

**COUNTY OF CHAUTAUQUA**  
**NEW YORK**

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



**COUNTY OF CHAUTAUQUA, NEW YORK**  
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**Year Ended December 31, 2023**

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### INDEPENDENT AUDITORS' REPORT

Honorable County Executive and Members of the County Legislature  
County of Chautauqua, New York

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

##### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Chautauqua, New York (the "County") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Chautauqua County Industrial Development Agency ("CCIDA"), which is shown as a discretely presented component unit. We also did not audit the financial statements of the Chautauqua Tobacco Asset Securitization Corporation ("CTASC"), which represents 1.7% and 0.8%, respectively, of the assets and revenues of governmental activities. We also did not audit the financial statements of the Chautauqua County Land Bank Corporation ("CCLBC"), which represents 1.2% and 4.1%, respectively, of the assets and operating revenues of the business-type activities. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the CCIDA, CTASC, and CCLBC, is based solely on the reports of the other auditors.

##### *Basis for Opinions*

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

##### *Emphasis of Matter*

As discussed in Note 2 to the financial statements, during the year ended December 31, 2023, the County implemented Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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

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

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

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

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

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

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

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



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

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

### ***Supplementary Information***

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

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

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

In accordance with *Governmental Auditing Standards*, we have also issued our report dated August 12, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Drescher + Malecki LLP*

August 12, 2024



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

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As management of the County of Chautauqua (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's financial statements and notes to the financial statements, which follow this narrative. For comparative purposes, certain data from the prior year has been reclassified to conform with the current year presentation.

**Financial Highlights**

- The assets and deferred outflows of resources of the County's primary government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$185,049,254 (*net position*). This consists of \$191,756,711 net investment in capital assets, \$13,878,571 restricted for specific purposes, and unrestricted net position of \$(20,586,028).
- The County's total primary government net position increased by \$19,443,424 during the year ended December 31, 2023. Governmental and business-type activities increased the County's net position by \$11,162,294 and \$8,281,130, respectively.
- As of the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$77,787,139, an increase of \$1,494,188 in comparison with the prior year's combined ending fund balance of \$76,292,951. Approximately 60.2 percent, \$46,841,632 of the combined fund balances is unassigned.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$46,841,632, or 16.4 percent of total General Fund expenditures and transfers out. This total amount is *available for spending* at the County's discretion and constitutes approximately 72.3 percent of the General Fund's total fund balance of \$64,818,897 at December 31, 2023.
- The County's primary government serial bonds and EFC notes payable decreased by \$1,652,580 as a result of a serial bond and EFC principal payments of \$5,877,624 and \$251,590, respectively, offset by EFC notes issuances of \$4,476,634.

**Overview of the Financial Statements**

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

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

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

or deteriorating. Nonfinancial factors, such as changes in the County's property tax base and the condition of the County's roads, should also be considered to assess the overall health of the County.

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

Both of the government-wide financial statements distinguish functions of the County that are primarily supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government support, education, public safety, health, transportation, economic assistance and opportunity, culture and recreation, and home and community services. The business-type activities of the County include three Sewer Districts, two Water Districts, the Chautauqua County Landfill, the Electric Plant, and the Chautauqua County Land Bank Corporation, a blended component unit.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also the Chautauqua County Industrial Development Agency, a local development agency for which the County is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

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

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

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

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

The County maintains five individual governmental funds. Additionally, the County reports the activities of its blended component unit, the Chautauqua County Tobacco Asset Securitization Corporation ("CTASC") within the Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund

balances for the General Fund, County Road Fund, Road Machinery Fund, Debt Service Fund, and Capital Projects Fund, which are considered to be major funds.

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

**Proprietary funds**—The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the three Sewer Districts (“Sewer”), two Water Districts (“Water”), the Chautauqua County Landfill (“Landfill”), the Electric Plant and the Chautauqua County Land Bank Corporation (the “Land Bank”). *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County’s various functions. The County uses internal service funds to account for the management of health insurance and workers’ compensation. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer, the Water, the Landfill, the Electric Plant, and the Land Bank all of which are considered to be major funds of the County. Conversely, the internal service funds are combined into aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the Supplementary Information section of this report.

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

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

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

**Notes to the financial statements**—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-66 of this report.

**Other information**—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County’s net pension liability, progress in funding its obligation to provide postemployment benefits to its employees, and the County’s budgetary comparison schedules for the General Fund, County Road Fund, and Road Machinery Fund. Required Supplementary Information and related notes to the required supplementary information can be found on pages 67-73 of this report.

The combining statements referred to earlier in connection with the Internal Service Funds are presented immediately following the required supplementary information on pages 74-76.

Federal Awards Information can be found on pages 77-90 of this report.

## Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the County's primary government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$185,049,254, at the close of the most recent fiscal year, as compared to \$165,605,830 (as restated) at the close of the fiscal year ended December 31, 2022.

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

	Governmental activities		Business-type activities		Total	
	December 31,		December 31,		December 31,	
	2023	2022 (as restated)	2023	2022	2023	2022 (as restated)
<b>Assets:</b>						
Current assets	\$ 164,304,994	\$ 170,754,909	\$ 41,473,508	\$ 35,851,591	\$ 205,778,502	\$ 206,606,500
Noncurrent assets	216,345,142	229,157,200	84,512,003	80,883,977	300,857,145	310,041,177
Total assets	<u>380,650,136</u>	<u>399,912,109</u>	<u>125,985,511</u>	<u>116,735,568</u>	<u>506,635,647</u>	<u>516,647,677</u>
Deferred outflows of resources	<u>48,907,304</u>	<u>50,870,454</u>	<u>2,788,380</u>	<u>3,142,104</u>	<u>51,695,684</u>	<u>54,012,558</u>
<b>Liabilities:</b>						
Current liabilities	53,142,144	62,213,780	2,130,713	1,898,533	55,272,857	64,112,313
Noncurrent liabilities	181,253,015	134,528,871	72,355,576	68,426,774	253,608,591	202,955,645
Total liabilities	<u>234,395,159</u>	<u>196,742,651</u>	<u>74,486,289</u>	<u>70,325,307</u>	<u>308,881,448</u>	<u>267,067,958</u>
Deferred inflows of resources	<u>56,427,428</u>	<u>126,467,353</u>	<u>7,973,201</u>	<u>11,519,094</u>	<u>64,400,629</u>	<u>137,986,447</u>
<b>Net position:</b>						
Net investment in capital assets	148,720,977	130,696,955	43,035,734	39,576,472	191,756,711	170,273,427
Restricted	13,878,571	13,613,565	-	-	13,878,571	13,613,565
Unrestricted	(23,864,695)	(16,737,961)	3,278,667	(1,543,201)	(20,586,028)	(18,281,162)
Total net position	<u>\$ 138,734,853</u>	<u>\$ 127,572,559</u>	<u>\$ 46,314,401</u>	<u>\$ 38,033,271</u>	<u>\$ 185,049,254</u>	<u>\$ 165,605,830</u>

The largest portion of the County's primary government net position, \$191,756,711, reflects its investment in capital assets, (e.g., land, infrastructure, buildings and building improvements, machinery and equipment, vehicles, landfill and water treatment facilities), net of accumulated depreciation/amortization, and less any debt used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's primary government net position, \$14,065,845, represents resources that are subject to external restrictions on how they may be used imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining portion of the County's net position, \$(20,773,302), is considered to be unrestricted. This deficit does not mean that the County does not have resources available to meet its obligations in the ensuing year. Rather, it reflects liabilities not related to the County's capital assets and are not expected to be repaid from current resources. These long-term liabilities including net pension liability and other postemployment benefits ("OPEB") obligation, are funded annually within the funds.

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

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

	Governmental activities		Business-type activities		Total	
	Year ended December 31,		Year ended December 31,		Year ended December 31,	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues	\$ 135,551,565	\$ 123,645,413	\$ 20,891,316	\$ 16,167,306	\$ 156,442,881	\$ 139,812,719
General revenues	<u>177,150,847</u>	<u>166,147,223</u>	<u>2,426,524</u>	<u>(856,235)</u>	<u>179,577,371</u>	<u>165,290,988</u>
Total revenues	<u>312,702,412</u>	<u>289,792,636</u>	<u>23,317,840</u>	<u>15,311,071</u>	<u>336,020,252</u>	<u>305,103,707</u>
Total expenses	<u>300,265,601</u>	<u>257,903,775</u>	<u>16,311,227</u>	<u>16,560,649</u>	<u>316,576,828</u>	<u>274,464,424</u>
Transfers	<u>(1,274,517)</u>	<u>(278,600)</u>	<u>1,274,517</u>	<u>278,600</u>	<u>-</u>	<u>-</u>
Change in net position	11,162,294	31,610,261	8,281,130	(970,978)	19,443,424	30,639,283
Net position—beginning	127,572,559	95,965,793	38,033,271	39,004,249	165,605,830	134,970,042
Restatement	<u>-</u>	<u>(3,495)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,495)</u>
Net position—ending	<u>\$ 138,734,853</u>	<u>\$ 127,572,559</u>	<u>\$ 46,314,401</u>	<u>\$ 38,033,271</u>	<u>\$ 185,049,254</u>	<u>\$ 165,605,830</u>

**Governmental activities**—Governmental activities increased the County’s primary government net position by \$11,267,294. A summary of revenues for governmental activities for the years ended December 31, 2023 and 2022 is presented below.

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

	Year ended December 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent
Charges for services	\$ 27,995,571	\$ 25,375,171	\$ 2,620,400	10.3
Operating grants and contributions	93,020,163	83,377,383	9,642,780	11.6
Capital grants and contributions	14,535,831	14,892,859	(357,028)	(2.4)
Real property taxes	69,619,718	67,165,430	2,454,288	3.7
Real property tax items	2,956,847	4,617,181	(1,660,334)	(36.0)
Non property tax items	97,496,136	93,709,301	3,786,835	4.0
Use of money and property	3,126,527	(3,433,427)	6,559,954	(191.1)
Sale of property and compensation for loss	1,283,515	1,783,343	(499,828)	(28.0)
Miscellaneous	<u>2,668,104</u>	<u>2,305,395</u>	<u>362,709</u>	<u>15.7</u>
Total revenues	<u>\$ 312,702,412</u>	<u>\$ 289,792,636</u>	<u>\$ 22,909,776</u>	<u>7.9</u>

For the year ended December 31, 2023, the most significant source of revenues for governmental activities is non property tax items, which account for \$97,496,136, or 31.2 percent of total revenues. The other significant sources of revenue include operating grants and contributions, which comprise \$93,020,163, or 29.7 percent of total revenues and real property taxes, which comprise \$69,619,718, or 22.3 percent of total revenues. Comparatively, for the year ended December 31, 2022, the most significant source of revenues for governmental activities is non property tax items, which account for \$93,709,301, or 32.3 percent of

total revenues. The other significant sources of revenue include operating grants and contributions, which comprise \$83,377,383, or 28.8 percent of total revenues and real property taxes, which comprise \$67,165,430, or 23.2 percent of total revenues.

During the year ended December 31, 2023, total revenues increased by 7.9 percent, mainly due to increased operating grants and contributions as a result of various increased state and federal grants as well as increased use of money and property as a result of increases in the fair value of investments.

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

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

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent (%)
General government support	\$ 68,276,788	\$ 61,068,552	\$ 7,208,236	11.8
Education	13,892,553	12,282,014	1,610,539	13.1
Public safety	38,534,240	33,039,799	5,494,441	16.6
Health	30,224,562	24,348,806	5,875,756	24.1
Transportation	45,191,026	38,355,166	6,835,860	17.8
Economic assistance and opportunity	97,603,992	83,421,609	14,182,383	17.0
Culture and recreation	511,747	523,546	(11,799)	(2.3)
Home and community services	3,103,349	1,721,677	1,381,672	80.3
Interest and fiscal charges	2,927,344	3,142,606	(215,262)	(6.8)
Total program expenses	<u>\$ 300,265,601</u>	<u>\$ 257,903,775</u>	<u>\$ 42,361,826</u>	16.4

At December 31, 2023, the County’s most significant expense category for governmental activities is economic assistance and opportunity (primarily composed of social service costs) of \$97,603,992, or 32.5 percent of program expenses. The other significant expenses include general government support of \$68,276,788, or 22.7 percent of total expenses, transportation of \$45,191,026, or 15.1 percent of total expenses and public safety of \$38,534,240, or 12.8 percent of total expenses. For the year ended December 31, 2022, the County’s most significant expense category for governmental activities is economic assistance and opportunity (primarily composed of social service costs) of \$83,421,609, or 32.3 percent of program expenses. The other significant expenses include general government support of \$61,068,552, or 23.7 percent of total expenses, transportation of \$38,355,166, or 14.9 percent of total expenses and public safety of \$33,039,799, or 12.8 percent of total expenses.

During the year ended December 31, 2023, total expenses increased by 16.4 percent. This is primarily the result of increased economic assistance and opportunities as a result of increased use of state and federally funded social services programs as well as increased general government support as a result of increased salaries and employee benefits.

**Business type activities**—Business-type activities increased the County’s net position by \$8,281,130. For the year ended December 31, 2023, operating revenues increased 3.2 percent, while operating expenses decreased 1.2 percent from the year ended December 31, 2022.



A summary of operating revenues and operating expenses for the County’s business-type activities for the years ended December 31, 2023 and 2022 is presented below:

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

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent (%)
Operating revenues:				
Charges for services	\$ 15,723,431	\$ 15,371,370	\$ 352,061	2.3
Total operating revenues	<u>\$ 15,723,431</u>	<u>\$ 15,371,370</u>	<u>\$ 352,061</u>	2.3
Operating expenses:				
Personal services	\$ 3,514,244	\$ 3,954,513	\$ (440,269)	(11.1)
Contractual services	5,364,307	5,823,202	(458,895)	(7.9)
Fringe benefits	2,100,758	1,526,773	573,985	37.6
Depreciation	4,465,628	4,332,072	133,556	3.1
Landfill closure expense	<u>347,530</u>	<u>346,430</u>	<u>1,100</u>	0.3
Total operating expenses	<u>\$ 15,792,467</u>	<u>\$ 15,982,990</u>	<u>\$ (190,523)</u>	(1.2)

As detailed above, the County’s business-type activities’ operating revenues for the year ended December 31, 2022 increased 2.3 percent, primarily as a result of increased fees collected by the Sewer and Water districts.

Additionally, the most significant operating expense items for the year ended December 31, 2023 were contractual services expense of \$5,364,307, or 34.0 percent of operating expenses, depreciation expense of \$4,465,628, or 28.3 percent of operating expenses, and personal services expenses of \$3,514,244, or 22.3 percent of operating expenses. Similarly, for the year ended December 31, 2022, the most significant expense items were contractual services expense of \$5,823,202, or 36.4 percent of operating expenses, depreciation expense of \$4,332,072, or 27.1 percent of operating expenses, and personal services expenses of \$3,954,513, or 24.7 percent of operating expenses.

### Financial Analysis of Governmental Funds

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

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

At December 31, 2023, the County’s governmental funds reported combined ending fund balances of \$77,787,139, an increase of \$1,494,188 in comparison with the prior year. Approximately 60.2% of this amount, \$46,841,632, constitutes *unassigned fund balance*, which is available for spending at the County’s discretion. The remainder of fund balance is either *nonspendable*, *restricted* or *assigned* to indicate that it is: (1) not in spendable form, \$5,768,824, (2) restricted for particular purposes, \$13,878,571, (3) assigned for particular purposes, \$11,298,112.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$46,841,632, while the total fund balance was \$64,818,897. The General Fund fund balance increased \$2,530,175 from the prior year primarily as the result of budgetary savings in health and general government support as well as greater than anticipated sales tax collections. As a measure of the General Fund’s liquidity, it may be useful to compare both *unassigned fund balance* and total fund balance to total expenditures and transfers out. *Unassigned fund balance* represents 16.4 percent of General Fund expenditures and transfers out, while total fund balance represents 22.7 percent of that same amount.

The fund balance in the County Road Fund decreased \$813,651 primarily as a result of greater than anticipated road maintenance costs. The Road Machinery Fund fund balance increased \$566,837 primarily as a result of lower than expected fuel costs. The Debt Service Fund fund balance decreased \$13,005 as a result of principal and interest payments exceeding tobacco settlement revenue. The Capital Projects Fund fund balance decreased \$776,168 as a result of capital outlay expenditures exceeding transfers in from the General Fund and state and federal aid.

**Proprietary funds**—The County’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Overall net position of the proprietary funds increased. This was primarily a result of increased nonoperating state aid in the Sewer Districts Fund. The Sewer Districts, Water Districts, Landfill, Electric Plant, and Land Bank Corporation increased net position by \$4,089,675, \$1,077,352, \$2,564,755, \$235,872, and \$313,476, respectively.

The internal service funds report the County’s administration of the workers’ compensation and health self-insurance plans. At December 31, 2023, these funds reported total unrestricted net position of \$276,561. The \$2,139,859 increase in net position is primarily due to charges for services and insurance recoveries exceeding insurance claims.

**General Fund Budgetary Highlights**

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

A summary of General Fund results of operations for the year ended December 31, 2023 is presented in Table 6 below:

**Table 6—Summary of General Fund Results of Operations**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues	\$ 270,332,864	\$ 298,043,903	\$ 288,654,892	\$ (9,389,011)
Expenditures and other financing uses	<u>276,755,502</u>	<u>304,481,877</u>	<u>286,124,717</u>	<u>(18,357,160)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	<u>\$ (6,422,638)</u>	<u>\$ (6,437,974)</u>	<u>\$ 2,530,175</u>	<u>\$ 8,968,149</u>

**Original budget compared to final budget**—During the year the budget was modified to reflect the acceptance of new state and federal grants.

**Final budget compared to actual result**—The General Fund had a variance from the final budgetary appropriations and estimated revenue of \$8,697,039. The variance is primarily due to the County spending significantly less in health and general government support than originally anticipated.

### Capital Asset and Debt Administration

**Capital assets**—The County’s investment in capital assets for its governmental activities and business-type activities as of December 31, 2023 amounted to \$300,857,145 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, infrastructure, buildings and building improvements, machinery and equipment, vehicles, right-to-use leased buildings, SBITA asset – software, landfill assets, and water treatment facilities. All depreciable/amortizable capital assets were depreciated/amortized from acquisition date to the end of the current year as outlined in the County’s capital asset policy.

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

**Table 7—Summary of Capital Assets (Net of Depreciation/Amortization)**

	Governmental activities		Business-type activities		Total	
	December 31,		December 31,		December 31,	
	2023	2022 (as restated)	2023	2022	2023	2022 (as restated)
Land	\$ 834,592	\$ 834,592	\$ 541,612	\$ 541,612	\$ 1,376,204	\$ 1,376,204
Construction in progress	4,478,943	8,281,781	8,902,605	16,651,906	13,381,548	24,933,687
Infrastructure	146,743,874	136,514,989	32,040,642	18,098,998	178,784,516	154,613,987
Buildings and building improvements	36,909,351	37,739,145	5,453,579	5,775,076	42,362,930	43,514,221
Machinery and equipment	16,324,008	15,177,433	10,028,160	10,165,015	26,352,168	25,342,448
Vehicles	7,326,339	5,784,178	1,092,057	(523,701)	8,418,396	5,260,477
Right-to-use leased buildings	3,259,793	4,197,193	-	-	3,259,793	4,197,193
SBITA asset - software	468,242	599,192	-	-	468,242	599,192
Landfill assets	-	-	15,024,232	17,347,696	15,024,232	17,347,696
Water treatment facilities	-	-	11,429,116	11,747,482	11,429,116	11,747,482
Total assets	<u>\$ 216,345,142</u>	<u>\$ 209,128,503</u>	<u>\$ 84,512,003</u>	<u>\$ 79,804,084</u>	<u>\$ 300,857,145</u>	<u>\$ 288,932,587</u>

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

**Long-term liabilities**—At December 31, 2022 the County’s governmental activities had total long-term liabilities outstanding of \$181,253,015, as compared to \$134,528,871 (as restated) in the prior year. This includes serial bonds and bonds with accreted interest issued by Chautauqua Tobacco Asset Corporation (the “CTASC”). The County’s business-type activities had total long-term debt outstanding of \$72,355,576, as compared to \$68,426,774 in the prior year.

