	\$ 106,277	\$ 100	\$ 3,638,026
Accounts receivable	99,732	167,103	100	-	266,935
State and federal receivables	81,854	-	-	-	81,854
Prepaid expenditures	-	-	-	-	-
Due from other funds	187,750	-	-	-	187,750
Total assets	<u>\$ 3,620,919</u>	<u>\$ 447,169</u>	<u>\$ 106,377</u>	<u>\$ 100</u>	<u>\$ 4,174,565</u>
<b>Liabilities</b>					
Accounts payable	\$ 350,421	\$ 260,288	\$ 2,666	\$ -	\$ 613,375
Accrued liabilities	165,498	29,743	-	-	195,241
Due to other funds	176,998	-	-	-	176,998
Due to employees' retirement system	427,610	69,563	-	-	497,173
Total liabilities	<u>1,120,527</u>	<u>359,594</u>	<u>2,666</u>	<u>-</u>	<u>1,482,787</u>
<b>Fund balances (deficit)</b>					
Non-spendable	-	-	-	-	-
Assigned	2,500,392	87,575	103,711	100	2,691,778
Encumbrances	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>2,500,392</u>	<u>87,575</u>	<u>103,711</u>	<u>100</u>	<u>2,691,778</u>
Total liabilities and fund balances	<u>\$ 3,620,919</u>	<u>\$ 447,169</u>	<u>\$ 106,377</u>	<u>\$ 100</u>	<u>\$ 4,174,565</u>

See independent auditor's report.

COUNTY OF COLUMBIA, NEW YORK  
Schedule of Revenue, Expenditures, and Changes in Fund Balances -  
Non-Major Governmental Funds  
Year Ended December 31, 2020

	Road	Road Machinery	Special Revenue	Special Grant	Total
<b>Revenue</b>					
Real Property Taxes	\$ 11,361,341	\$ 990,026	\$ -	\$ -	\$ 12,351,367
Departmental income	43,151	-	-	-	43,151
Use of money and property	104,364	1,504,510	265	-	1,609,139
Sale of property and compensation for loss	-	24,739	-	-	24,739
Interfund revenue	-	379,234	-	-	379,234
Miscellaneous local sources	22,698	13	78,934	-	101,645
State aid	974,972	-	-	-	974,972
Federal aid	-	-	-	-	-
Total revenue	<u>12,506,526</u>	<u>2,898,522</u>	<u>79,199</u>	<u>-</u>	<u>15,484,247</u>
<b>Expenditures</b>					
Transportation	7,002,296	2,123,217	-	-	9,125,513
Health	-	-	-	-	-
Culture and recreation	-	-	28,904	-	28,904
Home and community services	-	-	-	-	-
Employee benefits	2,564,803	447,680	-	-	3,012,483
Debt service	1,541,262	49,357	-	-	1,590,619
Total expenditures	<u>11,108,361</u>	<u>2,620,254</u>	<u>28,904</u>	<u>-</u>	<u>13,757,519</u>
<b>Other financing sources (uses):</b>					
Interfund transfers	(18,941)	-	-	-	(18,941)
Net change in fund balances	1,379,224	278,268	50,295	-	1,707,787
Fund balances (deficit) at the beginning of the year	1,121,168	(190,693)	53,416	100	983,991
Fund balances (deficit) at end of year	<u>\$ 2,500,392</u>	<u>\$ 87,575</u>	<u>\$ 103,711</u>	<u>\$ 100</u>	<u>\$ 2,691,778</u>

See independent auditor's report.

COUNTY OF COLUMBIA, NEW YORK  
Statement of Net Position - Non-Major Proprietary Funds  
December 31, 2020

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
<b>Assets</b>			
Current Assets:			
Cash and equivalents	\$ 154,533	\$ 68,035	\$ 222,568
Accounts receivable, net:	28,518	53,352	81,870
State and federal receivables	-	-	-
Due from other funds	214,468	-	214,468
Total current assets	<u>397,519</u>	<u>121,387</u>	<u>518,906</u>
Noncurrent assets:			
Capital assets:			
Capital assets - not being depreciated	-	636,502	636,502
Total noncurrent assets	-	636,502	636,502
Total assets	<u>397,519</u>	<u>757,889</u>	<u>1,155,408</u>
Deferred outflows of resources - pension - ERS	-	25,785	25,785
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	24,345	32,363	56,708
Accrued liabilities	-	2,867	2,867
Due to other funds	-	762,118	762,118
Due to employees' retirement system	-	4,469	4,469
Total current liabilities	<u>24,345</u>	<u>801,817</u>	<u>826,162</u>
Noncurrent liabilities:			
Net pension liability - ERS	-	43,132	43,132
Total noncurrent liabilities	-	43,132	43,132
Total liabilities	<u>24,345</u>	<u>844,949</u>	<u>869,294</u>
Deferred inflows of resources - pension - ERS	-	2,491	2,491
<b>Net position (deficit):</b>			
Net investment in capital assets	-	636,502	636,502
Unrestricted	373,174	(700,268)	(327,094)
Total net position (deficit)	<u>\$ 373,174</u>	<u>\$ (63,766)</u>	<u>\$ 309,408</u>

See independent auditor's report

COUNTY OF COLUMBIA, NEW YORK  
Statement of Revenue, Expenditures, and Changes in Net Position - Non-Major Proprietary Funds  
Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Operating revenue:			
Charges for services	\$ 99,121	\$ 185,303	\$ 284,424
State grants	-	-	-
Total operating revenue	<u>99,121</u>	<u>185,303</u>	<u>284,424</u>
Operating expenses:			
Personnel services	-	41,210	41,210
Employee benefits	-	19,819	19,819
Home and community service	83,096	81,791	164,887
Total operating expenses	<u>83,096</u>	<u>142,820</u>	<u>225,916</u>
Operating gain/(loss)	<u>16,025</u>	<u>42,483</u>	<u>58,508</u>
Non-operating revenue (expenses):			
Interest income	609	132	741
Total non-operating revenue (expenses)	<u>609</u>	<u>132</u>	<u>741</u>
Change in net position	<u>16,634</u>	<u>42,615</u>	<u>59,249</u>
Net position (deficit) at beginning of year	<u>356,540</u>	<u>(106,381)</u>	<u>250,159</u>
Net position (deficit) at end of year	<u>\$ 373,174</u>	<u>\$ (63,766)</u>	<u>\$ 309,408</u>

See independent auditor's report

## OTHER INFORMATION



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December 13, 2013

Thomas E. Myers  
(212) 506-5212  
tmyers@orrick.com

VIA E-MAIL (RONALD.CAPONERA@COLUMBIACOUNTYNY.COM)

Mt. Ron Caponera  
County Comptroller  
County of Columbia  
401 State St.  
Hudson NY 12534

Re: Columbia Tobacco Asset Securitization Corporation

Dear Ron:

You have asked us to provide advice concerning recourse to the County in connection with bonds issued by the Columbia Tobacco Asset Securitization Corporation (the "TASC") to finance the purchase of the County's right to receive payment under the Master Settlement Agreement and Consent Decree in New York involving various companies that sell tobacco products.

I have attached hereto various documents relating to the initial transaction in which the County sold its right to receive such payments which reflect that, as a true sale, there is no recourse to the County in the event any bonds issued by the TASC should default.

As you can see, the Local Law adopted by the County makes clear that this is a non-recourse transaction. An excerpt from the Indenture relating to the bonds issued by the TASC reflect that it does not create indebtedness for County purposes. The Purchase and Sale Agreement between the TASC and the County also reaffirms this position and, finally, the opinion which we were required to deliver to the underwriter and various rating agencies all reflect that the County is not obligated to make payment on any TASC bonds.

The disclosure document used by the TASC to issue these bonds is available on various websites, including EMMA. As you can see, the investors charged a higher interest rate when purchasing these bonds since they were well aware that there is no recourse to the County for payment and that the sole source of payment for such bonds was the receipt of settlement payments and any other revenues available under the Indenture, including a debt service reserve fund.

Very truly yours,

*Tom*

Thomas E. Myers

/es

cc: Mr. Patrick Grattan (grattl@fairpoint.net)



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

**Independent Auditor's Report**

Members of the Board of Supervisors  
County of Columbia, New York

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

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

As discussed in note 1 to the schedule of expenditures of federal awards, the County's basic financial statements include the operations of certain entities whose federal awards are not included in the schedule of expenditures of federal awards for the year ended December 31, 2020. Our compliance audit described below, did not include the operations and federal awards, if any, of the entities identified in note 1 because separate compliance audits were performed in accordance with the Uniform Guidance where applicable.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

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

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

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

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

### ***Report on Internal Control over Compliance***

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-002, that we consider to be a significant deficiency.