A summary of the County’s long-term liabilities at December 31, 2023 and 2022 is presented in Table 8 below:

**Table 8—Summary of Long-Term Liabilities**

	Governmental Activities		Business-type Activities		Primary Government	
	December 31,		December 31,		December 31,	
	2023	2022 (as restated)	2023	2022	2023	2022 (as restated)
Serial bonds and EFC notes payable	\$ 32,000,370	\$ 35,205,562	\$ 35,263,729	\$ 33,711,117	\$ 67,264,099	\$ 68,916,679
Premium on serial bonds	1,041,230	1,177,266	612,353	703,330	1,653,583	1,880,596
Bonds payable, net	33,041,600	36,382,828	35,876,082	34,414,447	68,917,682	70,797,275
CTASC bonds and accreted interest, net	38,380,001	38,528,695	-	-	38,380,001	38,528,695
Notes payable	-	-	5,940,794	6,206,853	5,940,794	6,206,853
Lease liability	3,548,708	4,498,259	-	-	3,548,708	4,498,259
SBITA liability	478,285	602,687	-	-	478,285	602,687
Compensated absences	8,923,485	8,026,568	191,494	195,328	9,114,979	8,221,896
Landfill closure and post-closure	-	-	25,193,582	24,846,050	25,193,582	24,846,050
Workers' compensation	16,078,922	18,236,284	214,148	410,807	16,293,070	18,647,091
Health insurance	1,506,811	1,475,890	95,189	93,110	1,602,000	1,569,000
OPEB obligation	23,719,737	25,569,226	2,191,712	2,260,179	25,911,449	27,829,405
Net pension liability	54,710,768	-	2,652,575	-	57,363,343	-
Long-term retirement payable	864,698	1,208,434	-	-	864,698	1,208,434
Total	<u>\$ 181,253,015</u>	<u>\$ 134,528,871</u>	<u>\$ 72,355,576</u>	<u>\$ 68,426,774</u>	<u>\$ 253,608,591</u>	<u>\$ 202,955,645</u>

Additional information on the County’s long-term debt can be found in Note 11 of this report.

### Economic Factors

The unemployment rate, not seasonally adjusted, for the County during December 2023 was 5.0 percent, as compared to New York State’s unemployment rate of 4.6 percent.

The County considered current year operational expenses and estimated increases based on economic factors when establishing the 2024 budget. The County’s 2024 budget includes the appropriation of \$4,498,794 of fund balance in the General Fund. Additional information on the County’s budgeted appropriations of fund balance can be found in Note 12 to the financial statements.

### Requests for Information

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 Kitty Crow, Director of Finance, 3 North Erie Street, Mayville, New York 14757.

# BASIC FINANCIAL STATEMENTS



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**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Statement of Net Position**  
**December 31, 2023**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Industrial Development Agency
	<b>ASSETS</b>			
Cash and cash equivalents	\$ 21,553,409	\$ 483,716	\$ 22,037,125	\$ 11,644,174
Restricted cash, cash equivalents and investments	23,701,754	564,541	24,266,295	-
Investments	17,652,793	35,465,194	53,117,987	-
Receivables, net of allowance:				
Taxes receivable	20,699,564	-	20,699,564	-
Accounts receivable	4,999,357	4,486,589	9,485,946	-
Other receivables	5,744,115	-	5,744,115	17,787,623
Mortgage receivable	-	-	-	1,657,719
Internal balances	5,295,503	(5,295,503)	-	-
Intergovernmental receivables	60,848,983	5,001,507	65,850,490	-
Inventories	946,158	70,352	1,016,510	-
Prepaid items	2,863,358	112,005	2,975,363	-
Security deposit paid	-	-	-	54,590
Real property held for resale	-	585,107	585,107	2,770,567
Capital assets not being depreciated	5,313,535	9,444,217	14,757,752	-
Capital assets, net of accumulated depreciation/amortization	211,031,607	75,067,786	286,099,393	1,008,200
Total assets	<u>380,650,136</u>	<u>125,985,511</u>	<u>506,635,647</u>	<u>34,922,873</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows—relating to pensions	39,626,239	1,921,224	41,547,463	-
Deferred outflows—relating to OPEB	8,837,944	526,549	9,364,493	-
Deferred charge on refunding	443,121	340,607	783,728	-
Total deferred outflows of resources	<u>48,907,304</u>	<u>2,788,380</u>	<u>51,695,684</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	14,412,803	1,221,764	15,634,567	173,686
Retainages payable	307,280	-	307,280	-
Accrued liabilities	3,152,096	281,208	3,433,304	74,028
Intergovernmental payables	21,659,200	-	21,659,200	-
Performance bond deposits	-	63,200	63,200	-
Unearned revenue	13,610,765	564,541	14,175,306	7,624,078
Noncurrent liabilities:				
Due within one year	10,263,347	3,389,898	13,653,245	330,207
Due in more than one year	170,989,668	68,965,678	239,955,346	2,203,662
Total liabilities	<u>234,395,159</u>	<u>74,486,289</u>	<u>308,881,448</u>	<u>10,405,661</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources—pensions	5,457,920	264,620	5,722,540	-
Deferred inflows of resources—OPEB	48,594,366	3,830,506	52,424,872	-
Deferred capital grant contribution	-	3,878,075	3,878,075	-
Deferred gain on refunding	2,375,142	-	2,375,142	-
Total deferred inflows of resources	<u>56,427,428</u>	<u>7,973,201</u>	<u>64,400,629</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	148,720,977	43,035,734	191,756,711	2,902,617
Restricted for:				
Insurance	1,818,792	-	1,818,792	-
Capital projects	6,007,924	-	6,007,924	-
Occupancy tax	816,632	-	816,632	-
E911/W911	485,654	-	485,654	-
Fire services	473,012	-	473,012	-
Lakes and waterways	676,348	-	676,348	-
Opioid settlement	1,278,087	-	1,278,087	-
Debt service	2,322,122	-	2,322,122	-
Industrial Development Agency	-	-	-	18,370,131
Unrestricted	(23,864,695)	3,278,667	(20,586,028)	3,244,464
Total net position	<u>\$ 138,734,853</u>	<u>\$ 46,314,401</u>	<u>\$ 185,049,254</u>	<u>\$ 24,517,212</u>

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



**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Statement of Activities**  
**Year Ended December 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Industrial Development Agency
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government support	\$ 68,276,788	\$ 7,298,898	\$ 16,687,534	\$ -	\$ (44,290,356)	\$ -	\$ (44,290,356)	\$ -
Education	13,892,553	-	5,324,881	-	(8,567,672)	-	(8,567,672)	-
Public safety	38,534,240	4,914,206	4,300,411	-	(29,319,623)	-	(29,319,623)	-
Health	30,224,562	10,208,616	15,139,272	-	(4,876,674)	-	(4,876,674)	-
Transportation	45,191,026	2,034,105	4,852,803	14,535,831	(23,768,287)	-	(23,768,287)	-
Economic assistance and opportunity	97,603,992	3,497,984	44,993,577	-	(49,112,431)	-	(49,112,431)	-
Culture and recreation	511,747	-	209,177	-	(302,570)	-	(302,570)	-
Home and community services	3,103,349	41,762	1,512,508	-	(1,549,079)	-	(1,549,079)	-
Interest and fiscal charges	2,927,344	-	-	-	(2,927,344)	-	(2,927,344)	-
Total governmental activities	<u>300,265,601</u>	<u>27,995,571</u>	<u>93,020,163</u>	<u>14,535,831</u>	<u>(164,714,036)</u>	<u>-</u>	<u>(164,714,036)</u>	<u>-</u>
Business-type activities:								
Sewer	5,601,499	4,400,607	-	5,011,938	-	3,811,046	3,811,046	-
Water	1,529,426	1,590,302	-	-	-	60,876	60,876	-
Landfill	7,947,770	8,177,763	9,530	-	-	239,523	239,523	-
Electric Plant	885,160	1,058,412	-	-	-	173,252	173,252	-
Chautauqua County Land Bank Corporation	347,419	496,347	146,417	-	-	295,345	295,345	-
Total business-type activities	<u>16,311,274</u>	<u>15,723,431</u>	<u>155,947</u>	<u>5,011,938</u>	<u>-</u>	<u>4,580,042</u>	<u>4,580,042</u>	<u>-</u>
Total primary government	<u>\$ 316,576,875</u>	<u>\$ 43,719,002</u>	<u>\$ 93,176,110</u>	<u>\$ 19,547,769</u>	<u>(164,714,036)</u>	<u>4,580,042</u>	<u>(160,133,994)</u>	<u>-</u>
<b>Component unit:</b>								
Chautauqua County Industrial Development Agency	\$ 4,561,588	\$ 3,510,061	\$ 1,202,959	\$ -	-	-	-	151,432
Total component unit	<u>\$ 4,561,588</u>	<u>\$ 3,510,061</u>	<u>\$ 1,202,959</u>	<u>\$ -</u>	-	-	-	<u>151,432</u>
General revenues:								
					69,619,718	-	69,619,718	-
					2,956,847	-	2,956,847	-
					97,496,136	-	97,496,136	-
					3,126,527	2,039,054	5,165,581	861,843
					1,283,515	83,164	1,366,679	-
					2,668,104	304,353	2,972,457	1,358,723
					(1,274,517)	1,274,517	-	-
					<u>175,876,330</u>	<u>3,701,088</u>	<u>179,577,418</u>	<u>2,220,566</u>
					11,162,294	8,281,130	19,443,424	2,371,998
					<u>127,572,559</u>	<u>38,033,271</u>	<u>165,605,830</u>	<u>22,145,214</u>
					<u>\$ 138,734,853</u>	<u>\$ 46,314,401</u>	<u>\$ 185,049,254</u>	<u>\$ 24,517,212</u>

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

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

	General	Special Revenue			Capital Projects	Total Governmental Funds
		County Road	Road Machinery	Debt Service		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 21,054,833	\$ -	\$ 498,576	\$ -	\$ -	\$ 21,553,409
Investments	-	-	-	-	1,939,772	1,939,772
Restricted cash, cash equivalents and investments	21,209,360	-	-	2,492,394	-	23,701,754
Receivables (net of allowances)						
Taxes receivable	20,699,564	-	-	-	-	20,699,564
Accounts receivable	4,557,721	70,454	28,942	-	80,874	4,737,991
Other receivables	2,202,744	-	-	-	81,371	2,284,115
Intergovernmental receivables	44,361,519	10,988,568	-	-	2,907,720	58,257,807
Due from other funds	9,305,217	-	-	-	-	9,305,217
Inventories	135,697	180,474	629,987	-	-	946,158
Prepaid items	2,351,645	163,074	23,832	-	-	2,538,551
Total assets	<u>\$ 125,878,300</u>	<u>\$ 11,402,570</u>	<u>\$ 1,181,337</u>	<u>\$ 2,492,394</u>	<u>\$ 5,009,737</u>	<u>\$ 145,964,338</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 10,604,305	\$ 1,524,196	\$ 122,278	\$ -	\$ 1,140,784	\$ 13,391,563
Accrued liabilities	2,419,998	276,606	44,218	-	-	2,740,822
Intergovernmental payables	21,659,200	-	-	-	-	21,659,200
Due to other funds	-	4,009,714	-	-	-	4,009,714
Unearned revenue	13,610,765	-	-	-	-	13,610,765
Total liabilities	<u>48,294,268</u>	<u>5,810,516</u>	<u>166,496</u>	<u>-</u>	<u>1,140,784</u>	<u>55,412,064</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	10,770,778	-	-	-	-	10,770,778
Unavailable revenue - opioid settlement	1,994,357	-	-	-	-	1,994,357
Total deferred inflows of resources	<u>12,765,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,765,135</u>
<b>FUND BALANCES</b>						
Nonspendable	4,690,086	343,548	653,819	-	81,371	5,768,824
Restricted	7,598,595	-	-	2,492,394	3,787,582	13,878,571
Assigned	5,688,584	5,248,506	361,022	-	-	11,298,112
Unassigned	46,841,632	-	-	-	-	46,841,632
Total fund balances	<u>64,818,897</u>	<u>5,592,054</u>	<u>1,014,841</u>	<u>2,492,394</u>	<u>3,868,953</u>	<u>77,787,139</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 125,878,300</u>	<u>\$ 11,402,570</u>	<u>\$ 1,181,337</u>	<u>\$ 2,492,394</u>	<u>\$ 5,009,737</u>	<u>\$ 145,964,338</u>

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

**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Reconciliation of the Balance Sheet—Governmental Funds**  
**to the Government-wide Statement of Net Position**  
**December 31, 2023**

Fund balances—total governmental funds (page 16)		\$ 77,787,139
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of these assets is \$438,230,844 and the accumulated depreciation/amortization is \$221,885,702.		216,345,142
Uncollected property taxes of \$10,770,778 and opioid settlement revenue of \$1,994,357 are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.		12,765,135
Long-term receivable from Jamestown Community College is not reported as a fund receivable, but rather is recognized when the resources are available. The asset is reported in the statement of net position.		3,460,000
Deferred charges associated with refunding of bonds are not reported in the governmental funds. The charge is reported as a deferred outflow of resources on the statement of net position and is recognized as a component of interest expense over the life of the related debt.		443,121
Deferred outflows and inflows of resources related to pensions and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to		
employer contributions	\$ 6,349,125	
Deferred outflows of resources related to experience,		
changes of assumptions and investment earnings	33,277,114	
Deferred inflows related to pension plans	(5,457,920)	
Deferred outflows related to OPEB	8,837,944	
Deferred inflows related to OPEB	<u>(48,594,366)</u>	(5,588,103)
Internal service funds are used by the County to charge the costs of health insurance and workers' compensation to the individual funds. The assets and liabilities of the internal services funds are included in the governmental funds statement of net position.		276,561
Deferred gains on refunding are not financial resources and, therefore, are not reported as liabilities in the governmental funds.		(2,375,142)
Retained percentages are not a current liability and, therefore, are not reported in the funds.		(307,280)
Net accrued interest for bond anticipation notes and serial bonds is not reported in the funds.		(404,438)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:		
Serial bonds	\$ (32,000,370)	
Unamortized bond premiums	(1,041,230)	
CTASC bonds and accreted interest, net	(38,380,001)	
Lease liability	(3,548,708)	
Subscription based information technology arrangement ("SBITA") liability	(478,285)	
Compensated absences	(8,923,485)	
Other postemployment benefits obligation	(23,719,737)	
Net pension liability	(54,710,768)	
Long-term retirement payable	<u>(864,698)</u>	<u>(163,667,282)</u>
Net position of governmental activities		<u>\$ 138,734,853</u>

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

**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds**  
**Year Ended December 31, 2023**

	<u>Special Revenue</u>					<b>Total Governmental Funds</b>
	<b>General</b>	<b>County Road</b>	<b>Road Machinery</b>	<b>Debt Service</b>	<b>Capital Projects</b>	
<b>REVENUES</b>						
Real property taxes	\$ 67,850,298	\$ -	\$ -	\$ -	\$ -	\$ 67,850,298
Real property tax items	2,956,847	-	-	-	-	2,956,847
Non-property tax items	96,686,126	810,010	-	-	-	97,496,136
Departmental income	18,572,841	6	-	-	25,512	18,598,359
Intergovernmental charges	5,455,966	265	434,806	-	542,880	6,433,917
Licenses and permits	26,622	61,582	-	-	-	88,204
Fines and forfeitures	163,768	-	-	-	-	163,768
Use of money and property	2,654,904	227,714	147,743	96,166	-	3,126,527
Sale of property and compensation for loss	932,480	12,638	71,057	-	267,340	1,283,515
Miscellaneous	2,620,894	210,868	1,854	-	-	2,833,616
Interfund revenue	207,892	-	566,611	-	-	774,503
Tobacco settlement revenue	-	-	-	2,281,820	-	2,281,820
State aid	40,756,569	8,546,719	-	-	1,879,874	51,183,162
Federal aid	49,769,685	2,493,909	-	-	4,109,238	56,372,832
Total revenues	<u>288,654,892</u>	<u>12,363,711</u>	<u>1,222,071</u>	<u>2,377,986</u>	<u>6,824,844</u>	<u>311,443,504</u>
<b>EXPENDITURES</b>						
Current:						
General government support	64,468,778	-	-	82,216	-	64,550,994
Education	13,731,222	-	-	-	-	13,731,222
Public safety	37,797,032	-	-	-	-	37,797,032
Health	29,978,430	-	-	-	-	29,978,430
Transportation	5,204,465	27,631,953	4,654,138	-	-	37,490,556
Economic assistance and opportunity	95,749,714	-	-	-	-	95,749,714
Culture and recreation	475,272	-	-	-	-	475,272
Home and community services	3,177,648	-	-	-	-	3,177,648
Debt service:						
Principal	3,825,285	-	474,944	915,000	-	5,215,229
Interest and fiscal charges	798,192	-	364,936	1,393,775	-	2,556,903
Capital outlay	-	-	-	-	17,951,799	17,951,799
Total expenditures	<u>255,206,038</u>	<u>27,631,953</u>	<u>5,494,018</u>	<u>2,390,991</u>	<u>17,951,799</u>	<u>308,674,799</u>
Excess (deficiency) of revenues over expenditures	<u>33,448,854</u>	<u>(15,268,242)</u>	<u>(4,271,947)</u>	<u>(13,005)</u>	<u>(11,126,955)</u>	<u>2,768,705</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	14,454,591	4,838,784	-	10,350,787	29,644,162
Transfers out	<u>(30,918,679)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,918,679)</u>
Total other financing sources (uses)	<u>(30,918,679)</u>	<u>14,454,591</u>	<u>4,838,784</u>	<u>-</u>	<u>10,350,787</u>	<u>(1,274,517)</u>
Net change in fund balances	2,530,175	(813,651)	566,837	(13,005)	(776,168)	1,494,188
Fund balances—beginning	<u>62,288,722</u>	<u>6,405,705</u>	<u>448,004</u>	<u>2,505,399</u>	<u>4,645,121</u>	<u>76,292,951</u>
Fund balances—ending	<u>\$ 64,818,897</u>	<u>\$ 5,592,054</u>	<u>\$ 1,014,841</u>	<u>\$ 2,492,394</u>	<u>\$ 3,868,953</u>	<u>\$ 77,787,139</u>

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

**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances—**  
**Governmental Funds to the Government-wide Statement of Activities**  
**Year Ended December 31, 2023**

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

Net change in fund balances—total governmental funds (page 18) \$ 1,494,188

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays, net of disposals, exceeded depreciation/amortization expense and loss on disposal of assets in the current period.

Capital asset additions and transfers	\$ 26,082,163	
Loss on disposal of assets	(10,181)	
Depreciation/amortization expense	<u>(18,855,343)</u>	7,216,639

Amortization of deferred gain and charge on refunding. 97,933

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

Change in unavailable revenue	\$ 1,603,908	
Change in long-term receivable	<u>(345,000)</u>	1,258,908

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

Direct pension contributions	\$ 7,778,323	
Cost of benefits earned net of employee contributions	<u>(17,995,448)</u>	(10,217,125)

Deferred inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trends, and changes in assumptions and other inputs. These amounts are shown net of current year amortization.