Management's response to the internal control over compliance finding identified in our audit is described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*UHY LLP*

Hudson, New York  
January 31, 2022

**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**

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Supervisors  
County of Columbia, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Columbia, New York (the County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 18, 2021.

***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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those

provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***The County's Response to Findings***

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***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.

The logo for UHY LLP, featuring the letters 'UHY' in a large, stylized, handwritten font, with 'LLP' in a smaller, simpler font to the right.

Hudson, New York  
October 18, 2021

**COUNTY OF COLUMBIA, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended December 31, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing / CFDA Number	Pass-through Grantor's Numbers	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture - passed through NYS - SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	\$ 1,295,915	\$ -
Total SNAP Cluster			<u>1,295,915</u>	<u>-</u>
U.S. Department of Justice - Law Enforcement Assistance Narcotics and Dangerous Drugs Training	16.004	N/A	<u>29,209</u>	<u>-</u>
U.S. Department of Transportation				
Airport Improvement Program	20.106	N/A	1,809,509	-
Airport Improvement Program- CARES Act	20.106	N/A	47,941	-
Total Airport Improvement Program			<u>1,857,450</u>	<u>-</u>
Passed through NYS:				
Highway Planning and Construction	20.205	PIN8760.99	112,097	-
Highway Planning and Construction	20.205	PIN8761.43	23,285	-
Highway Planning and Construction	20.205	PIN8762.11	142,329	-
Total Highway Planning and Construction			<u>277,711</u>	<u>-</u>
Formula Grants for Rural Areas and Tribal Transit Program	20.509	PIN8796.14.301	50,000	-
Total Passed through NYS			<u>327,711</u>	<u>-</u>
Total U.S. Department of Transportation			<u>2,185,161</u>	<u>-</u>
U.S. Department of Education - passed through NYS				
Department of Health				
Special Education - Grants for Infants and Families	84.181	C-31626GG	<u>22,373</u>	<u>-</u>
U.S. Election Assistance Commission - passed through NYS				
Board of Elections				
Help America Vote Act Requirements Payments- CARES Act	90.401	C004179	75,103	-
Help America Vote Act Requirements Payments	90.401	C004179	11,420	-
			<u>86,523</u>	<u>-</u>
U.S. Department of Health and Human Services:				
Passed through New York State Office for the Aging:				
Special Programs for the Aging, Title III, Part D,				
Disease Prevention and Health Promotion Services	93.043	N/A	<u>12,682</u>	<u>-</u>
Aging Cluster:				
Special Programs for the Aging, Title III, Part B,				
Grants for Supportive Services and Senior Centers	93.044	N/A	66,431	-
Grants for Supportive Services and Senior Centers- CARES Act	93.044	N/A	37,958	-
Special Programs for Aging, Title III, Part C,				
Nutrition Services	93.045	N/A	107,296	-
Nutrition Services- CARES Act & FECRA	93.045	N/A	134,124	-
Nutrition Services Incentive Program	93.053	N/A	44,113	-
Total Aging Cluster			<u>389,922</u>	<u>-</u>
National Family Caregiver Support, Title III, Part E	93.052	N/A	62,421	-
National Family Caregiver Support, Title III, Part E- CARES Act	93.052	N/A	21,112	-
Total National Family Caregiver Support, Title III, Part E			<u>83,533</u>	<u>-</u>
Medicare Enrollment Assistance Program	93.071	N/A	<u>6,824</u>	<u>-</u>
Centers for Medicare and Medicaid Services (CMS)				
Research, Demonstrations, and Evaluations	93.779	N/A	33,999	-
Total Office for the Aging			<u>526,960</u>	<u>-</u>

See notes to the schedule of expenditures of federal awards.