Change in OPEB assumptions	\$ (1,134,524)	
Differences between expected and actual experience	<u>4,591,026</u>	3,456,502

Internal services funds are used by management to charge the costs of health insurance and workers' compensation. The net income of the internal service funds of \$2,139,859 is reported within governmental activities. 2,139,859

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. 162,487

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

Principal payments on serial bonds	\$ 3,205,192	
Amortization of bond premium	136,036	
Principal payment on CTASC bonds	915,000	
Amortization of bond discount on CTASC bonds	(21,970)	
Accreted interest on CTASC bonds	(744,336)	
Issuance of leases	(21,084)	
Principal payments on leases	970,635	
Principal payments on SBITAs	124,402	
Change in compensated absences	(896,917)	
Change in other postemployment benefits obligation	1,849,489	
Change in long-term retirement payable	<u>343,736</u>	<u>5,860,183</u>

Change in net position of governmental activities \$ 11,162,294

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

**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Statement of Net Position—Proprietary Funds**  
**December 31, 2023**

	Business-type Activities					Total	Governmental
	Enterprise Funds						Activities—
	Sewer Districts	Water Districts	Landfill	Electric Plant	Land Bank Corporation		Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 150	\$ -	\$ 1,150	\$ -	\$ 482,416	\$ 483,716	\$ -
Restricted cash and cash equivalents and investments	-	-	-	525,000	39,541	564,541	-
Investments	3,158,806	463,337	30,269,087	1,056,483	517,481	35,465,194	15,713,021
Receivables (net of allowances)	2,178,704	1,533,177	754,664	20,044	-	4,486,589	261,366
Intergovernmental receivables	5,001,398	-	109	-	-	5,001,507	2,591,176
Prepaid items	41,455	392	70,158	-	-	112,005	324,807
Inventories	-	-	70,352	-	-	70,352	-
Real property held for resale	-	-	-	-	585,107	585,107	-
Total current assets	<u>10,380,513</u>	<u>1,996,906</u>	<u>31,165,520</u>	<u>1,601,527</u>	<u>1,624,545</u>	<u>46,769,011</u>	<u>18,890,370</u>
Noncurrent assets:							
Capital assets, not being depreciated	911,635	6,137,748	2,394,834	-	-	9,444,217	-
Capital assets, net of accumulated depreciation	36,795,103	11,429,115	19,352,543	7,491,025	-	75,067,786	-
Total noncurrent assets	<u>37,706,738</u>	<u>17,566,863</u>	<u>21,747,377</u>	<u>7,491,025</u>	<u>-</u>	<u>84,512,003</u>	<u>-</u>
Total assets	<u>48,087,251</u>	<u>19,563,769</u>	<u>52,912,897</u>	<u>9,092,552</u>	<u>1,624,545</u>	<u>131,281,014</u>	<u>18,890,370</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows—related to pensions	713,242	9,648	1,198,334	-	-	1,921,224	-
Deferred outflows—related to OPEB	255,076	5,150	266,323	-	-	526,549	-
Deferred charge on refunding	-	-	-	340,607	-	340,607	-
Total deferred outflows of resources	<u>968,318</u>	<u>14,798</u>	<u>1,464,657</u>	<u>340,607</u>	<u>-</u>	<u>2,788,380</u>	<u>-</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	544,445	321,725	355,567	-	27	1,221,764	1,021,240
Accrued liabilities	61,868	23,635	116,711	78,994	-	281,208	6,836
Due to other funds	-	5,295,503	-	-	-	5,295,503	-
Performance bond deposits	-	-	-	-	63,200	63,200	-
Unearned revenue	-	-	-	525,000	39,541	564,541	-
Total current liabilities	<u>606,313</u>	<u>5,640,863</u>	<u>472,278</u>	<u>603,994</u>	<u>102,768</u>	<u>7,426,216</u>	<u>1,028,076</u>
Noncurrent liabilities:							
Due within one year:							
Compensated absences	59,710	-	131,784	-	-	191,494	-
Serial bonds and notes payable, net	264,221	200,974	1,803,234	929,975	-	3,198,404	-
Due in more than one year:							
Serial bonds and notes payable, net	16,883,163	7,172,224	9,579,948	4,983,137	-	38,618,472	-
Landfill closure and post-closure	-	-	25,193,582	-	-	25,193,582	-
Workers' compensation liability	42,873	560	170,715	-	-	214,148	16,078,922
Health insurance liability	35,839	588	58,762	-	-	95,189	1,506,811
Net OPEB obligation	810,498	16,953	1,364,261	-	-	2,191,712	-
Net pension liability	984,751	13,320	1,654,504	-	-	2,652,575	-
Total noncurrent liabilities	<u>19,081,055</u>	<u>7,404,619</u>	<u>39,956,790</u>	<u>5,913,112</u>	<u>-</u>	<u>72,355,576</u>	<u>17,585,733</u>
Total liabilities	<u>19,687,368</u>	<u>13,045,482</u>	<u>40,429,068</u>	<u>6,517,106</u>	<u>102,768</u>	<u>79,781,792</u>	<u>18,613,809</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows of resources—pensions	98,239	1,328	165,053	-	-	264,620	-
Deferred inflows of resources—OPEB	1,099,696	20,882	2,709,928	-	-	3,830,506	-
Deferred capital grant contribution	542,075	3,336,000	-	-	-	3,878,075	-
Total deferred inflows of resources	<u>1,740,010</u>	<u>3,358,210</u>	<u>2,874,981</u>	<u>-</u>	<u>-</u>	<u>7,973,201</u>	<u>-</u>
<b>NET POSITION</b>							
Net investment in capital assets	20,559,354	10,193,665	10,364,195	1,918,520	-	43,035,734	-
Unrestricted	7,068,837	(7,018,790)	709,310	997,533	1,521,777	3,278,667	276,561
Total net position	<u>\$ 27,628,191</u>	<u>\$ 3,174,875</u>	<u>\$ 11,073,505</u>	<u>\$ 2,916,053</u>	<u>\$ 1,521,777</u>	<u>\$ 46,314,401</u>	<u>\$ 276,561</u>

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

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

	<b>Business-type Activities</b>					<b>Total</b>
	<b>Enterprise Funds</b>					
	<b>Sewer Districts</b>	<b>Water Districts</b>	<b>Landfill</b>	<b>Electric Plant</b>	<b>Land Bank Corporation</b>	
<b>OPERATING REVENUES</b>						
Charges for services	\$ 4,400,607	\$ 1,590,302	\$ 8,177,763	\$ 1,058,412	\$ 496,347	\$ 15,723,431
Total operating revenues	<u>4,400,607</u>	<u>1,590,302</u>	<u>8,177,763</u>	<u>1,058,412</u>	<u>496,347</u>	<u>15,723,431</u>
<b>OPERATING EXPENSES</b>						
Personal services	913,103	36,797	2,348,911	-	215,433	3,514,244
Contractual services	2,188,843	1,165,023	1,852,808	47,204	110,476	5,364,354
Fringe benefits	897,561	12,149	1,169,538	-	21,510	2,100,758
Depreciation	1,542,009	264,248	1,998,427	660,944	-	4,465,628
Landfill closure expense	-	-	347,530	-	-	347,530
Total operating expenses	<u>5,541,516</u>	<u>1,478,217</u>	<u>7,717,214</u>	<u>708,148</u>	<u>347,419</u>	<u>15,792,514</u>
Operating (loss) income	<u>(1,140,909)</u>	<u>112,085</u>	<u>460,549</u>	<u>350,264</u>	<u>148,928</u>	<u>(69,083)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Transfers in	-	857,825	416,692	-	-	1,274,517
State sources	5,011,938	-	9,530	-	146,417	5,167,885
Interest income	213,462	26,651	1,720,826	60,634	17,481	2,039,054
Interest expense	(59,983)	(51,209)	(230,556)	(177,012)	-	(518,760)
Gain (loss) on disposal of assets	46,694	-	36,470	-	-	83,164
Other miscellaneous revenue	18,473	132,000	151,244	1,986	650	304,353
Total nonoperating revenues (expenses)	<u>5,230,584</u>	<u>965,267</u>	<u>2,104,206</u>	<u>(114,392)</u>	<u>164,548</u>	<u>8,350,213</u>
Change in net position	4,089,675	1,077,352	2,564,755	235,872	313,476	8,281,130
Net position—beginning	<u>23,538,516</u>	<u>2,097,523</u>	<u>8,508,750</u>	<u>2,680,181</u>	<u>1,208,301</u>	<u>38,033,271</u>
Net position—ending	<u>\$ 27,628,191</u>	<u>\$ 3,174,875</u>	<u>\$ 11,073,505</u>	<u>\$ 2,916,053</u>	<u>\$ 1,521,777</u>	<u>\$ 46,314,401</u>

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

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

	<b>Business-type Activities</b>					<b>Governmental Activities— Internal Service Funds</b>	
	<b>Enterprise Funds</b>						
	<b>Sewer Districts</b>	<b>Water Districts</b>	<b>Landfill</b>	<b>Electric Plant</b>	<b>Land Bank Corporation</b>		<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from services provided	\$ (584,130)	\$ 1,603,427	\$ 8,157,510	\$ 1,568,197	\$ 476,047	\$ 11,221,051	\$ 24,791,598
Payments to suppliers and service providers	(2,629,901)	(1,150,269)	(1,827,362)	(65,671)	(239,999)	(5,913,202)	(26,021,238)
Payments to employees for salaries and benefits	(1,193,640)	(50,439)	(3,791,769)	-	(237,556)	(5,273,404)	-
Net cash (used for) provided by operating activities	(4,407,671)	402,719	2,538,379	1,502,526	(1,508)	34,445	(1,229,640)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Payments from other funds	-	958,204	416,692	-	-	1,374,896	3,007,802
Other income	5,077,105	132,000	197,244	1,986	147,067	5,555,402	2,428,927
Net cash provided by noncapital financing activities	5,077,105	1,090,204	613,936	1,986	147,067	6,930,298	5,436,729
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Interest expense	(59,982)	(51,209)	(230,556)	(177,012)	-	(518,759)	-
Acquisition and reclassifications of capital assets	(5,007,525)	(2,478,568)	(1,687,452)	-	-	(9,173,545)	-
Notes payable issued	3,361,846	1,114,788	-	-	-	4,476,634	-
Principal payments on serial bonds	(334,942)	-	(1,743,760)	(845,322)	-	(2,924,024)	-
Principal payments on notes payable	(64,869)	(201,190)	-	-	-	(266,059)	-
Net cash provided by (used for) capital and related financial activities	(2,105,472)	(1,616,179)	(3,661,768)	(1,022,334)	-	(8,405,753)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Investment loss (gain)	1,436,038	123,256	509,453	(482,178)	-	1,586,569	(4,207,089)
Net cash (used for) provided by investing activities	1,436,038	123,256	509,453	(482,178)	-	1,586,569	(4,207,089)
Net increase in cash and cash equivalents	-	-	-	-	145,559	145,559	-
Cash and cash equivalents—beginning	150	-	1,150	-	376,398	377,698	-
Cash and cash equivalents—ending	\$ 150	\$ -	\$ 1,150	\$ -	\$ 521,957	\$ 523,257	\$ -

(continued)



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

(concluded)

	Business-type Activities						Governmental Activities— Internal Service Funds
	Enterprise Funds						
	Sewer Districts	Water Districts	Landfill	Electric Plant	Land Bank Corporation	Total	
<b>RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES</b>							
Operating (loss) income	\$(1,140,909)	\$ 112,085	\$ 460,549	\$ 350,264	\$ 148,928	\$ (69,083)	\$ (983,049)
Adjustments to reconcile operating (loss) income to net cash (used for) provided by operating activities:							
Depreciation and depletion	1,542,009	264,248	2,345,957	660,944	-	4,813,158	-
(Increase) in receivables	(570,533)	(2,764)	(20,253)	(15,215)	-	(608,765)	(261,366)
(Increase) decrease in intergovernmental receivables	(4,414,204)	15,889	-	-	-	(4,398,315)	1,848,030
(Increase) decrease in prepaid assets	(6,773)	424	(8,786)	-	-	(15,135)	(24,800)
(Increase) in inventories	-	-	(5,664)	-	-	(5,664)	-
(Increase) in property held for resale	-	-	-	-	(96,373)	(96,373)	-
Decrease in deferred outflows of resources	55,677	8,605	236,361	53,081	-	353,724	-
(Decrease) increase in accounts payable	(404,584)	143,970	65,260	-	(613)	(195,967)	320,293
(Decrease) increase in accrued liabilities	(24,597)	2,360	(7,454)	(13,711)	-	(43,402)	(2,128,748)
(Decrease) in performance bond deposits	-	-	-	-	(33,150)	(33,150)	-
Increase (decrease) in unearned revenue	-	-	-	525,000	(20,300)	504,700	-
(Decrease) in bond premium	(5,881)	-	(27,259)	(57,837)	-	(90,977)	-
(Decrease) in accrued workers' compensation	(33,918)	(801)	(161,940)	-	-	(196,659)	-
Increase (decrease) in compensated absences liability	(783)	-	(3,051)	-	-	(3,834)	-
Increase (decrease) in other postemployment benefits	79,919	1,339	(149,725)	-	-	(68,467)	-
Increase (decrease) in net pension liability (asset)	1,371,391	22,413	2,338,664	-	-	3,732,468	-
Increase in health insurance liability	792	13	1,274	-	-	2,079	-
(Decrease) in deferred inflows of resources	(855,277)	(165,062)	(2,525,554)	-	-	(3,545,893)	-
Total adjustments	<u>(3,266,762)</u>	<u>290,634</u>	<u>2,077,830</u>	<u>1,152,262</u>	<u>(150,436)</u>	<u>103,528</u>	<u>(246,591)</u>
Net cash (used for) provided by operating activities	<u>\$ (4,407,671)</u>	<u>\$ 402,719</u>	<u>\$ 2,538,379</u>	<u>\$ 1,502,526</u>	<u>\$ (1,508)</u>	<u>\$ 34,445</u>	<u>\$ (1,229,640)</u>

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

**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Statement of Fiduciary Net Position—Custodial Fund**  
**December 31, 2023**

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	<b>Custodial Fund</b>
<b>ASSETS</b>	
Restricted cash	\$ 3,125,228
Accounts receivable	5,028
Intergovernmental receivables	<u>24,522</u>
Total assets	<u>\$ 3,154,778</u>
<b>LIABILITIES</b>	
Other liabilities	226,648
Due to other governments	<u>1,468,123</u>
Total liabilities	<u>1,694,771</u>
<b>NET POSITION</b>	
Restricted for other purposes	<u>1,460,007</u>
Total liabilities	<u>\$ 1,460,007</u>

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

**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Statement of Changes in Fiduciary Net Position—Custodial Fund**  
**Year Ended December 31, 2023**

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	<u><b>Custodial Fund</b></u>
<b>ADDITIONS</b>	
Funds collected on behalf of others	\$ 38,593,740
Interest and earnings	<u>27,627</u>
Total additions	<u>38,621,367</u>
 <b>DEDUCTIONS</b>	
Funds distributed on behalf of others	<u>38,769,907</u>
Total deductions	<u>38,769,907</u>
Change in fiduciary net position	(148,540)
Net position—beginning	<u>1,608,547</u>
Net position—ending	<u>\$ 1,460,007</u>

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

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**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

***Reporting Entity***

Subject to the New York State Constitution, the County operates pursuant to its Charter and Administrative Code, as well as various local laws. Additionally, certain New York State laws govern the County to the extent that such laws are applicable to counties operating under a charter form of government. The Charter was enacted by local law and approved by the electorate at a general election held November 8, 1973. The Chautauqua County Legislature is the legislative body responsible for overall operations, the County Executive serves as chief executive officer, and the Director of Finance serves as chief fiscal officer.

The County provides mandated social service programs such as Medicaid, aid to dependent children, and home relief. The County also provides services and facilities in the areas of culture, recreation, police, youth, health, senior services, roads, sanitary sewage and water. These general government programs and services are financed by various taxes, state and federal aid, and departmental revenue (which is primarily comprised of service fees and various types of program related charges). Additionally, the County operates a landfill and an energy plant.

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

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

**Chautauqua Tobacco Asset Securitization Corporation**—The Chautauqua Tobacco Asset Securitization Corporation (“CTASC”) is a special purpose, bankruptcy remote, local development corporation incorporated under the provisions of Section 1411 of the New York State Not-for-Profit Corporation Law and is an instrumentality of, but separate and apart from the County. Although legally separate and independent of the County, CTASC is considered an affiliated organization under GASB and, therefore, is reported as a blended component unit of the County. The CTASC annual financial report can be obtained by writing the Chautauqua Tobacco Asset Securitization Corporation, 3 North Erie Street, Mayville, New York 14757.

**Chautauqua County Land Bank Corporation**—The Chautauqua County Land Bank Corporation (the “Land Bank”) was created in May of 2012 by the Chautauqua County Board of Legislators under the provisions of the 1973 Laws of New York State. The Land Bank is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Land Bank is a blended component unit because the County is sole corporate member of the Land Bank. The Land Bank’s annual financial report can be obtained by writing the Chautauqua County Land Bank Corporation, 200 Harrison Street, Jamestown, New York 14701.

***Discretely Presented Component Unit***—The component unit column in the basic financial statements includes the financial data of the County’s discretely presented component unit. This unit is reported in a separate column to emphasize that it is legally separate from the County.

**Chautauqua County Industrial Development Agency**—The Chautauqua County Industrial Development Agency (the “Agency”) was created on March 22, 1972 as a public benefit corporation under Title I, Article 18A of General Municipal Law of the State of New York. The purpose of the Agency is to promote, develop, encourage and assist in acquiring, constructing and maintaining industrial manufacturing facilities. The Agency is exempt from federal and state income taxes. The Agency’s annual financial report can be obtained by writing the County of Chautauqua Industrial Development Agency, 200 Harrison Street, Jamestown, New York 14701.

***Excluded from the Financial Reporting Entity***—Although the following is related to the County, it is not included in the County’s reporting entity.

**Roberts Road Development Corporation**—The Roberts Road Development Corporation (the “Corporation”) was created pursuant to Section 1411 of the Not-For-Profit Corporation Law on March 19, 2009 to assist in the development of the former Roblin Steel, Edgewood, and Alumax properties located along Roberts Road in Chautauqua County. The Corporation is excluded from the financial reporting entity due to a lack of activity for the year ended December 31, 2023. Had the Corporation had activity, it would be a discretely presented component unit because the County can appoint the voting and non-voting members to the Board of Directors.

**Jamestown Community College**—Jamestown Community College (the “College”) is a locally sponsored, two-year community college founded in 1950. The College is part of a statewide system of two-year institutions designed to provide technical, para-professional, and university parallel education. The College is one of thirty community colleges within the State University of New York (“SUNY”). SUNY Community Colleges are financed by New York State, student tuition, and sponsor contributions. In 1996, the State of New York amended Article 126 of the Education Law through Chapter 144 of the Laws of 1996. The law changed sponsorship of the College from the City of Jamestown to the Jamestown Community College Region, effective September 1, 1996. This region is made of the City of Jamestown and Chautauqua and Cattaraugus Counties. The College is excluded from the financial reporting entity because the County is unable to appoint a

voting majority of the Board of Trustees and the College is not fiscally dependent on the County. Further information can be obtained by writing Jamestown Community College, Administration Office, 525 Falconer Street, Jamestown, New York 14701.

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

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

As discussed earlier, the County has one discretely presented component unit. While the Agency is not considered to be a major component unit, it is shown in a separate column in the government-wide statements.

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

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

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

The County reports the following major governmental funds:

- *General Fund*—The General Fund is the primary operating fund of the County and accounts for all financial resources of the general government, except those required to be accounted for in other funds. The principal sources of revenues for the General Fund are property taxes and sales tax.
- *County Road Fund*—The County Road Fund is used to account for the construction and maintenance of County roads and other transportation expenses in accordance with New York State laws.
- *Road Machinery Fund*—The Road Machinery Fund is used to account for the maintenance of heavy equipment utilized for road maintenance and construction.
- *Debt Service Fund*—The Debt Service Fund accounts for CTASC, which is used to account for the receipt and disbursement of resources related to tobacco assets and related obligations. When applicable, it also records the proceeds and payments to escrow agents for refunding bond issuances.

- *Capital Projects Fund*—The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment other than those financed by enterprise funds.

The County reports the following major enterprise funds:

- *Sewer Districts Fund*—The Sewer Districts Fund is comprised of three County sewer districts and is used to account for the operating activities of the County sewer districts.
- *Water Districts Fund*—The Water Districts Fund is comprised of two County water districts and is used to account for the operating activities of the County water districts.
- *Landfill Fund*—The Landfill Fund is used to account for the operating activities of the County landfill including transfer stations.
- *Electric Plant Fund*—The Electric Plant Fund is used to account for the operating activities of the County electric generation plant at the County landfill.
- *Land Bank Corporation Fund*—The Land Bank Corporation, a blended component unit, is used to account for operations aimed to help communities recover from the effects of foreclosures.

These entities are financed and operated in a manner similar to a private business enterprise. The intent of the County is that the operating expenses (including depreciation and amortization expense) of providing goods or services to the general public on a continuous basis are to be financed or recovered primarily through user charges. The County may provide administrative, legal and operational assistance to the proprietary funds, which are not charged. Additionally, the General Fund periodically provides advances to the proprietary funds for operational needs.

Additionally, the County reports the following fund types:

*Internal Service Funds*—The Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments on a cost reimbursement basis. The County maintains the following internal service funds:

- *Workers' Compensation Fund*—This fund is used to account for the County's self-insurance program for workers' compensation claims. Additionally, the fund is utilized to account for amounts due from other local governments within the County related to their workers' compensation liabilities.
- *Health Insurance Fund*—This fund is used to account for the County's insurance program for vision and dental benefits.

*Fiduciary Fund*—These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary funds include the *Custodial Fund*. Activities in the fiduciary fund include monies from outside entities, controlled and administered by the County for the benefit of others.



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

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

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

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

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

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

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

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

The Custodial Fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

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

***Cash, Cash Equivalents and Investments***—Cash and cash equivalents include cash on hand, demand deposits, time deposits and short term highly liquid investments which are readily convertible to known amounts of cash and have a maturity date within 90 days or less from the date of acquisition. State statutes and various resolutions of the County Legislature govern the County’s investment policies. Permissible investments include obligations of the U.S. Treasury and U.S. Government agencies, repurchase agreements and obligations of New York State or its localities. The County’s investments are recorded at fair value in accordance with GASB.

***Restricted Cash, Cash Equivalents and Investments***—Restricted cash, cash equivalents and investments represent amounts to support fund balance restrictions, unspent proceeds of debt, cash received for items not meeting revenue recognition criteria, and amounts held on behalf of others. Permissible investments include obligations of the U.S. Treasury and U.S. Government agencies, repurchase agreements and obligations of New York State or its localities. The County’s investments are recorded at fair value in accordance with GASB.

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

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

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

***Real Property Held for Resale***—The Land Bank Corporation reports property held for resale at cost, which totaled \$585,107 at December 31, 2023.

***Capital Assets***—Capital assets include property, buildings, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and right-to-use leased assets that are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The County defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or contracted. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as expenditures are incurred. The County depreciates/amortizes capital assets using the straight-line method over their estimated useful lives as presented on the following page.

Assets	Years
Infrastructure:	
Dams and drainage systems	100
Traffic control systems	40
Bridges and culverts	30
Roads	20
Buildings and building improvements	20-40
Machinery and equipment:	
Office equipment and furniture	10
Heavy equipment	9
Other	5
Computers	3
Vehicles	4
Right-to-use leased asset - buildings	5-15
SBITA asset - software	5

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routing capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new police vehicle included as part *expenditures—public safety*). At times, amounts reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

**Unearned Revenue**—Certain cash receipts have not met the revenue recognition criteria for government-wide or fund financial purposes. At December 31, 2023, the County reported \$13,610,765 of unearned revenue in the General Fund and \$564,541 in business-type activities. These funds receive overpayments and grant money in advance but have not performed the related services, and therefore recognizes a liability.

**Deferred Outflows/Inflows of Resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2023, the County has three items that qualified for reporting in this category. The first item is related to pensions reported in the government-wide financial statements, as well as within individual proprietary funds. This represents the effect of the net change in the County’s proportion of the collective net pension liability/(asset), the difference during the measurement period between the County’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension system made subsequent to the measurement date. The second item is related to OPEB and is reported in the government-wide financial statements as well as within the individual proprietary funds, and represents the effects of the change in the County’s proportion of the collective OPEB liability and difference during measurement period between certain employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability. The third item is related to a deferred charge on refunding, which the County reports within its governmental activities.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At December 31, 2023, the County had six items that qualified for reporting in this category. The first arises under the modified accrual basis of accounting. Accordingly, the item *unavailable revenue – property taxes*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item, *unavailable revenue – opioid settlement*, is related to opioid settlement revenue that is recognized as receivable under the modified accrual basis of accounting but is not considered available and, therefore, is deferred. The third item represents the effect of the net change in the County’s contributions and its proportionate share of total contributions to the pension systems not included in pension expense and is reported on the government-wide financial statements. The fourth item represents the effects of the change in the County’s proportion of the collective OPEB liability and difference during the measurement period between certain employers’ contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability and is reported on the government-wide financial statements. The fifth item is a deferred inflow of resources recorded in the government-wide financial statements for items which represent a deferred gain on CTASC refunding bonds that is being amortized over the life of the refunded debt. The final item is related to grant revenue that is unavailable for recognition and will be recognized over the life of the related debt on the government-wide financial statements.

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

***Fund Balance Flow Assumptions***—Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

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

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The County Legislature (“Legislature”) has by resolution authorized the chief fiscal officer (i.e. Director of Finance) to assign fund balance. The Legislature may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

### ***Revenues and Expense/Expenditures***

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

***Proprietary Funds Operating and Nonoperating Revenues and Expenses***—Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Sewer Districts, Water Districts, Landfill, Electric Plant, Land Bank Corporation and internal services funds are charges to customers and interfund/intergovernmental entities for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***Property Taxes***—The County-wide property tax is levied by the County Legislature effective January 1<sup>st</sup> of the year the taxes are recognizable as revenue. Taxes become a lien on the related property on January 1<sup>st</sup> of the year for which they are levied. In the government-wide statements, property tax receivables and related revenue include all amounts due the County regardless of when cash is received. Over time, substantially all property taxes are collected.

Delinquent property taxes not collected at year end (excluding collections in the 60 day subsequent period) are recorded as a deferred inflow of resources in fund financial statements.

Property taxes are due and payable within 30 days. Such taxes are collected by the respective collection officers in each town and in the cities of Dunkirk and Jamestown until April 1<sup>st</sup> each year, after which rolls are returned to the County. At that time settlement proceedings take place whereby the County becomes the tax collecting agency and the towns and cities receive full credit for their entire levy. The County becomes the enforcement agency for tax liens on all County real property.

Uncollected property taxes assumed by the County as a result of the settlement proceedings are reported as receivables in the General Fund to maintain central control and provide for tax settlement and enforcement proceedings. The portion of the receivable that represents taxes re-levied for school (\$7,323,492) and the portion that represents taxes re-levied for the cities and villages (\$635,284) are recognized as liabilities that are included in intergovernmental payables. Also, \$10,770,778 of the receivable that is not considered available under the modified accrual basis of accounting, i.e. will not be collected within sixty days, is recorded as a deferred inflow of resources, net of a \$1,000,000 allowance.

Tax rates are calculated using assessments prepared by individual town and city assessors as adjusted by the New York State Board of Equalization and Assessment for the purpose of comparability. The total taxable assessment value of real property in the tax levy of 2023 is approximately \$8.93 billion. The effective tax rate on this value is approximately \$7.80 per thousand.

***Compensated Absences***—County employees are granted vacation and compensatory time in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and compensatory time. Upon retirement employees may be entitled to utilize the value of accumulated sick time to pay for health insurance coverage after retirement. Employees who retire with more than 15 years of County service are also entitled to one month of health insurance coverage for each year of County service.

Compensated absences are reported as accrued liabilities in the government-wide and proprietary fund financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees and they are included in wages and benefits.

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

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

***Other Postemployment Benefits***—In addition to providing pension benefits, the County provides health insurance coverage and/or payments health and survivor benefits for retired employees and their survivors. Substantially all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. See additional information in Note 8.

#### ***Other***

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

***Insurance***—The County assumes liability for some risk including, but not limited to, workers' compensation. Asserted and incurred but not reported claims and judgements are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Such recording is consistent with the requirements of GASB.

Governmental fund type estimated current contingent liabilities (i.e., those to be liquidated with available financial resources in the ensuing year) for property damage and personal injury liabilities are

recorded in the General Fund. The long-term portion (i.e., liabilities to be paid from future resources) is recorded within long-term debt in the government-wide financial statements.

### ***Legal Compliance—Budgets***

***Budgets and Budgetary Accounting***—The County’s annual procedures, as required by Article XIV of the County Charter and Administrative Code, in establishing the budgetary data reflected in the basic financial statements are as follows:

- Not later than July 1<sup>st</sup> of each year, the Budget Director must furnish department heads with the appropriate budget forms for estimation of revenues and expenditures for the ensuing fiscal year.
- Not later than August 1<sup>st</sup>, the department heads must file their completed budget requests with the Budget Director.
- The Budget Director then reviews and investigates all budget requests. The Budget Director may recommend in whole or in part the estimates as deemed appropriate. On or before September 15<sup>th</sup>, the Budget Director must submit a tentative budget to the County Executive.
- The County Executive must then formulate a tentative budget and submit such to the Clerk of the Legislature by September 25<sup>th</sup>.
- Public hearings are held. The Legislature must then take action on the budget within six calendar days following the public hearing. If the budget is passed and does not contain changes from the County Executive’s tentative budget such budget is adopted; however, if the budget passed contains any changes it must be returned to the County Executive on the seventh day after the public hearing for his examination and consideration.
- If the County Executive does not object to the changes made, the Legislative passed budget becomes adopted. If the County Executive objects to any of the changes made, he must file such objections with the Clerk of the Legislature within ten days. The Legislature may, with a two-thirds vote, uphold the County Executive’s objections; otherwise, the Legislative passed budget without such objected changes becomes the adopted budget.

***Adoption of New Accounting Pronouncements***—During the year ended December 31, 2023, the County implemented GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology Arrangements*; and a portion of No. 99, *Omnibus 2022*. GASB Statement No. 94 improves financial reporting by addressing issues related to public-private and public-public partnerships arrangements (“PPPs”). GASB Statement No. 96 improves financial reporting by establishing a definition for Subscription-Based Information Technology Arrangements (“SBITAs”) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. GASB Statement No. 99 enhances comparability in the application of accounting and financial reporting requirements and improves the consistency of authoritative literature related to GASB Statements No. 94 and 96. The implementation of GASB Statement No. 96 is discussed in Note 2. The implementation of GASB Statements No. 94 and a portion of 99 did not have a material impact on the County’s financial position or results from operations.

***Future Impacts of Accounting Pronouncements***—The County has not completed the process of evaluating the impact that will result from adopting the remainder of GASB Statement No. 99, *Omnibus*

2022; No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*, effective for the year ending December 31, 2024; No. 102, *Certain Risk Disclosures*, effective for the year ending December 31, 2025; and No. 103, *Financial Reporting Model Improvements*, effective for the year ending December 31, 2026. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 99, 100, 101, 102, and 103 will have on its financial position and results of operations when such statements are adopted.

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

***Deficit Net Position***—At December 31, 2023, the County had a deficit net position of \$515,886 in the Workers’ Compensation Fund within the Internal Service Funds. This deficit is the result of year-end case reserves and reserves for incurred but not reported claims that are related to the County’s general operations, which are primarily long-term in nature. This deficit is anticipated to be remedied through future charges to the operating funds and the enterprise funds. The Workers’ Compensation Fund charges the general operations of the County for actual claims paid on a pay-as-you-go basis.

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

During the year ended December 31, 2023, the County implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result of the implementation, the County’s capital assets and long-term liabilities were restated as of December 31, 2022. Accordingly, net position of governmental activities at December 31, 2022 has been restated from \$127,576,054 to \$127,572,559.

During a review of grants during 2023 the IDA determined that \$56,000 of revenue was recognized during the year ended December 31, 2022 that should have been recorded as unearned revenue. These amounts were reclassified during 2023 resulting in a decrease in net position and an increase in unearned revenue. Accordingly, net position of the discretely presented component unit at December 31, 2022 has been restated from \$22,201,214 to \$22,145,214.

## **3. CASH, CASH EQUIVALENTS 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 Director of Finance is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

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

Cash and cash equivalents (including restricted cash and cash equivalents) at December 31, 2023, are presented on the following page.



	Governmental Activities	Business-type Activities	Fiduciary Fund	Total Balance
Petty cash (uncollateralized)	\$ 9,050	\$ 1,300	\$ -	\$ 10,350
Cash and cash equivalents	<u>42,787,021</u>	<u>521,957</u>	<u>3,125,228</u>	<u>46,434,206</u>
Total	<u>\$ 42,796,071</u>	<u>\$ 523,257</u>	<u>\$ 3,125,228</u>	<u>\$ 46,444,556</u>

**Deposits**—All deposits are carried at fair value and are classified by custodial credit risk at December 31, 2023 as follows:

	<u>December 31, 2023</u>	
	<u>Bank Balance</u>	<u>Carrying Amount</u>
FDIC Insured	\$ 1,147,744	\$ 1,020,861
Uninsured:		
Collateral held by bank's agent in the County's name	<u>46,882,314</u>	<u>45,413,345</u>
Total	<u>\$ 48,030,058</u>	<u>\$ 46,434,206</u>

**Custodial Credit Risk—Deposits**—Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As noted above, by New York State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2023, the County's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in the County's name.

**Restricted Cash, Cash Equivalents and Investments**—Governmental funds restricted cash, cash equivalents and investments total \$23,701,754, of which \$2,492,394 represents amounts restricted for CTASC, \$13,610,765 represents unearned revenue, and \$7,598,595 supports General Fund restricted fund balance. Additionally, proprietary funds restricted cash, cash equivalents, and investments total \$564,541, which is to support unearned revenue. Finally, \$3,125,228 is restricted in the Custodial Fund for amounts held on behalf of others. These deposits were fully covered by FDIC insurance or collateral held by escrow agents in the name of the County.

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

- Level 1. Quotes prices for identical assets or liabilities in active markets to which the County has access at the measurement date.
- Level 2. Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets in markets that are not active;

- Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value to the extent that observable inputs are not available.

Investments reported within governmental activities at December 31, 2023 are as follows:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
CDs and time deposits	\$ 2,165,952	\$ -	\$ -
U.S. Government agency bonds	13,728,221	-	-
Municipal bonds	4,217,713	-	-
Total	<u>\$ 20,111,886</u>	<u>\$ -</u>	<u>\$ -</u>

Investments reported within business-type activities at December 31, 2023 are as follows:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
CDs and time deposits	\$ 3,875,969	\$ -	\$ -
U.S. Government agency bonds	24,566,634	-	-
Municipal bonds	7,547,591	-	-
Total	<u>\$ 35,990,194</u>	<u>\$ -</u>	<u>\$ -</u>

**Interest Rate Risk**—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of deposits and investments. The County's investment policy minimizes the risk by structuring the investment portfolio so that the deposits and investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell deposits and investments on the open market prior to maturity. Deposits are primarily invested in short-term securities or similar investment pools with maturities less than one year. Investments are invested in long-term securities or similar investment pools with maturities greater than one year.

**Custodial Credit Risk—Investments**—Credit risk is defined as the risk that an issuer or other counterpart to an investment in debt securities will not fulfill its obligation. The County's investment policy minimizes credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the County does business,

and diversifying the investment portfolio so that potential losses on individual securities are minimized. GNMA bonds and U.S. Treasury notes are backed by the full faith and credit of the U.S. government and are considered to be of the highest credit quality.

***Chautauqua County Industrial Development Agency Cash and Cash Equivalents***—Deposits for the Agency totaled \$11,644,174 and were fully collateralized or insured at December 31, 2023.

#### 4. RECEIVABLES

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

***Taxes Receivable***—Represents amounts due to the County for property taxes, property tax items and non-property tax items of \$20,699,564. These amounts are reported net of an allowance for uncollectible taxes of \$1,000,000.

***Accounts Receivable***—Represent amounts due from various sources. The County’s accounts receivable at December 31, 2023 are shown below:

Governmental funds:	
General Fund	\$ 4,557,721
County Road Fund	70,454
Road Machinery Fund	28,942
Capital Project Fund	<u>80,874</u>
Total governmental funds	<u>\$ 4,737,991</u>
Enterprise funds:	
Sewer Districts Fund	\$ 2,178,704
Water Districts Fund	1,533,177
Landfill Fund	754,664
Electric Plant Fund	<u>20,044</u>
Total enterprise funds	<u>\$ 4,486,589</u>
Internal service funds:	
Health insurance	<u>\$ 261,366</u>
Total internal service funds	<u>\$ 261,366</u>
Custodial Fund	<u>\$ 5,028</u>

***Other Receivables***—Represent loans due from various entities including the Chautauqua County Industrial Development Agency, North Chautauqua Lake Sewer District and Portland, Pomfret, Dunkirk Sewer District. Such loan balances are included in nonspendable fund balance because they represent net current financial resources that cannot be spent. The total amount of other receivables at December 31, 2023 is presented on the following page.

General Fund	\$ 2,202,744
Capital Projects Fund	<u>81,371</u>
Total governmental funds	<u>\$ 2,284,115</u>

**Intergovernmental Receivables**—State and federal receivables primarily represent claims for reimbursement for expenditures in administering various mental health and social service programs. They are net of related advances from New York State. State and federal receivables also include reimbursable amounts for construction expenditures made through the Capital Projects Fund. Other government receivables primarily represent amounts due from local governments within the County relating to their respective share of workers’ compensation liabilities. The total amounts receivable from other governments at December 31, 2023 are presented below:

Governmental funds:	
General Fund	\$ 44,361,519
County Road Fund	10,988,568
Capital Project Fund	<u>2,907,720</u>
Total governmental funds	<u>\$ 58,257,807</u>

Enterprise funds:	
Sewer Districts Fund	\$ 5,001,398
Landfill Fund	<u>109</u>
Total governmental funds	<u>\$ 5,001,507</u>

Internal service funds:	
Workers' Compensation Fund	\$ <u>2,591,176</u>
Total governmental funds	<u>\$ 2,591,176</u>

**Chautauqua County Industrial Development Agency**

**Other Receivables**—Other receivables represent various notes receivable, in the total amount of \$17,787,623 outstanding at December 31, 2023.

**Mortgage Receivable**—Represents various mortgages receivable outstanding. At December 31, 2023, the Agency’s mortgage receivable balance was \$1,657,719.