**COUNTY OF COLUMBIA, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
For the year ended December 31, 2020**

Passed through New York State Office of Temporary and Disability Assistance (OTDA):					
Guardianship Assistance	93.090	N/A	21,257	-	
Temporary Assistance for Needy Families	93.558	N/A	4,144,240	-	
MaryLee Allen Promoting Safe and Stable Families Program	93.556	N/A	34,843	-	
Low-Income Home Energy Assistance	93.568	N/A	2,766,803	100,318	
Child Support Enforcement	93.563	N/A	510,631	-	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	81,042	-	
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	44,506	-	
Foster Care Title IV-E	93.658	N/A	822,321	-	
Adoption Assistance	93.659	N/A	591,232	-	
Social Services Block Grant	93.667	N/A	1,242,338	-	
Child Abuse and Neglect State Grants	93.669	N/A	5,263	-	
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	N/A	36,125	-	
Children's Health Insurance Program	93.767	N/A	46,616	-	
Medical Assistance Program	93.778	N/A	808,405	-	
Total Passed through OTDA			<u>11,155,622</u>	<u>100,318</u>	
Passed through Health Research, Inc.:					
Public Health Emergency Preparedness	93.069	HRI-1594-10	63,005	-	
Injury Prevention and Control Research and State and Community Based Programs	93.136	HRI-6155-02	41,639	-	
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	HRI-6423-01	17,397	-	
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response - COVID-19 Response	93.354	HRI-6312-01	96,347	-	
Total Passed through Health Research, Inc.			<u>218,388</u>	<u>-</u>	
Passed through New York State Department of Health:					
Immunization Cooperative Agreements	93.268	C-32510GG	13,094	-	
Medical Assistance Program	93.778	N/A	838,186	-	
Preventive Health and Health Services Block Grant	93.991	C-03511	56,666	-	
Preventive Health and Health Services Block Grant- COVID-19	93.991	C-03511	17,397	-	
Total Preventive Health and Health Services Block Grant			<u>74,063</u>	<u>-</u>	
Maternal and Child Health Services Block Grant to the States	93.994	C32655	8,898	-	
Maternal and Child Health Services Block Grant to the States	93.994	C-30886GG	8,490	-	
Maternal and Child Health Services Block Grant to the States	93.994	C-34886GG	78,848	-	
Total Maternal and Child Health Services Block Grant to the States			<u>96,236</u>	<u>-</u>	
Total Passed through New York State Dept of Health			<u>1,021,579</u>	<u>-</u>	
Passed through United Healthcare:					
Provider Relief Fund	93.498	N/A	25,773	-	
Total U.S. Department of Health and Human Services			<u>12,948,322</u>	<u>100,318</u>	

*See notes to the schedule of expenditures of federal awards.*

**COUNTY OF COLUMBIA, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
For the year ended December 31, 2020**

U.S. Department of Homeland Security (DHS)) - passed through  
New York State:

Emergency Management Performance Grants	97.042	T969904/T837485	20,544	-
Emergency Management Performance Grants- COVID-19	97.042		8,533	-
Homeland Security Grant Program	97.067	T837496/T8374 79/T837489/C1 98487/C969970 /C969980/C969 990	257,942	-
Total U.S. Department of Homeland Security			<u>287,019</u>	<u>-</u>
Total expenditures of federal awards			<u>\$ 16,854,522</u>	<u>\$ 100,318</u>

**COUNTY OF COLUMBIA, NEW YORK**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**December 31, 2020**

(1) Basis of Presentation

(a) Reporting Entity

The accompanying schedule of expenditures of federal awards presents the activity of Federal financial assistance programs administered by the County of Columbia, New York (the County), an entity as defined in the basic financial statements, except that it does not include the federal financial assistance programs of its component units.

(b) Pass-Through Programs

Where the County receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Federal Assistance Listing (FAL) (formerly Catalogue of Federal Domestic Assistance or "CFDA" number) advised by the pass-through grantor.

Identifying numbers, other than federal assistance listings, which may be assigned by pass-through grantors are not maintained in the County's financial management system. The County has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards.

(c) Nonmonetary Federal Programs

New York State makes payment of benefits directly to vendors, primarily utility companies, on behalf of eligible persons participating in the Low-Income Home Energy Assistance Program (FAL Number 93.568). Included in the amount presented on the schedule of expenditures of federal awards is \$2,403,063 in direct payments by New York State.

(2) Basis of Accounting

The schedule of expenditures of federal awards is reported on the modified accrual basis of accounting and the amounts presented are derived from the County's general ledger. For programs with funding ceilings and caps, federal expenditures are only recorded and presented in the schedule of expenditures of federal awards up to such amounts.

(3) Indirect Costs

Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented. Costs passed through the New York State Office of Temporary and Disability Assistance are claimed using a Cost Allocation Plan. The County has not elected to use the 10 percent de-minimis indirect cost rate allowed under the Uniform Guidance.

(4) Matching Costs

Matching Costs, i.e., the County's share of certain program costs are not included in the schedule of expenditures of federal awards.



**COUNTY OF COLUMBIA, NEW YORK**  
**Schedule of Findings and Responses**  
**December 31, 2020**

Part I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

Type of auditor's report issued:

Modified for governmental activities and discretely presented component units. Unmodified on business-type activities, general fund, capital project fund, solid waste fund, and the aggregate remaining fund information.