## 5. CAPITAL ASSETS

**Governmental Activities**—Capital asset activity for the primary government’s governmental activities for the year ended December 31, 2023 was as follows:

	Balance 1/1/2023 (as restated)	Increases	Decreases	Balance 12/31/2023
Capital assets not being depreciated/amortized				
Land	\$ 834,592	\$ -	\$ -	\$ 834,592
Construction in progress	<u>8,281,781</u>	<u>17,951,797</u>	<u>21,754,635</u>	<u>4,478,943</u>
Total capital assets, not being depreciated/amortized	<u>9,116,373</u>	<u>17,951,797</u>	<u>21,754,635</u>	<u>5,313,535</u>
Capital assets being depreciated/amortized:				
Infrastructure	242,418,311	20,256,461	-	262,674,772
Buildings and building improvements	90,216,176	2,442,473	34,436	92,624,213
Machinery and equipment	42,863,985	3,741,435	467,575	46,137,845
Vehicles	21,456,209	3,424,139	2,282,968	22,597,380
Right-to-use leased asset - buildings	8,207,857	20,493	-	8,228,350
SBITA asset - software	<u>654,749</u>	<u>-</u>	<u>-</u>	<u>654,749</u>
Total capital assets, being depreciated/amortized	<u>405,817,287</u>	<u>29,885,001</u>	<u>2,784,979</u>	<u>432,917,309</u>
Less accumulated depreciation/amortization:				
Infrastructure	105,903,322	10,027,576	-	115,930,898
Buildings and building improvements	52,477,031	3,272,267	34,436	55,714,862
Machinery and equipment	27,686,552	2,594,860	467,575	29,813,837
Vehicles	15,672,031	1,871,797	2,272,787	15,271,041
Right-to-use leased asset - buildings	4,010,664	957,893	-	4,968,557
SBITA asset - software	<u>55,557</u>	<u>130,950</u>	<u>-</u>	<u>186,507</u>
Total accumulated depreciation/amortization	<u>205,805,157</u>	<u>18,855,343</u>	<u>2,774,798</u>	<u>221,885,702</u>
Total capital assets, being depreciated/amortized	<u>200,012,130</u>	<u>11,029,658</u>	<u>(10,181)</u>	<u>211,031,607</u>
Governmental activities capital assets, net	<u>\$ 209,128,503</u>	<u>\$ 28,981,455</u>	<u>\$ 21,744,454</u>	<u>\$ 216,345,142</u>

Depreciation/amortization expense was charged to the functions and programs of the primary government’s governmental activities as follows:

Governmental activities:	
General government support	\$ 3,014,558
Public safety	1,984,354
Health	182,628
Transportation	12,818,034
Economic assistance and opportunity	736,399
Culture and recreation	30,891
Home and community services	<u>88,479</u>
Total depreciation expense—governmental activities	<u>\$ 18,855,343</u>

***Business-type Activities***—Capital asset activity for the primary government’s business-type activities for the fiscal year ending December 31, 2023 is presented below:

	Balance 1/1/2023	Increases	Decreases	Reclassifications	Balance 12/31/2023
Capital assets not being depreciated/amortized					
Land	\$ 541,612	\$ -	\$ -	\$ -	\$ 541,612
Construction in progress	16,651,906	7,347,287	15,096,588	-	8,902,605
Total capital assets, not being depreciated/amortized	<u>17,193,518</u>	<u>7,347,287</u>	<u>15,096,588</u>	<u>-</u>	<u>9,444,217</u>
Capital assets being depreciated/amortized:					
Infrastructure	51,116,383	14,942,484	-	-	66,058,867
Buildings and building improvements	17,584,613	-	-	-	17,584,613
Machinery and equipment	32,199,076	1,210,996	81,000	-	33,329,072
Vehicles	3,410,338	775,856	295,848	-	3,890,346
Landfill	58,903,650	-	-	-	58,903,650
Water treatment facility	14,229,563	7,193	-	-	14,236,756
Total capital assets, being depreciated/amortized	<u>177,443,623</u>	<u>16,936,529</u>	<u>376,848</u>	<u>-</u>	<u>194,003,304</u>
Less accumulated depreciation/amortization:					
Infrastructure	33,017,385	1,000,840	-	-	34,018,225
Buildings and building improvements	11,809,537	321,497	-	-	12,131,034
Machinery and equipment	22,034,061	1,347,851	81,000	-	23,300,912
Vehicles	3,934,039	259,916	282,167	(1,113,499)	2,798,289
Landfill	41,555,954	1,272,235	-	1,051,229	43,879,418
Water treatment facility	2,482,081	263,289	-	62,270	2,807,640
Total accumulated depreciation/amortization	<u>114,833,057</u>	<u>4,465,628</u>	<u>363,167</u>	<u>-</u>	<u>118,935,518</u>
Total capital assets, being depreciated/amortized	<u>62,610,566</u>	<u>12,471,863</u>	<u>14,643</u>	<u>-</u>	<u>75,067,786</u>
Governmental activities capital assets, net	<u>\$ 79,804,084</u>	<u>\$ 19,819,150</u>	<u>\$ 15,111,231</u>	<u>\$ -</u>	<u>\$ 84,512,003</u>

Depreciation/amortization expense was charged to the functions and programs of the primary government’s business type activities as follows:

Business-type activities:	
Sewer	\$ 1,542,009
Water	264,248
Landfill	1,998,427
Electric Plant	<u>660,944</u>
Total depreciation expense—business-type activities	<u>\$ 4,465,628</u>

**Chautauqua County Industrial Development Agency**

Capital asset activity for the Agency for the fiscal year ended December 31, 2023 was as follows:

	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023
Capital assets being depreciated/amortized:				
Jamestown Airport Hanger	\$ 252,565	\$ -	\$ -	\$ 252,565
Furniture and equipment	128,691	-	-	128,691
Talcott Street property	1,816,115	7,487	1,823,602	-
West end improvements	53,848	-	-	53,848
Other improvements	452,655	-	59,708	392,947
Right-to-use leased assets	861,925	-	-	861,925
Total capital assets, being depreciated/amortized	<u>3,565,799</u>	<u>7,487</u>	<u>1,883,310</u>	<u>1,689,976</u>
Less accumulated depreciation/amortization	<u>970,516</u>	<u>135,148</u>	<u>423,888</u>	<u>681,776</u>
Total capital assets, being depreciated/amortized	<u>\$ 2,595,283</u>	<u>\$ (127,661)</u>	<u>\$ 1,459,422</u>	<u>\$ 1,008,200</u>

Depreciation for the year ended December 31, 2023 totaled \$135,148.

**6. ACCRUED LIABILITIES**

Accrued liabilities reported by governmental funds at December 31, 2023 were as follows:

	General Fund	County Road Fund	Road Machinery Fund	Total Governmental Funds
Salary and employee benefits	\$ 2,401,786	\$ 276,606	\$ 44,218	\$ 2,722,610
Other	18,212	-	-	18,212
Total accrued liabilities	<u>\$ 2,419,998</u>	<u>\$ 276,606</u>	<u>\$ 44,218</u>	<u>\$ 2,740,822</u>

**7. PENSION OBLIGATIONS**

***Plan Descriptions and Benefits Provided***

***New York State and Local Employees’ Retirement System (“ERS”)***—The County participates in the ERS (the “System”), which is a cost-sharing, multiple-employer, public employee retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the “Fund”), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual

relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State’s financial report as a pension trust fund. That report, including information with regards to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

***Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***—At December 31, 2023, the County reported the following liabilities for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2023. The total pension liabilities used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to the measurement date. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS Systems in reports provided to the County.

	ERS	
	Governmental Activites	Business-type Activites
Measurement date	March 31, 2023	March 31, 2023
Net pension liability	\$ 54,710,768	\$ 2,652,575
County's portion of the Plan's total net pension liability	0.2551328%	0.0123698%

For the year ended December 31, 2023, the County recognized pension expense of \$17,989,697 and \$872,206 for ERS for governmental activities and business-type activities, respectively. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources presented on the following page.



	ERS			
	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Differences between expected and actual experiences	\$ 5,827,124	\$ 282,521	\$ 1,536,484	\$ 74,495
Changes of assumptions	26,571,077	1,288,262	293,660	14,238
Net difference between projected and actual earnings on pension plan investments	-	-	321,424	15,583
Changes in proportion and differences between the County's contributions and proportionate share of contributions	878,913	42,613	3,306,352	160,304
County contributions subsequent to the measurement date	6,349,125	307,828	-	-
Total	<u>\$ 39,626,239</u>	<u>\$ 1,921,224</u>	<u>\$ 5,457,920</u>	<u>\$ 264,620</u>

The County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	ERS	
	Governmental Activities	Business-type Activities
2024	\$ 6,187,044	\$ 299,970
2025	(3,640,931)	(176,525)
2026	10,597,080	513,785
2027	14,676,001	711,546

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

	ERS
Measurement date	March 31, 2023
Actuarial valuation date	April 1, 2022
Interest rate	5.90%
Salary scale	4.40%
Decrement tables	April 1, 2015- March 31, 2020
Inflation rate	2.90%
Cost-of-living adjustments	1.50%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021. The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

Measurement date	ERS	
	Target Allocation	Long-Term Expected Real Rate of Return
	March 31, 2023	
Asset class:		
Domestic equities	32.0 %	4.3 %
International equities	15.0	6.9
Private equity	10.0	7.5
Real estate	9.0	4.6
Absolute return strategies	3.0	5.4
Credit	4.0	5.4
Real assets	3.0	5.8
Fixed income	23.0	1.5
Cash	1.0	0.0
Total	100.0 %	

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
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**Governmental Activities:**

Employer's proportionate share of the net pension liability/(asset)—ERS	\$ 132,212,460	\$ 54,710,768	\$ (10,050,912)
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**Business-type Activities:**

Employer's proportionate share of the net pension liability/(asset)—ERS	\$ 6,410,136	\$ 2,652,575	\$ (487,304)
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**Pension Plan Fiduciary Net Position**—The components of the current-year net pension liability of the employers as of the respective valuation dates, were as follows:

	<u>(Dollars in Thousands)</u>
	<u>ERS</u>
Valuation date	April 1, 2022
Employers' total pension liability	\$ 232,627,259
Plan fiduciary net position	<u>211,183,223</u>
Employers' net pension liability	<u>\$ 21,444,036</u>
System fiduciary net position as a percentage of total pension liability	90.8%

**8. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) OBLIGATION**

**Plan Description**—The County administers a single-employer defined benefit postemployment health care plan (“the Retiree Health Plan”). The Retiree Health Plan provides health care benefits to eligible retirees who retire from the County and are eligible to receive a pension from the New York State and Local Employees’ Retirement System. Eligible retirees may elect to continue health care coverage in the County health plan and convert their sick leave balance at retirement at a rate of five days per month, to a County paid monthly benefit that will partially or fully cover their retiree health premiums. The duration, amount and type of County paid benefits depend on the amount of sick leave at retirement. Upon retirement, a non-management employee may use sick leave accruals up to a maximum of 180 days as a credit for health, vision and dental insurance. In addition, an employee who retires with 15 or more years of employment with the County shall be credited one full month of coverage for every full year of employment. Said employee shall continue to pay premiums equivalent to the active employee payroll deduction for such insurance. Said benefit shall be utilized only after all sick leave accruals are utilized. Management employees receive a benefit 3.25 months of health insurance per year of service upon retirement.

The County contracts with various health plans to provide health coverage to its active and retired members. The retirees may continue coverage in the County health plans at their own expense after their sick leave balances are fully exhausted. The insurers charge the same premium for active and retired members; therefore, an implicit County subsidy of retiree premiums exists. Benefit provisions are established and may be amended through negotiations between the County and the bargaining units during each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

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

Inactive employees or beneficiaries currently receiving benefit payments	145
Active employees	<u>800</u>
Total	<u><u>945</u></u>

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

***Total OPEB Liability***

The County’s total OPEB liability for governmental activities and business-type activities of \$23,719,737 and \$2,191,712, respectively, was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

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

In the December 31, 2023 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 4.05% effective January 1, 2023 to 3.77% effective December 31, 2023. The salary scale remained unchanged at 2.00%. The mortality improvement scale remained unchanged from Scale MP-2021 mortality improvement scale on a generational basis. The annual rate of increase in healthcare costs remained unchanged at an initial rate of 7.75 percent and ultimate rate of 4.04% based on the SOA Long Term Healthcare Cost Trends Model v2024\_1b (the Getzen model).

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2022 to December 31, 2022.

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

	<u>Total OPEB Liability</u>	
	<u>Governmental</u>	<u>Business-type</u>
	<u>Activities</u>	<u>Activities</u>
Balances at December 31, 2022	\$ 25,569,226	\$ 2,260,179
Changes for the year:		
Service cost	1,218,847	71,489
Interest	945,769	84,459
Change of benefit terms	(991,125)	-
Differences between expected and actual experience	(2,356,846)	(152,366)
Changes of assumptions	1,134,524	93,456
Benefit payments	<u>(1,800,658)</u>	<u>(165,505)</u>
Net changes	<u>(1,849,489)</u>	<u>(68,467)</u>
Balances at December 31, 2023	<u>\$ 23,719,737</u>	<u>\$ 2,191,712</u>

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

	<u>1%</u> <u>Decrease</u> <u>(2.77%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(3.77%)</u>	<u>1%</u> <u>Increase</u> <u>(4.77%)</u>
<b>Governmental Activities:</b>			
Total OPEB Liability	\$ 25,920,738	\$ 23,719,737	\$ 21,732,443
<b>Business-type Activities:</b>			
Total OPEB Liability	\$ 2,395,085	\$ 2,191,712	\$ 2,008,085

Additionally, healthcare costs can be subject to considerable volatility over time. The table below presents the effect on the net OPEB liability of a 1% change in the initial (7.75%)/ultimate (4.04%) healthcare cost trend rates.

	<u>1%</u> <u>Decrease</u> <u>(6.75/3.04%)</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rates</u> <u>(7.75/4.04%)</u>	<u>1%</u> <u>Increase</u> <u>(8.75/5.04%)</u>
<b>Governmental Activities:</b>			
Total OPEB Liability	\$ 21,090,984	\$ 23,719,737	\$ 26,948,151
<b>Business-type Activities:</b>			
Total OPEB Liability	\$ 1,948,814	\$ 2,191,712	\$ 2,490,019

**Funding Policy**—Authorization for the County to pay a portion of retiree health insurance premiums was enacted through various union contracts as specified above, which were ratified by the County Legislature. The County recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. County governmental activities and business-type activities contributed \$1,800,658 and \$165,505 for the fiscal year ended December 31, 2023, respectively. The County’s contributions to the OPEB plan are based on negotiated contracts with three bargaining units, as discussed in Note 14. Any amendments to the employer’s contributions are subject to the collective bargaining agreements.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**—The County reports deferred outflows inflows of resources due to differences during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability are required to be determined. The table below presents the County’s deferred inflows of resources at December 31, 2023:

	Deferred Outflows of Resources	
	Governmental Activities	Business-type Activities
Differences between expected and actual experience	\$ -	\$ 17,348
Changes of assumptions	8,837,944	509,201
Total	<u>\$ 8,837,944</u>	<u>\$ 526,549</u>

	Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities
Differences between expected and actual experience	\$ 25,671,215	\$ 1,895,699
Changes of assumptions	22,923,151	1,934,807
Total	<u>\$ 48,594,366</u>	<u>\$ 3,830,506</u>

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

Year ending December 31,	Governmental Activities	Business-type Activities
2024	\$ (4,714,052)	\$ (385,798)
2025	(4,688,050)	(383,166)
2026	(4,693,789)	(384,333)
2027	(4,647,999)	(379,794)
2028	(4,397,068)	(356,170)
Thereafter	(16,615,464)	(1,414,696)

**9. RISK MANAGEMENT**

The County is exposed to various risks of loss related to damage and destruction of assets, vehicle liability, injuries to employees, health insurance, and unemployment insurance. These risks are covered by commercial insurance purchased from independent third parties.

The County assumes the liability for most risk including, but not limited to, dental and vision claims for employees, workers’ compensation, property damage, and personal injury liability. The County has purchased insurance for bodily injury, property damage, employee liability, public official liability, automobile, network security, business and business personal property with deductibles ranging from \$25,000 to \$100,000 per occurrence. Upper limits are extended via an excess umbrella policy to \$30,000,000. The County has purchased a Workers’ Compensation Excess Policy to cover claims in excess of \$1,500,000. During the current year the County obtained an actuarial study of its workers’ compensation claims. The liability totaling \$16,293,070 in the Workers’ Compensation Fund and Enterprise Funds reflects the results of this study. The Workers’ Compensation Fund has recorded a receivable from other governments totaling \$2,591,176 representing those other governments’ respective share of the aforementioned liability. The liability has been allocated between the Enterprise Funds and the Workers’ Compensation Fund. The County has had no claims in excess of its coverage in the last three fiscal years.

Changes in the reported workers’ compensation liability since January 1, 2022 are summarized as follows:

Year Ended December 31,	Liability, Beginning of Year	Claims and Adjustments	Claim Payments	Liability, End of Year
2023	\$ 18,647,091	\$ 802,332	\$ 3,156,353	\$ 16,293,070
2022	18,740,000	3,108,726	3,201,635	18,647,091

**10. LEASE AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENT (“SBITA”) LIABILITIES**

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

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

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

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

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

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

The County has entered into long-term lease agreements as the lessee for the acquisition and use of various buildings. As of December 31, 2023, the value of these lease liabilities was \$3,584,708 in governmental activities. The County is required to make monthly principal and interest payments ranging from \$1,087 to \$59,137. The leases have estimated interest rates ranging from 2.0% to 3.5%. The value of the right-to-use lease assets as of the end of the current fiscal year was \$8,228,350 and had accumulated amortization of \$4,968,557 for governmental activities.

During the year ended December 31, 2023, the County began recognizing a long-term SBITA as the leases for software. As of December 31, 2023, the value of the SBITA liability was \$478,285 in governmental activities. The County is required to make annual principal and interest payments of \$143,989. The leases have an interest rate of 3.25%. The value of the right-to-use SBITA assets at the end of the current fiscal year was \$654,749 and had accumulated amortization of \$186,507.

The future principal and interest payments for governmental activities as of December 31, 2023, were as follows:

Fiscal Year Ending December 31,	Leases		SBITA		Total
	Principal	Interest	Principal	Interest	
2024	\$ 878,397	\$ 100,581	\$ 128,445	\$ 15,544	\$ 1,112,732
2025	874,308	71,456	132,619	11,370	1,078,904
2026	819,495	43,570	136,929	7,060	1,007,054
2027	653,700	16,625	80,292	2,609	753,226
2028	42,218	6,071	-	-	48,289
2029-2033	191,940	17,968	-	-	209,908
2034-2036	88,650	2,384	-	-	91,034
Total	<u>\$ 3,548,708</u>	<u>\$ 258,655</u>	<u>\$ 478,285</u>	<u>\$ 36,583</u>	<u>\$ 4,301,147</u>

## 11. LONG-TERM LIABILITIES

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



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

The County's outstanding long-term liabilities include serial bonds, CTASC bonds and accreted interest, notes payable, leases, SBITAs, compensated absences, workers' compensation, health insurance, OPEB obligation, landfill closure and post-closure liability, and long-term retirement payable.

A summary of the changes in the County's long-term liabilities for the year ended December 31, 2023 is presented below:

	Balance 1/1/2023 (as restated)	Additions	Reductions	Balance 12/31/2023	Due Within One Year
<b>Governmental activities:</b>					
Serial bonds	\$ 35,205,562	\$ -	\$ 3,205,192	\$ 32,000,370	\$ 3,380,025
Premium on serial bonds	1,177,266	-	136,036	1,041,230	136,037
Bonds payable, net	36,382,828	-	3,341,228	33,041,600	3,516,062
CTASC bonds and accreted interest, net	38,528,695	766,306	915,000	38,380,001	2,470,000
Lease liability	4,498,259	21,084	970,635	3,548,708	878,397
SBITA liability	602,687	-	124,402	478,285	128,445
Compensated absences*	8,026,568	896,917	-	8,923,485	2,923,788
Workers' compensation	18,236,284	760,846	2,918,208	16,078,922	-
Health insurance	1,475,890	30,921	-	1,506,811	-
OPEB obligation	25,569,226	3,299,140	5,148,629	23,719,737	-
Net pension liability*	-	54,710,768	-	54,710,768	-
Long-term retirement payable	1,208,434	-	343,736	864,698	346,655
Total governmental activities	<u>\$ 134,528,871</u>	<u>\$ 60,485,982</u>	<u>\$ 13,761,838</u>	<u>\$ 181,253,015</u>	<u>\$ 10,263,347</u>
	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023	Due Within One Year
<b>Business-type activities:</b>					
Serial bonds and EFC notes payable	\$ 33,711,117	\$ 4,476,634	\$ 2,924,022	\$ 35,263,729	\$ 2,848,496
Premium on serial bonds	703,330	-	90,977	612,353	90,977
Bonds payable, net	34,414,447	4,476,634	3,014,999	35,876,082	2,939,473
Notes payable	6,206,853	-	266,059	5,940,794	258,931
Compensated absences*	195,328	-	3,834	191,494	191,494
Landfill closure and post-closure	24,846,050	347,532	-	25,193,582	-
Workers' compensation	410,807	41,486	238,145	214,148	-
Health insurance	93,110	2,079	-	95,189	-
OPEB obligation	2,260,179	249,404	317,871	2,191,712	-
Net pension liability*	-	2,652,575	-	2,652,575	-
Total business-type activities	<u>\$ 68,426,774</u>	<u>\$ 7,769,710</u>	<u>\$ 3,840,908</u>	<u>\$ 72,355,576</u>	<u>\$ 3,389,898</u>

(\*changes to compensated absences and the net pension liabilities are shown net of additions and reductions)

**Serial Bonds**—The County borrows money in order to acquire land or equipment or construction of buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are backed by the full faith and credit of the local government.

During the year ended December 31, 2023, the County issued \$4,476,634 of EFC notes payable for a sewer extension project and water facility improvements. The notes carry no interest. At December 31, 2023, the County’s sewer extension project has \$1,292,902 in additional notes payable available for the project and the County’s water facility improvements has \$196,777 in additional notes payable available for the project.

A summary of additions and payments of serial bonds for the year ended December 31, 2023 is shown below:

Purpose	Issue Maturity Date	Interest Rate	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023
<b>Governmental activities:</b>						
Helicopters refunding	2016/2025	0.00-4.00%	\$ 815,000	\$ -	\$ 265,000	\$ 550,000
JCC Science building refunding	2016/2030	0.00-4.00%	1,485,000	-	165,000	1,320,000
JCC dormitory refunding	2014/2039	2.50-3.75%	7,190,000	-	315,000	6,875,000
Public improvements	2016/2040	3.50-4.00%	2,570,000	-	105,000	2,465,000
Public improvements	2019/2029	2.00%	3,131,610	-	421,240	2,710,370
Refunding	2019/2029	2.00%	3,805,000	-	345,000	3,460,000
Refunding	2022/2029	2.00-4.00%	7,340,000	-	1,165,000	6,175,000
Public improvements	2022/2037	3.00%	8,868,952	-	423,952	8,445,000
Total governmental activities			<u>\$ 35,205,562</u>	<u>\$ -</u>	<u>\$ 3,205,192</u>	<u>\$ 32,000,370</u>
<b>Business-type activities:</b>						
Energy fund power plant	2016/2030	2.13-4.00%	\$ 3,415,000	\$ -	\$ 380,000	\$ 3,035,000
Energy fund power plant	2016/2030	2.13-4.00%	2,120,000	-	220,000	1,900,000
Clean energy renewable energy bond	2010/2025	4.25-5.25%	440,000	-	145,000	295,000
Public improvements	2019/2029	2.00%	12,963,390	-	1,743,760	11,219,630
Public improvements	2022/2037	3.00%	1,763,350	-	83,350	1,680,000
Qualified energy performance bonds	2012/2026	5.66%	412,316	-	100,322	311,994
EFC Notes 2018	2018/2050	0.00%	2,704,313	-	96,590	2,607,723
EFC Notes 2021	n/a	0.00%	9,211,252	3,361,846	155,000	12,418,098
EFC Notes 2022	n/a	0.00%	681,496	1,114,788	-	1,796,284
Total business-type activities			<u>\$ 33,711,117</u>	<u>\$ 4,476,634</u>	<u>\$ 2,924,022</u>	<u>\$ 35,263,729</u>

The annual repayment of principal and interest on serial bonds are as follows:

Year	Governmental Activities	Business-type Activities	Total
2024	\$ 3,380,025	\$ 2,848,496	\$ 6,228,521
2025	3,486,785	2,923,792	6,410,577
2026	3,298,510	2,843,949	6,142,459
2027	2,860,270	2,806,320	5,666,590
2028	2,936,025	2,870,565	5,806,590
2029-2033	9,150,755	4,582,195	13,732,950
2034-2038	5,963,000	1,014,950	6,977,950
2039-2043	925,000	482,950	1,407,950
2044-2048	-	482,950	482,950
2049-2050	-	193,180	193,180
Thereafter	-	14,214,382	14,214,382
<b>Total</b>	<b>\$ 32,000,370</b>	<b>\$ 35,263,729</b>	<b>\$ 67,264,099</b>

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

The County issues debt for Jamestown Community College (“JCC”) purposes. Regular debt service related to bonds issued for JCC are funded by JCC and are reported in the General Fund as departmental revenue. Regular payments funded in the current year amounted to \$345,000 in principal and \$76,613 in interest.

**Chautauqua County Tobacco Asset Securitization Corporation (“CTASC”)—Changes in CTASC’s long-term debt for the year ended December 31, 2023 is shown below:**

	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023	Due Within One Year
CTASC bonds:					
Series 2014	\$ 28,650,000	\$ -	\$ 915,000	\$ 27,735,000	\$ 2,470,000
Series 2005 and accreted interest, net	10,198,673	744,336	-	10,943,009	-
Less bond discount	(319,978)	-	(21,970)	(298,008)	-
<b>Total CTASC bonds and accreted interest, net</b>	<b>\$ 38,528,695</b>	<b>\$ 744,336</b>	<b>\$ 893,030</b>	<b>\$ 38,380,001</b>	<b>\$ 2,470,000</b>

**Series 2014**—On November 6, 2014 CTASC refunded the Series 2000 Bonds and reissued Series 2014 Bonds in the amount of \$34,765,000. The sale of the bonds provided for the complete refunding of the Series 2000 bonds, provided \$600,000 of excess proceeds to Chautauqua County for the capital expansion of the Sherman Department of Public Facilities maintenance facility, and created a \$120,000 operating reserve.

The Series 2014 Bonds are issued in fully registered form in the name of Cede & CO. as a nominee of the Depository Trust Company, New York, New York (“DTC”) who acts as Securities Depository for the Series 2014 Bonds. Individual purchases are in book-entry form only, in the principal amount of

\$5,000, or integral multiples thereof. Purchasers do not receive certificates representing their ownership interest in the 2014 Bonds.

Interest on the Series 2014 Bonds is payable semi-annually on June 1 and December 1 each year until maturity or prior redemption. Principal of and interest on the Series 2014 Bonds will be paid by the Indenture Trustee to DTC which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Series 2014 Bonds.

Pursuant to a Purchase and Sale Agreement, dated September 1, 2000 (the “TSR Purchase Agreement”), the County sold to CTASC all of its rights, title and interest under the MSA and the Decree, including the County’s right to be paid its portion of the State of New York’s (the “State”) allocable shares of future initial Payments and Annual Payments under the MSA (the “Tobacco Settlement Revenues”).

Under the Indenture, the Indenture Trustee has established and holds a Debt Service Reserve Account which is funded from Series 2014 Bond proceeds. Except after an Event of Default, CTASC is required to maintain a balance in the Debt Service Reserve Account to the extent of available funds equal to the maximum annual debt service on the Series 2014 Bonds in the current year or any future year.

As a result of the refunding, CTASC has recorded a deferred gain on refunding in the amount of \$3,260,482. The gain is classified as a deferred inflow of resources within governmental activities and will be amortized over the life of the refunded bond.

**Series 2005**—The New York Counties Tobacco Trust V issued \$202,792,505 aggregate principal amount of Tobacco Settlement Pass-Through Bonds in four series. These Series 2005 NYCTT Bonds represent direct, pass-through interest in corresponding bonds of certain series of tobacco settlement asset-backed bonds issued by one or more of the 24 tobacco asset securitization corporations (“TASC”) of which CTASC is one. These bonds are subordinate to the Series 2014 bonds discussed above.

There are no scheduled payments of principal or interest on the Series 2005 NYCTT Bonds other than on their respective maturity dates because the bonds are Capital Appreciation Bonds. All interest accretes until both principal and accreted interest is paid. Turbo (accelerated) amortization payments are required to be made against the outstanding principal providing that CTASC receives sufficient Tobacco Settlement Revenues (“TSR”) to make the Turbo payments. Since there is no certainty that CTASC will receive sufficient TSRs to make these Turbo payments, the outstanding amount of the bonds and the related discount have not been reduced on the statement of net deficits.

In order to secure payment of its Prior Bonds and Series 2005 TASC Bonds, each TASC has pledged to the TASC Trustee all of the TASC’s rights, title, and interest whether now owned or hereafter acquired, in (i) the TSR Purchase Agreement and the TSRs (ii) the Pledged Series 2005 Accounts, and all investment earnings on amounts on deposit in or credited to the Pledged Series 2005 Accounts; and (iii) all present and future claims, demands, and causes in action in respect to the foregoing.

A Series 2005 Bond Fund will be established with the Trustee and money will be deposited therein as provided in the Series 2005 Supplemental Indenture. The money in the Bond Fund will be held in trust and, except as otherwise provided in the Series 2005 Supplemental Indenture, will be applied solely to the payment of Debt Service. The Series 2005 Bond Fund includes a Series 2005 Turbo Redemption Account, a Series 2005 Lump Sum Redemption Account and a Series 2005 Extraordinary Payment Account.

CTASC debt service requirements based upon planned principal payments for Tobacco Settlement Bonds, Series 2014, is shown below:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 2,470,000	\$ 1,309,025	\$ 3,779,025
2025	1,305,000	1,214,650	2,519,650
2026	1,380,000	1,147,525	2,527,525
2027	1,455,000	1,076,650	2,531,650
2028	1,540,000	1,002,787	2,542,787
2029-2033	9,045,000	3,790,025	12,835,025
2034-2037	10,540,000	1,185,750	11,725,750
Total	<u>\$ 27,735,000</u>	<u>\$ 10,726,412</u>	<u>\$ 38,461,412</u>

**Subordinate Turbo CABs**—The total bonds issued and their maturity terms are summarized as follows:

Series	Issuance Amount	Maturity Amount	Interest Rate	Maturity
Series S2	\$ 2,400,150	\$ 3,481,000	6.10%	June 1, 2050
Series S3	1,820,337	51,090,000	6.85%	June 1, 2055

**Notes Payable**—In 2010, the County and the North Chautauqua Lake Sewer District entered into an agreement by which the County’s General Fund issued a note to the District in the amount of \$1,402,234. The note carries an annual interest rate of 4.0% and will mature in 2030.

On April 22, 2013, the County and the Portland, Pomfret, Dunkirk Sewer District entered into an agreement by which the County’s General Fund issued a note to the District in the amount of \$250,000. The note carries an interest rate of 2.5% and will mature in 2024.

In, July of 2017 and May 2018, the North Chautauqua County Water District (a County water district) and the Village of Brocton entered into intermunicipal agreements for Phase I and Phase II of the water infrastructure improvement projects, by which the County's water fund will pay the principal payments on debt owed for the water project within the Village. The infrastructure assets will become the full assets of the County once the note is paid in full. The cost to construct the assets included a grant which was recorded as a deferred inflow within the water fund and will be recognized as the debt is paid.

The following table summarizes the future payment schedule on the notes payable as of December 31, 2023:

Year	Business-type Activities		Total
	Principal	Interest	
2024	\$ 258,931	\$ 61,036	\$ 319,967
2025	251,973	57,891	309,864
2026	254,025	55,071	309,096
2027	256,159	52,055	308,214
2028	258,380	49,371	307,751
2029-2033	1,131,096	203,092	1,334,188
2034-2038	1,080,950	153,172	1,234,122
2039-2043	1,140,950	91,030	1,231,980
2044-2048	1,015,950	19,442	1,035,392
2049-2050	292,380	-	292,380
Total	<u>\$ 5,940,794</u>	<u>\$ 742,160</u>	<u>\$ 6,682,954</u>

**Lease liability**—The County enters into long-term leases for various buildings. The outstanding balance at December 31, 2023 for governmental activities was \$3,548,708. The liability is anticipated to be liquidated by the General Fund. Refer to Note 10 for additional information.

**SBITA liability**—During the year ended December 31, 2023, the County began recognizing a long-term SBITA. The outstanding balance at December 31, 2023 was \$478,285. Refer to Note 10 for additional information related to the County’s SBITA liability.

**Compensated Absences**—As explained in Note 1, compensated absences are recorded in the government-wide and proprietary fund financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees which are included in wages and benefits. The payment of compensated absences is dependent on many factors and, therefore, cannot be reasonably estimated as to future timing of payment. The annual budgets of operating funds provide for such as amounts become payable. The value recorded at December 31, 2023 for governmental and business-type activities is \$8,923,485 and \$191,494, respectively.

**Landfill Closure and Post-Closure Care Cost**—The County maintains certain landfill sites. Estimated long-term costs associated with the future closure, post-closure and future maintenance and testing total \$25,193,582. Further discussion of the obligation can be found in Note 18.

**Workers’ Compensation**—As discussed in Note 9, the County reports the workers’ compensation liability within the Internal Service Fund and in business-type activities. The total of the liability in the Internal Service Fund is \$16,078,922, while the total liability in the business-type activities is \$214,148.

**Health Insurance**—The County reports the health insurance liability within the Internal Service Fund and in business-type activities. The total of the liability in the Internal Service Fund is \$1,506,811 and the total liability in the business-type activities is \$95,189.

**OPEB Obligation**—As discussed in Note 8, the County’s net OPEB obligation at December 31, 2023 is \$23,719,737 and \$2,191,712 for governmental activities and business-type activities, respectively.

**Net Pension Liability**—The County reported liabilities of \$54,710,768 and \$2,652,575 in governmental and business-type activities, respectively, for its proportionate share of the net pension liability for the Employees’ Retirement System. Refer to Note 7 for additional information related to the County’s net pension liability.

**Long-term Retirement Payable**—The County reports a liability for past service costs owed to the Employees’ Retirement System as a result of a contract settlement. The County has elected to amortize this payment over 10 years. At December 31, 2023, the County reported a liability of \$864,698.

**Chautauqua County Industrial Development Agency**

The IDA has the following outstanding long-term debt:

A bond payable to the County with an interest rate of 3%. Proceeds from this bond are to be used to acquire property. It is payable upon disposition of the acquired property. The outstanding balance is \$2,000,000.

A bond payable to the County. Proceeds were used for the construction of the Stoneman Industrial Park SPEC Building. Payable \$99,591 semi-annually beginning February 20, 2002, including interest at 3% to 5% accruing as of August 20, 2001, compounded semi-annually. The bond matures in 2032 and has an outstanding balance of \$689,723.

A bond payable to the County with an annual interest rate of 5%. Proceeds were used for the construction of an aircraft storage hangar. The bond is payable upon disposition of the property and has an outstanding balance of \$81,371.

A bond payable to the County with an interest rate of 2.274%. Proceeds were used for the construction of a building. The IDA made interest only payments from March 22, 2012 through June 25, 2013. Monthly principal and interest payments totaling \$9,428 began July 25, 2013. The bond matures July 25, 2033 and has an outstanding balance of \$965,861.

The following table summarizes the future payment schedule on the bonds payable as of December 31, 2023:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 241,163	\$ 40,774	\$ 281,937
2025	163,967	36,599	200,566
2026	168,253	32,313	200,566
2027	172,654	27,912	200,566
2028	177,172	23,394	200,566
2029-2032	<u>813,746</u>	<u>69,331</u>	<u>883,077</u>
Total	<u>\$ 1,736,955</u>	<u>\$ 230,323</u>	<u>\$ 1,967,278</u>

During 2016, the Agency moved its office location to 201 West Third Street in Jamestown, New York. A lease agreement was entered into which has an initial term of 10 years, with a 5 year renewal option, and commenced on August 1, 2016. Monthly rental payments of \$7,495 per month plus quarterly payments for common area maintenance fees and property taxes are due in the first year of this

agreement, with subsequent lease periods increasing by 2%. The option to extend was included in the measurement as it is likely that the agreement is extended.

As of December 31, 2023, the weighted average remaining lease term is 5.6 years and weighted average discount rate is 2%.

The maturities of lease liabilities as of December 31, 2023 were as follows:

2024	\$ 104,174
2025	106,257
2026	108,382
2027	110,550
2028	112,761
2029 and thereafter	<u>320,377</u>
Total undiscounted cash flows	862,501
Less: interest	<u>(65,587)</u>
Present value of lease liability	<u>\$ 796,914</u>

## 12. NET POSITION AND FUND BALANCE

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

- ***Net Investment in Capital Assets***—This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation/amortization 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 and business-type activities net investment in capital assets is presented below:

Governmental activities:

Capital assets, net of accumulated depreciation/amortization	\$ 216,345,142
Related debt:	
Serial bonds issued	(32,000,370)
Unamortized bond premium	(1,041,230)
CTASC net bonds issued	(31,955,487)
Debt issued on behalf of JCC	4,780,000
Lease liability	(3,548,708)
SBITA liability	(478,285)
Deferred gain on CTASC refunding	(2,375,142)
Deferred charge on refunding	443,121
Accounts payable in Capital Projects Fund	(1,140,784)
Retainages payable	<u>(307,280)</u>
Net investment in capital assets—governmental activities	<u>\$ 148,720,977</u>

(continued)



(concluded)

Business-type activities:	
Capital assets, net of accumulated depreciation	\$ 84,512,003
Related debt:	
Serial bonds and EFC notes payable	(35,263,729)
Unamortized bond premium	(612,353)
Notes payable issued	(5,940,794)
Deferred charge on refunding debt	<u>340,607</u>
Net investment in capital assets—business-type activities	<u>\$ 43,035,734</u>

- **Restricted Net Position**—This category represents external restrictions imposed by creditors, grants, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position**—This category represents net investment in assets of the County not restricted for any project or other purpose.

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

- **Prepaid Items**—Represents amounts of \$2,351,645, \$163,074, and \$23,832 in the General Fund, County Road Fund, and Road Machinery Fund, respectively, prepaid to vendors and employees that are applicable to future accounting periods.
- **Inventories**—Represents amounts of \$135,697, \$180,474, and \$629,987, in the General Fund, County Road Fund, and Road Machinery Fund, respectively, composed of inventory and is nonspendable because inventory is not an available spendable resource.
- **Loans Receivable**—Represents amounts of \$2,202,744 and \$81,371 in the General Fund and Capital Projects Fund, respectively, composed of loans receivable through the year ended December 31, 2023 and are nonspendable because they are not an available resource of the next fiscal year.