*Internal control over financial reporting:*

- |   |       |     |       |       |               |
|---|-------|-----|-------|-------|---------------|
| 1. Material weakness(es) identified?  | _____ | Yes | _____ | X     | No            |
| 2. Significant deficiency(ies) identified not considered to be material weakness(es)? | _____ | X   | Yes   | _____ | None reported |
| 3. Noncompliance material to financial statements noted?                              | _____ | Yes | _____ | X     | No            |

Federal Awards:

*Internal control over major programs:*

- |   |       |     |       |       |               |
|---|-------|-----|-------|-------|---------------|
| 4. Material weakness(es) identified?  | _____ | Yes | _____ | X     | No            |
| 5. Significant deficiency(ies) identified not considered to be material weakness(es)? | _____ | X   | Yes   | _____ | None reported |

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

Unmodified

- |  |       |     |       |   |    |
|--|-------|-----|-------|---|----|
| 6. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (section .510(a)? | _____ | Yes | _____ | X | No |
| 7. The County's major programs audited were:   |       |     |       |   |    |

Name of Federal Programs

Federal Assistance Listing

State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561
Temporary Assistance for Needy Families	93.558
Medical Assistance Program	93.778
Highway Planning and Construction	20.205

8. Dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
---	-----------

- |   |       |     |       |   |    |
|---|-------|-----|-------|---|----|
| 9. Auditee qualified as low-risk auditee? | _____ | Yes | _____ | X | No |
|---|-------|-----|-------|---|----|

**COUNTY OF COLUMBIA, NEW YORK**  
**Schedule of Findings and Responses**  
**December 31, 2020**

Part II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GENERALLY ACCEPTED AUDITING STANDARDS*

Finding 2020-001

Criteria – The County receives grants from federal and state contracts for some construction programs. Revenue is recognized when the corresponding requirements for recognition are met.

Condition – The County's controls were not sufficient to oversee the year end reconciliation of state and federal receivables with corresponding expenses to be reimbursed.

Cause – The year-end closing procedure in place was not sufficient to ensure that all state and federal receivable balances were properly recorded.

Effect – A year-end audit adjustment to state and federal receivables was necessary.

Recommendation – We recommend the County review its closing procedures at year-end for state and federal receivables.

Response – The Central Business Office will ensure that state and federal receivables are specifically reviewed at year end to ensure timing differences and any potential over-accrual of revenue is accounted for.

Responsible Official – PJ Keeler, Treasurer

Part III – FINDINGS RELATED TO THE FEDERAL AWARDS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH *UNIFORM GUIDANCE* (SECTION .510(A))

Finding 2020-002

Criteria – The County reviews and approves all applications for assistance from programs administered by the Columbia County Department of Social Services.

Condition – The documentation supporting the controls for one of the forty sample selections was not properly approved to document the approval process of applications for assistance in the Temporary Assistance for Needy Families (TANF) program.

Cause – The required approval of one of the forty sample selections was not documented by the supervisor.

Effect – The County could process ineligible expenditures without an effective documented approval process.

Recommendation – We recommend the County review and enhance its approval procedures for assistance to properly document the required supervisor approval.

Response – The Columbia County Department of Social Services will review its processes to ensure all service authorization forms are properly completed before the commencement of services.

Responsible Official – Robert Gibson, Commissioner

**COUNTY OF COLUMBIA, NEW YORK**  
**Status of Prior Year Audit Findings**  
**December 31, 2020**

Part IV – STATUS OF PRIOR YEAR FINDINGS

There are no prior year findings.



OFFICE OF

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PAUL J. KEELER, JR.  
County Treasurer

MICHELE M. FUCHS  
Deputy County Treasurer

## **CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2020**

January 28, 2022

### **Finding 2020-001**

Planned Corrective Action: The Central Business Office will ensure that state and federal receivables are specifically reviewed at year end to ensure timing differences and any potential over-accrual of revenue is accounted for.

Planned Implementation Date of Corrective Action: February 28, 2022

Name of Contact Person: PJ Keeler, Treasurer

### **Finding 2020-002**

Planned Corrective Action: The Columbia County Department of Social Services will review its processes to ensure all service authorization forms are properly completed before the commencement of services.

Planned Implementation Date of Corrective Action: February 28, 2022

Name of Contact Person: Robert Gibson, Commissioner