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, 2023, the County had the restricted amounts presented on the following page within its governmental funds.

	General Fund	Debt Service	Capital Projects	Total
Insurance	\$ 1,818,792	\$ -	\$ -	\$ 1,818,792
Capital projects	2,050,070	170,272	3,787,582	6,007,924
Occupancy tax	816,632	-	-	816,632
E911 and W911	485,654	-	-	485,654
Fire services	473,012	-	-	473,012
Lakes and waterways	676,348	-	-	676,348
Opioid settlement	1,278,087	-	-	1,278,087
Debt service	-	2,322,122	-	2,322,122
Total restricted fund balance	<u>\$ 7,598,595</u>	<u>\$ 2,492,394</u>	<u>\$ 3,787,582</u>	<u>\$ 13,878,571</u>

- ***Restricted for Insurance***—Represents resources that have been legally restricted for payments under the County’s self-insurance program.
- ***Restricted for Capital Projects***—Represents funds accumulated to finance all or part of the cost of construction, reconstruction or acquisition of specific items.
- ***Restricted for Occupancy Tax***—Effective January 1, 2004, the County established this reserve funded by the occupancy tax which is restricted to fund tourism.
- ***Restricted for E911 and W911***—Represents resources that are restricted for the County’s Emergency 911 and Wireless 911 communication systems.
- ***Restricted for Fire Services***—Represents resources that are restricted to ensure the viability and vitality of the County’s fire services.
- ***Restricted for Lakes and Waterways***—Represents resources that are dedicated for the County’s lakes and waterways.
- ***Restricted for Opioid Settlement***—Represents funds restricted for specific public health measures to combat opioid abuse.
- ***Restricted for Debt Service***—Restricted for debt payments of the Chautauqua County Tobacco Asset Securitization Corporation.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the County’s highest level of decision-making authority, or by its designated body or official. As of December 31, 2023 the County had no committed fund balance.

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

As of December 31, 2023, the following balances were considered to be assigned:

	General Fund	County Road Fund	Road Machinery Fund	Total
Subsequent year's appropriations	\$ 4,498,794	\$ -	\$ -	\$ 4,498,794
Encumbrances	1,189,790	189,242	48,057	1,427,089
Specific use	-	5,059,264	312,965	5,372,229
Total assigned fund balance	<u>\$ 5,688,584</u>	<u>\$ 5,248,506</u>	<u>\$ 361,022</u>	<u>\$ 11,298,112</u>

- **Assigned to Subsequent Year's Appropriations**—Represents available fund balance being appropriated to meet expenditure requirements in the 2024 fiscal year.
- **Assigned to Encumbrances**—Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures of monies are recorded, is employed as part of the County's budgetary control mechanism for all funds. Unencumbered appropriations lapse at fiscal year-end.
- **Assigned to Specific Use**—Represents fund balance within the special revenue funds that is assigned for a specific purpose. The assignment's purpose relates to each fund's operations and represents amounts within funds that are not restricted or committed.

It is the County's policy to expend fund balances in the following order: nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

### 13. INTERFUND BALANCES AND ACTIVITY

Interfund loans are short-term in nature and exist because of temporary advances made on behalf of other funds. Interfund transfers are routine annual events for both the budget and the accounting process and are necessary to present funds in their proper fund classification. Interfund loans and transfers of the County for the year ended December 31, 2023 are shown below:

Fund	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
<b>Governmental funds:</b>				
General Fund	\$ 9,305,217	\$ -	\$ -	\$ 30,918,679
County Road Fund	-	4,009,714	14,454,591	-
Road Machinery Fund	-	-	4,838,784	-
Capital Projects Fund	-	-	10,350,787	-
Total governmental funds	<u>\$ 9,305,217</u>	<u>\$ 4,009,714</u>	<u>\$ 29,644,162</u>	<u>\$ 30,918,679</u>
<b>Proprietary funds:</b>				
Water Districts Fund	\$ -	\$ 5,295,503	\$ 857,825	\$ -
Landfill Fund	-	-	416,692	-
Total proprietary funds	<u>\$ -</u>	<u>\$ 5,295,503</u>	<u>\$ 1,274,517</u>	<u>\$ -</u>
Total	<u>\$ 9,305,217</u>	<u>\$ 9,305,217</u>	<u>\$ 30,918,679</u>	<u>\$ 30,918,679</u>

**14. LABOR CONTRACTS**

Five bargaining units represent the unionized County employees. The Civil Service Employees Association Unit 6300 and Civil Service Employees Association Unit 6323 have contracts settled through December 31, 2023. The Chautauqua County Sheriff’s Supervisors’ Association, the Deputy Sheriffs’ Association of Chautauqua County, Civil Service Employees Association Unit 6322 have contracts settled through December 31, 2025.

**15. COMMITMENTS**

*Encumbrances*—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrances accounting is utilized to the extent necessary to assure budgetary control and accountability and to facilitate effective cash planning and control. While appropriations and encumbrances lapse at year-end, valid encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

The County considers encumbrances to be significant for amounts that are encumbered in excess of \$250,000. Significant encumbrances as of December 31, 2023, is presented below:

<u>Fund</u>	<u>Purpose</u>	<u>Amount Encumbered</u>
General	Construction equipment	\$ 663,281

**16. TAX ABATEMENTS**

The County is subject to tax abatements granted by the Chautauqua County Industrial Development Agency (“CCIDA”). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the CCIDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the County, the abatements have resulted in reductions of property taxes, which the County administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by CCIDA, the County collected \$503,869 during 2023 in payments in lieu of taxes (“PILOT”), these collections were made in lieu of \$3,504,856 in property taxes.

**17. CONTINGENCIES**

*Grants*—In the normal course of operations, the County receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. The amount of disallowance, if any, cannot be determined at this time, although the County expects any such amounts to be immaterial.

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

**18. LANDFILL CLOSURE AND POST-CLOSURE CARE COST**

State and federal laws and regulations require the County to place a final cover on a section of the landfill site when it reaches final elevation and to perform certain maintenance and monitoring functions at the site for a minimum of thirty years after closure. Although both closure and post-closure care costs will be paid in the future, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

Remaining cell closure liability, projected at \$8,483,227 as of December 31, 2023, and post closure care liability, projected at \$16,710,355 as of December 31, 2023 (totaling \$25,193,582), represent the cumulative amount reported to date based on the use of 74.10% of the estimated permitted space less areas where the final cover has been placed.

Total remaining closure cost is projected at \$11,906,900 and total post-closure care cost is projected at \$17,550,000, totaling \$29,456,900. The County will recognize the remaining projected closure cost of \$3,423,673 and the remaining projected post-closure care cost of \$839,645 (totaling \$4,263,318) as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2024. The County currently projects a landfill life of 12 years and 4 months for permitted areas, which includes permitted air space over the existing landfills; however, ongoing research regarding the construction of additional cells could significantly extend landfill life. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The landfill is reported as an enterprise fund and the \$25,193,582 liability is reported in that fund.

**19. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 12, 2024, which is the date the financial statements are available for issuance, and have determined that there are no subsequent events that require disclosure under generally accepted accounting principles.

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## REQUIRED SUPPLEMENTARY INFORMATION





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

	Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Plan fiduciary net position as a percentage of the total pension liability	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%
<b>Governmental Activities:</b>										
County's proportion of the net pension liability/(asset)	0.2551328%	0.2450117%	0.2438698%	0.2340595%	0.2330360%	0.2319392%	0.2224483%	0.2302752%	0.2404218%	0.2404218%
County's proportionate share of the net pension liability/(asset)	<u>\$ 54,710,768</u>	<u>\$ (20,028,697)</u>	<u>\$ 242,836</u>	<u>\$ 61,982,992</u>	<u>\$ 16,510,703</u>	<u>\$ 7,485,709</u>	<u>\$ 20,901,744</u>	<u>\$ 36,959,440</u>	<u>\$ 8,122,268</u>	<u>\$ 10,864,634</u>
County's covered payroll	\$ 62,377,619	\$ 56,922,904	\$ 59,278,000	\$ 54,993,339	\$ 53,606,179	\$ 53,166,641	\$ 51,678,654	\$ 50,929,759	\$ 53,329,523	\$ 54,635,873
County's proportionate share of the net pension liability(asset) as a percentage of its covered payroll	87.7%	(35.2)%	0.4%	112.7%	30.8%	14.1%	40.4%	72.6%	15.2%	19.9%
<b>Business-type Activities:</b>										
County's proportion of the net pension liability/(asset)	0.0123698%	0.0132104%	0.0134583%	0.0130472%	0.0131725%	0.0117778%	0.0126571%	0.0136579%	0.0147489%	0.0147489%
County's proportionate share of the net pension liability/(asset)	<u>\$ 2,652,575</u>	<u>\$ (1,079,893)</u>	<u>\$ 13,396</u>	<u>\$ 3,452,287</u>	<u>\$ 933,918</u>	<u>\$ 380,122</u>	<u>\$ 1,189,287</u>	<u>\$ 2,192,508</u>	<u>\$ 498,024</u>	<u>\$ 666,174</u>
County's covered payroll	\$ 3,024,292	\$ 3,071,725	\$ 2,698,275	\$ 3,063,254	\$ 3,032,201	\$ 2,698,275	\$ 2,938,397	\$ 3,021,257	\$ 3,271,542	\$ 3,351,681
County's proportionate share of the net pension liability(asset) as a percentage of its covered payroll	87.7%	(35.2)%	0.5%	112.7%	30.8%	14.1%	40.5%	72.6%	15.2%	19.9%

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

	Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b><i>Governmental Activities:</i></b>										
Contractually required contributions	\$ 7,778,323	\$ 7,772,441	\$ 8,049,927	\$ 7,907,570	\$ 8,060,086	\$ 8,357,972	\$10,265,152	\$ 8,094,457	\$ 9,051,328	\$ 9,335,708
Contributions in relation to the contractually required contribution	<u>(7,778,323)</u>	<u>(7,772,441)</u>	<u>(8,049,927)</u>	<u>(7,907,570)</u>	<u>(8,060,086)</u>	<u>(8,357,972)</u>	<u>(10,265,152)</u>	<u>(8,094,457)</u>	<u>(9,051,328)</u>	<u>(9,335,708)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$62,443,090	\$60,830,654	\$56,697,200	\$54,991,830	\$53,605,819	\$53,804,423	\$52,485,956	\$51,255,048	\$49,947,906	\$55,388,381
Contributions as a percentage of covered payroll	12.5%	12.8%	14.2%	14.4%	15.0%	15.5%	19.6%	15.8%	18.1%	16.9%
<b><i>Business-type Activities:</i></b>										
Contractually required contributions	772,154	419,069	444,073	440,430	455,914	424,415	583,666	488,622	\$ 1,874,945	\$ 2,048,181
Contributions in relation to the contractually required contribution	<u>(772,154)</u>	<u>(419,069)</u>	<u>(444,073)</u>	<u>(440,430)</u>	<u>(455,914)</u>	<u>(424,415)</u>	<u>(583,666)</u>	<u>(488,622)</u>	<u>(1,874,945)</u>	<u>(2,048,181)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 3,027,466	\$ 3,282,599	\$ 2,580,800	\$ 3,063,170	\$ 3,032,181	\$ 2,730,644	\$ 2,984,300	\$ 3,040,553	\$ 2,963,011	\$ 3,285,751
Contributions as a percentage of covered payroll	25.5%	12.8%	17.2%	14.4%	15.0%	15.5%	19.6%	16.1%	63.3%	62.3%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Governmental activities</b>						
<b>Total OPEB Liability</b>						
Service cost	\$ 1,218,847	\$ 1,877,566	\$ 1,763,936	\$ 4,142,818	\$ 3,000,860	\$ 3,490,065
Interest	945,769	557,961	576,921	2,036,563	2,115,548	1,991,293
Change of benefit terms	(991,125)	-	(73,690)	-	8,755,178	-
Changes of assumptions	1,134,524	(4,519,030)	(24,075,363)	8,265,459	5,953,446	(4,198,426)
Differences between actual and expected experience	(2,356,846)	-	(30,219,759)	-	(3,171,202)	-
Benefit payments	<u>(1,800,658)</u>	<u>(1,587,364)</u>	<u>(1,789,758)</u>	<u>(2,602,092)</u>	<u>(2,317,947)</u>	<u>(2,147,243)</u>
Net change in total OPEB liability	(1,849,489)	(3,670,867)	(53,817,713)	11,842,748	14,335,883	(864,311)
Total OPEB liability—beginning	<u>25,569,226</u>	<u>29,240,093</u>	<u>83,057,806</u>	<u>71,215,058</u>	<u>56,879,175</u>	<u>57,743,486</u>
Total OPEB liability—ending	<u>\$ 23,719,737</u>	<u>\$ 25,569,226</u>	<u>\$ 29,240,093</u>	<u>\$ 83,057,806</u>	<u>\$ 71,215,058</u>	<u>\$ 56,879,175</u>
Covered employee payroll						
County's OPEB liability as a percentage of covered employee payroll	43.4%	51.3%	61.4%	181.2%	163.2%	131.7%
<b>Business-type activities</b>						
<b>Total OPEB Liability</b>						
Service cost	\$ 71,489	\$ 125,570	\$ 117,526	\$ 254,810	\$ 186,804	\$ 210,350
Interest	84,459	48,007	49,363	175,943	193,836	180,742
Change of benefit terms	-	-	-	-	626,870	-
Changes of assumptions	93,456	(348,753)	(2,148,526)	469,368	441,525	(351,567)
Differences between actual and expected experience	(152,366)	-	(2,309,501)	-	(243,724)	-
Benefit payments	<u>(165,505)</u>	<u>(96,345)</u>	<u>(101,685)</u>	<u>(237,467)</u>	<u>(162,428)</u>	<u>(141,385)</u>
Net change in total OPEB liability	(68,467)	(271,521)	(4,392,823)	662,654	1,042,883	(101,860)
Total OPEB liability—beginning	<u>2,260,179</u>	<u>2,531,700</u>	<u>6,924,523</u>	<u>6,261,869</u>	<u>5,218,986</u>	<u>5,320,846</u>
Total OPEB liability—ending	<u>\$ 2,191,712</u>	<u>\$ 2,260,179</u>	<u>\$ 2,531,700</u>	<u>\$ 6,924,523</u>	<u>\$ 6,261,869</u>	<u>\$ 5,218,986</u>
Covered employee payroll						
County's OPEB liability as a percentage of covered employee payroll	62.8%	51.3%	61.5%	181.3%	163.2%	182.5%

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

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

**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—General Fund**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 69,231,835	\$ 69,231,835	\$ 67,850,298	\$ (1,381,537)
Real property tax items	3,103,826	3,103,826	2,956,847	(146,979)
Non property tax items	89,970,081	93,138,781	96,686,126	3,547,345
Departmental income	20,842,535	21,163,543	18,572,841	(2,590,702)
Intergovernmental charges	5,134,265	5,183,658	5,455,966	272,308
Licenses and permits	561,194	620,753	26,622	(594,131)
Fines and forfeitures	40,000	40,000	163,768	123,768
Use of money and property	200,500	200,500	2,654,904	2,454,404
Sale of property and compensation for loss	128,550	787,781	932,480	144,699
Miscellaneous	2,134,054	2,218,534	2,620,894	402,360
Interfund revenues	207,892	207,892	207,892	-
State aid	41,233,761	45,600,067	40,756,569	(4,843,498)
Federal aid	37,544,371	56,546,733	49,769,685	(6,777,048)
Total revenues	<u>270,332,864</u>	<u>298,043,903</u>	<u>288,654,892</u>	<u>(9,389,011)</u>
<b>EXPENDITURES</b>				
Current:				
General government support	66,184,146	69,695,805	64,468,778	5,227,027
Education	16,484,543	16,543,741	13,731,222	2,812,519
Public safety	37,300,455	39,127,647	37,797,032	1,330,615
Health	33,850,456	35,878,167	29,978,430	5,899,737
Transportation	5,276,896	5,491,188	5,204,465	286,723
Economic assistance and opportunity	89,789,945	97,710,541	95,749,714	1,960,827
Culture and recreation	513,708	483,522	475,272	8,250
Home and community services	1,534,386	3,822,915	3,177,648	645,267
Debt service:				
Principal	2,730,248	3,825,285	3,825,285	-
Interest	798,192	798,192	798,192	-
Total expenditures	<u>254,462,975</u>	<u>273,377,003</u>	<u>255,206,038</u>	<u>18,170,965</u>
Excess of revenues over expenditures	<u>15,869,889</u>	<u>24,666,900</u>	<u>33,448,854</u>	<u>8,781,954</u>
<b>OTHER FINANCING (USES)</b>				
Transfers out	<u>(22,292,527)</u>	<u>(31,104,874)</u>	<u>(30,918,679)</u>	<u>186,195</u>
Total other financing (uses)	<u>(22,292,527)</u>	<u>(31,104,874)</u>	<u>(30,918,679)</u>	<u>186,195</u>
Net change in fund balances (deficits)*	(6,422,638)	(6,437,974)	2,530,175	8,968,149
Fund balances—beginning	<u>62,288,722</u>	<u>62,288,722</u>	<u>62,288,722</u>	<u>-</u>
Fund balances—ending	<u>\$ 55,866,084</u>	<u>\$ 55,850,748</u>	<u>\$ 64,818,897</u>	<u>\$ 8,968,149</u>

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

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

**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—County Road Fund**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Non-property tax items	\$ 800,000	\$ 800,000	\$ 810,010	\$ 10,010
Departmental income	25	25	6	(19)
Intergovernmental charges	-	-	265	265
Licenses and permits	75,000	75,000	61,582	(13,418)
Use of money and property	100,779	100,779	227,714	126,935
Sale of property and compensation for loss	-	-	12,638	12,638
Miscellaneous	275,600	275,600	210,868	(64,732)
State aid	6,693,237	8,590,643	8,546,719	(43,924)
Federal aid	-	3,373,828	2,493,909	(879,919)
Total revenues	<u>7,944,641</u>	<u>13,215,875</u>	<u>12,363,711</u>	<u>(852,164)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	<u>22,394,105</u>	<u>32,821,514</u>	<u>27,631,953</u>	<u>5,189,561</u>
Total expenditures	<u>22,394,105</u>	<u>32,821,514</u>	<u>27,631,953</u>	<u>5,189,561</u>
(Deficiency) of revenues over expenditures	<u>(14,449,464)</u>	<u>(19,605,639)</u>	<u>(15,268,242)</u>	<u>4,337,397</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>14,438,091</u>	<u>14,454,591</u>	<u>14,454,591</u>	<u>-</u>
Total other financing sources	<u>14,438,091</u>	<u>14,454,591</u>	<u>14,454,591</u>	<u>-</u>
Net change in fund balances*	(11,373)	(5,151,048)	(813,651)	4,337,397
Fund balances—beginning	<u>6,405,705</u>	<u>6,405,705</u>	<u>6,405,705</u>	<u>-</u>
Fund balances—ending	<u>\$ 6,394,332</u>	<u>\$ 1,254,657</u>	<u>\$ 5,592,054</u>	<u>\$ 4,337,397</u>

\* The net change in fund balance was included in the budget as a reappropriation of prior year encumbrances.

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

**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—Road Machinery Fund**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental charges	\$ 552,300	\$ 552,300	\$ 434,806	\$ (117,494)
Use of money and property	18,600	18,600	147,743	129,143
Sale of property and compensation for loss	4,000	4,000	71,057	67,057
Miscellaneous	-	-	1,854	1,854
Interfund revenues	<u>622,715</u>	<u>622,715</u>	<u>566,611</u>	<u>(56,104)</u>
Total revenues	<u>1,197,615</u>	<u>1,197,615</u>	<u>1,222,071</u>	<u>24,456</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	5,182,343	5,178,067	4,654,138	523,929
Debt service:				
Principal	474,944	474,944	474,944	-
Interest	<u>364,936</u>	<u>364,936</u>	<u>364,936</u>	<u>-</u>
Total expenditures	<u>6,022,223</u>	<u>6,017,947</u>	<u>5,494,018</u>	<u>523,929</u>
(Deficiency) of revenues over expenditures	<u>(4,824,608)</u>	<u>(4,820,332)</u>	<u>(4,271,947)</u>	<u>548,385</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>4,824,608</u>	<u>4,824,608</u>	<u>4,838,784</u>	<u>14,176</u>
Total other financing sources	<u>4,824,608</u>	<u>4,824,608</u>	<u>4,838,784</u>	<u>14,176</u>
Net change in fund balances	-	4,276	566,837	562,561
Fund balances—beginning	<u>448,004</u>	<u>448,004</u>	<u>448,004</u>	<u>-</u>
Fund balances—ending	<u>\$ 448,004</u>	<u>\$ 452,280</u>	<u>\$ 1,014,841</u>	<u>\$ 562,561</u>

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

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**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Notes to the Required Supplementary Information**  
**Year Ended December 31, 2023**

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**1. OPEB LIABILITY**

*Changes in Assumptions*—Changes in assumptions reflect the effects of changes in the long-term discount rate, the mortality rate, and the healthcare trend rate. The single discount rate changed from 4.05% effective January 1, 2023 to 3.77% effective December 31, 2023. The salary scale remained unchanged at 2.00%. The mortality improvement scale remained unchanged from Scale MP-2021 mortality improvement scale on a generational basis. The annual rate of increase in healthcare costs was revised to better reflect future expectations, including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2024\_1b (the Getzen model).

*Trust Assets*—There are no assets accumulated in a trust that meets the criteria of GASB Statements No. 75 to pay related benefits.

**2. BUDGETARY INFORMATION**

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

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

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

Actual results of operations presented in accordance with GAAP and the County's accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed, or assigned fund balance. Significant encumbrances are disclosed in the notes to the financial statements. The General Fund original budget for the year ended December 31, 2023 include encumbrances from the prior year of \$1,401,511.

*Excess of Expenditures Over Appropriations*—For the year ended December 31, 2023, the County's General Fund had budgetary expenditures in excess of the final budget amount within transfers out of \$702,306. This was the result of greater than anticipated transfers to other funds.

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## SUPPLEMENTARY INFORMATION



**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Combining Statement of Net Position—Internal Service Funds**  
**December 31, 2023**

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total Internal</u> <u>Service Funds</u>
<b>ASSETS</b>			
Current assets:			
Investments	\$ 12,972,987	\$ 2,740,034	\$ 15,713,021
Receivables	-	261,366	261,366
Intergovernmental receivables	2,591,176	-	2,591,176
Prepaid items	<u>-</u>	<u>324,807</u>	<u>324,807</u>
Total assets	<u>15,564,163</u>	<u>3,326,207</u>	<u>18,890,370</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,127	1,020,113	1,021,240
Accrued liabilities	<u>-</u>	<u>6,836</u>	<u>6,836</u>
Total current liabilities	<u>1,127</u>	<u>1,026,949</u>	<u>1,028,076</u>
Noncurrent liabilities:			
Workers' compensation liability	16,078,922	-	16,078,922
Health insurance liability	<u>-</u>	<u>1,506,811</u>	<u>1,506,811</u>
Total noncurrent liabilities	<u>16,078,922</u>	<u>1,506,811</u>	<u>17,585,733</u>
Total liabilities	<u>16,080,049</u>	<u>2,533,760</u>	<u>18,613,809</u>
<b>NET POSITION</b>			
Unrestricted	<u>(515,886)</u>	<u>792,447</u>	<u>276,561</u>
Total net position	<u>\$ (515,886)</u>	<u>\$ 792,447</u>	<u>\$ 276,561</u>

**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position—Internal Service Funds**  
**Year Ended December 31, 2023**

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total Internal</u> <u>Service Funds</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,589,030	\$ 21,615,904	\$ 23,204,934
Total operating revenues	<u>1,589,030</u>	<u>21,615,904</u>	<u>23,204,934</u>
<b>OPERATING EXPENSES</b>			
Insurance claims and expenses	<u>1,015,223</u>	<u>23,172,760</u>	<u>24,187,983</u>
Total operating expenses	<u>1,015,223</u>	<u>23,172,760</u>	<u>24,187,983</u>
Operating income (loss)	573,807	(1,556,856)	(983,049)
<b>NONOPERATING REVENUES</b>			
Interest income	693,981	-	693,981
Other miscellaneous revenue	<u>401,754</u>	<u>2,027,173</u>	<u>2,428,927</u>
Total nonoperating revenues	<u>1,095,735</u>	<u>2,027,173</u>	<u>3,122,908</u>
Change in net position	1,669,542	470,317	2,139,859
Net position—beginning	<u>(2,185,428)</u>	<u>322,130</u>	<u>(1,863,298)</u>
Net position—ending	<u>\$ (515,886)</u>	<u>\$ 792,447</u>	<u>\$ 276,561</u>

**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Combining Statement of Cash Flows—Internal Service Funds**  
**Year Ended December 31, 2023**

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total Internal</u> <u>Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from services provided	\$ 3,437,060	\$ 21,354,538	\$ 24,791,598
Payments to suppliers and service providers	<u>(3,186,384)</u>	<u>(22,834,854)</u>	<u>(26,021,238)</u>
Net cash provided by (used for) operating activities	<u>250,676</u>	<u>(1,480,316)</u>	<u>(1,229,640)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Advances from other funds	3,007,802	-	3,007,802
Other income	<u>401,754</u>	<u>2,027,173</u>	<u>2,428,927</u>
Net cash provided by noncapital financing activities	<u>3,409,556</u>	<u>2,027,173</u>	<u>5,436,729</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment (loss)	<u>(3,660,232)</u>	<u>(546,857)</u>	<u>(4,207,089)</u>
Net cash (used for) investing activities	<u>(3,660,232)</u>	<u>(546,857)</u>	<u>(4,207,089)</u>
Net change in cash and cash equivalents	-	-	-
Cash and cash equivalents—beginning	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED FOR) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 573,807	\$ (1,556,856)	\$ (983,049)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Decrease in intergovernmental receivables	1,848,030	-	1,848,030
(Increase) in prepaid items	-	(24,800)	(24,800)
(Decrease) increase in accounts payable	(13,799)	334,092	320,293
(Decrease) increase in other accrued expenses	<u>(2,157,362)</u>	<u>28,614</u>	<u>(2,128,748)</u>
Total adjustments	<u>(323,131)</u>	<u>76,540</u>	<u>(246,591)</u>
Net cash provided by (used for) operating activities	<u>\$ 250,676</u>	<u>\$ (1,480,316)</u>	<u>\$ (1,229,640)</u>

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# BASIC FINANCIAL STATEMENTS



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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title (1a)	Federal Assistance Listing Number (1b)	Pass-Through Entity Identifying Number (1c)	Passed Through to Sub- Recipients	Total Federal Expenditures (1d)
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>				
Direct Programs:				
Schools and Roads - Grants to Counties	10.666	N/A	\$ -	\$ 230
Passed Through NYS Office of Temporary and Disability Assistance:				
<i>SNAP Cluster</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	-	2,360,198
<i>Total SNAP Cluster</i>			-	2,360,198
<b>Total U.S. Department of Agriculture</b>			-	2,360,428
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>				
Passed through NYS Housing Agencies:				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	222ME984-21	177,396	177,396
Passed through NYS Office of Lead Hazard Control and Healthy Homes:				
Lead Hazard Reduction Demonstration Grant Program	14.905	NYLHB-0758-20	1,717,477	2,054,158
<b>Total U.S. Department of Housing and Urban Development</b>			1,894,873	2,231,554
<b>U.S. DEPARTMENT OF JUSTICE:</b>				
Direct Programs:				
State Criminal Alien Assistance Program Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.606	N/A	-	20,704
	16.838	N/A	-	360,530
<b>Total U.S. Department of Justice</b>			-	381,234
<b>U.S. DEPARTMENT OF LABOR:</b>				
Passed through Senior Services America, Inc.:				
Senior Community Service Employment Program	17.235	N/A	-	22,076
<b>Total U.S. Department of Labor</b>			-	22,076
<b>U.S. DEPARTMENT OF TRANSPORTATION:</b>				
Direct Programs:				
Airport Improvement Program	20.106	3-36-0022-57-2020	-	9,375
Airport Improvement Program	20.106	3-36-0022-059-2021	-	50,681
Airport Improvement Program	20.106	3-36-0022-064-2023	-	4,594
Airport Improvement Program	20.106	3-36-0022-061-2021	-	48,406
Airport Improvement Program	20.106	3-36-0048-059-2022	-	2,508,891
Airport Improvement Program	20.106	3-36-0048-058-2022	-	311,228
Airport Improvement Program	20.106	3-36-0048-xxx-2023	-	2,700
Airport Improvement Program	20.106	Land RWS 6/24 & 15/33	-	85,168
Airport Improvement Program	20.106	3-36-0048-48-2018	-	64,625
Airport Improvement Program	20.106	3-36-0048-50-2019	-	20,660
Airport Improvement Program	20.106	3-36-0048-56-2021	-	312,641
Airport Improvement Program	20.106	3-36-0048-53-2020	-	20,819
<b>Total Airport Improvement Program</b>			-	3,439,788
Passed through NYS Department of Transportation:				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	C-004107/C-004063	-	1,320,350

(continued)

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

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title (1a)</b>	<b>Federal Assistance Listing Number (1b)</b>	<b>Pass-Through Entity Identifying Number (1c)</b>	<b>Passed Through to Sub- Recipients</b>	<b>Total Federal Expenditures (1d)</b>
Highway Planning and Construction	20.205	D-040750	-	279,250
Highway Planning and Construction	20.205	D-036425	-	2,142,066
Highway Planning and Construction	20.205	D-035636	-	70,708
Highway Planning and Construction	20.205	D-040962	-	1,885
Total Highway Planning and Construction			-	2,493,909
Passed through NYS Division of Homeland Security: Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	T-835696	-	38,455
<b>Total U.S. Department of Transportation</b>			-	7,292,502
<b>U.S. DEPARTMENT OF THE TREASURY:</b>				
Direct Programs:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	11,710,685
<b>Total U.S. Department of the Treasury</b>			-	11,710,685
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY:</b>				
Passed through NYS Department of Health:				
State Indoor Radon Grants	66.032	T-37364GG	-	12,196
Beach Monitoring and Notification Program Implementation Grants	66.472	C-029637	-	10,100
<b>Total U.S. Environmental Protection Agency</b>			-	22,296
<b>U.S. DEPARTMENT OF EDUCATION:</b>				
Passed through NYS Department of Health:				
Special Education - Grants for Infants and Families with Disabilities	84.181	C-36394GG	-	61,863
<b>Total U.S. Department of Education</b>			-	61,863
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>				
Direct Programs:				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	N/A	-	885,053
Certified Community Behavioral Health Clinic Expansion Grants	93.696	N/A	-	876,817
Section 223 Demonstration Programs to Improve Community Mental Health Services	93.829	N/A	-	350,625
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	N/A	-	166,693
Passed through Health Research Inc.:				
Public Health Emergency Preparedness	93.069	HRI 1587-15	-	64,984
Injury Prevention and Control Research and State and Community Based Programs	93.136	HRI 6148-04	-	51,451
Injury Prevention and Control Research and State Immunization Cooperative Agreements	93.268	C-36920GG	1,998	46,567
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HRI 6425-01	-	4,763
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HRI 6816-01	50,000	1,248,658
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HRI 7177-01	-	179,985
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			50,000	1,433,406

(continued)

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title (1a)	Federal Assistance Listing Number (1b)	Pass-Through Entity Identifying Number (1c)	Passed Through to Sub- Recipients	Total Federal Expenditures (1d)
Passed through NYS Department of Health:				
<i>Medicaid Cluster</i>				
Medical Assistance Program	93.778	C-34813GG	-	2,059,369
<i>Medicaid Cluster</i>			-	2,059,369
Maternal and Child Health Services Block Grant to the States	93.994	C-36977GG	-	26,465
Maternal and Child Health Services Block Grant to the States	93.994	C-35708GG	-	72,536
Total Maternal and Child Health Services Block Grant to the States			-	99,001
Passed through Columbia University:				
Drug Abuse and Addiction Research Programs	93.279	N/A	-	278,190
Passed through NYS Office of Temporary and Disability Assistance:				
Temporary Assistance for Needy Families	93.558	N/A	-	10,522,236
Child Support Enforcement	93.563	N/A	-	1,310,097
Low-Income Home Energy Assistance	93.568	N/A	-	8,670,564
Passed through NYS Office of Children and Family Services:				
Guardianship Assistance	93.090	N/A	-	41,104
Promoting Safe and Stable Families	93.556	N/A	-	14,253
<i>Child Care and Development Fund Cluster</i>				
Child Care and Development Block Grant	93.575	N/A	-	6,119,701
<i>Total Child Care and Development Fund Cluster</i>			-	6,119,701
Child Welfare Services Program	93.645	N/A	-	81,421
Foster Care, Title IV-E	93.658	N/A	-	2,144,697
Adoption Assistance	93.659	N/A	-	1,684,972
Social Services Block Grant	93.667	N/A	-	596,694
Chafee Foster Care Independence Program	93.674	N/A	-	27,962
Elder Abuse Prevention Interventions Program	93.747	N/A	-	35,576
Passed through NYS Office for the Aging:				
<i>Aging Cluster</i>				
Special Programs for the Aging, Title III Part B	93.044	III-B	-	300,018
Special Programs for the Aging, Title III Part C	93.045	III-C	-	726,649
Nutrition Services Incentive Program	93.053	NSIP	-	124,026
<i>Total Aging Cluster</i>			-	1,150,693
Special Programs for the Aging, Title III, Part D - Disease Prevention and Health Promotion Services	93.043	III-D	-	5,736
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	N/A	-	36,175
National Family Caregiver Support, Title III, Part E	93.052	III-E	-	68,539
Medical Assistance Enrollment Assistance Program	93.071	MIPPA / ADRC	-	19,349
Demonstrations and Evaluations	93.779	HIICAP	-	4,786
Passed through NYS Office of Mental Hygiene:				
<i>Medicaid Cluster</i>				
Medical Assistance Program	93.778	N/A	-	95,255
<i>Total Medicaid Cluster</i>			-	95,255
<b>Total U.S. Department of Health and Human Services</b>			51,998	38,941,966

(continued)

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

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title (1a)</b>	<b>Federal Assistance Listing Number (1b)</b>	<b>Pass-Through Entity Identifying Number (1c)</b>	<b>Passed Through to Sub- Recipients</b>	<b>Total Federal Expenditures (1d)</b>
(concluded)				
<b>U.S. DEPARTMENT OF HOMELAND SECURITY:</b>				
Direct Programs:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	-	237,122
Passed through NYS Division of Homeland Security and Emergency Services:				
Hazard Mitigation Grant Program (HMGP)	97.039	C-000875	-	30,000
Emergency Management Performance Grants	97.042	C-185005	-	55,869
Passed through NYS Office of Homeland Security:				
Homeland Security Grant Program	97.067	C-160022	-	98,003
Homeland Security Grant Program	97.067	C-160005	-	90,700
Homeland Security Grant Program	97.067	C-969590	-	(20)
Homeland Security Grant Program	97.067	C-835698	-	12,335
Homeland Security Grant Program	97.067	C-969500	-	26,447
Homeland Security Grant Program	97.067	C-174710	-	84,511
Homeland Security Grant Program	97.067	C-190110	-	26,985
Homeland Security Grant Program	97.067	C-969502	-	5,736
Homeland Security Grant Program	97.067	T-835611	-	32,086
Homeland Security Grant Program	97.067	C-190111	-	17,592
Homeland Security Grant Program	97.067	T-180229	-	3,890
Homeland Security Grant Program	97.067	C-182480	-	315
Homeland Security Grant Program	97.067	C-174790	-	807
Homeland Security Grant Program	97.067	C-160078	-	50,611
Homeland Security Grant Program	97.067	C-969599	-	9,426
Homeland Security Grant Program	97.067	C-969509	-	54,083
Homeland Security Grant Program	97.067	T-835619	-	10,954
Homeland Security Grant Program	97.067	T-160048	-	10,656
<b>Total U.S. Department of Homeland Security</b>			-	858,108
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE (1e)</b>			<u>\$ 1,946,871</u>	<u>\$ 63,882,712</u>

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

**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2022**

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**1. BASIS OF PRESENTATION**

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

- a) Includes all federal award programs of the County of Chautauqua, New York. The federal expenditures of the Chautauqua County Industrial Development Agency, the Chautauqua Tobacco Asset Securitization Corporation, and the Chautauqua County Land Bank Corporation have not been included.
- b) Source: Federal Assistance Listing Numbers, previously known as the Catalog of Federal Domestic Assistance.
- c) Pass-through entity identifying numbers are presented where available.
- d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- e) A reconciliation to the financial statements is available.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**3. MATCHING COSTS**

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

**4. NON-MONETARY FEDERAL PROGRAM**

The County is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements, termed "nonmonetary programs." New York State makes payments of benefits directly to vendors, primarily utility companies on behalf of eligible persons participating in Low-Income Home Energy Assistance Program (ALN 93.568). \$8,101,342 indirect payments were received by participants, which is included in the amount presented on the schedule of expenditures of federal awards.

## **5. AMOUNTS PROVIDED TO SUBRECIPIENTS**

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



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

Honorable County Executive and Members of the County Legislature  
County of Chautauqua, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Chautauqua, New York (the "County"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 12, 2024 (which report includes an emphasis of matter paragraph regarding the implementation of GASB Statement No. 96 and a reference to other auditors). Our report includes a reference to other auditors who audited the financial statements of the Chautauqua County Industrial Development Agency, the Chautauqua County Land Bank Corporation, and the Chautauqua Tobacco Asset Securitization Corporation, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

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

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

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

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

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

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

### **Purpose of this Report**

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

*Drescher + Malecki LLP*

August 12, 2024

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

Honorable County Executive and Members of the County Legislature  
County of Chautauqua, New York

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

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

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

The County's basic financial statements include the operations of the Chautauqua County Industrial Development Agency ("CCIDA"), Chautauqua Tobacco Asset Securitization Corporation ("CTASC"), and the Chautauqua County Land Bank Corporation ("CCLBC"), which are not included in the County's schedule of expenditures of federal awards. Our compliance audit, described below, did not include the operations of the CCIDA, CTASC, or CCLBC because other auditors were engaged to perform such audits in accordance with the Uniform Guidance, as applicable.

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

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

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

*Drescher + Maleki LLP*

August 12, 2024



**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2023**

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**Section I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements:**

Type of auditors' report issued: Unmodified\*  
 \*(which report includes an emphasis of matter paragraph regarding the implementation of GASB Statement No. 96 and a reference to other auditors)

Internal control over financial reporting:

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

**Federal Awards:**

Internal control over major federal programs:

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

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

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

Identification of major federal programs

<u>ALN</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
20.509	Formula Grants for Rural Areas and Tribal Transit Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.568	Low-Income Home Energy Assistance
93.659	Adoption Assistance
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs?	_____	\$ <u>1,916,481</u>
Auditee qualified as low-risk auditee?	_____ <input checked="" type="checkbox"/> Yes	_____ <input type="checkbox"/> No

**Section II. FINANCIAL STATEMENT FINDINGS**

No findings noted.

**Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings noted.



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

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No findings were reported.

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