

**COUNTY OF DUTCHESS,  
NEW YORK**

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

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

---

|   | <u>Page</u> |
|---|-------------|
| Independent Auditors' Report.....   | 1           |
| Management's Discussion and Analysis .....  | 4           |
| <b>Basic Financial Statements:</b>  |             |
| Government-wide Financial Statements:   |             |
| Statement of Net Position .....   | 16          |
| Statement of Activities.....  | 17          |
| Fund Financial Statements:  |             |
| Balance Sheet—Governmental Funds .....  | 18          |
| Reconciliation of the Balance Sheet—Governmental Funds<br>to the Government-wide Statement of Net Position.....   | 19          |
| Statement of Revenues, Expenditures, and Changes in Fund<br>Balances—Governmental Funds.....  | 20          |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in<br>Fund Balances—Governmental Funds to the Government-wide<br>Statement of Activities ..... | 21          |
| Statement of Net Position—Proprietary Funds.....  | 22          |
| Statement of Revenues, Expenses, and Changes in Net<br>Position—Proprietary Funds .....   | 23          |
| Statement of Cash Flows—Proprietary Funds.....  | 24          |
| Statement of Fiduciary Net Position—Fiduciary Funds .....   | 26          |
| Statement of Changes in Fiduciary Net Position—Fiduciary Funds .....  | 27          |
| Major Discretely Presented Component Units:   |             |
| Combining Statement of Net Position—Major Component Units .....   | 28          |
| Combining Statement of Activities—Major Component Units.....  | 29          |
| Notes to the Financial Statements .....   | 30          |

(continued)

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

---

(concluded)

|   | <u>Page</u> |
|---|-------------|
| <b>Required Supplementary Information:</b>  |             |
| Schedule of the Local Government's Proportionate Share of the<br>Net Pension Liability/(Asset)—Employees' Retirement System .....   | 93          |
| Schedule of the Local Government's Contributions—Employees' Retirement System.....  | 95          |
| Schedule of the Local Government's Proportionate Share of the<br>Net Pension Liability/(Asset)—Teachers' Retirement System.....   | 97          |
| Schedule of the Local Government's Contributions—Teachers' Retirement System .....  | 98          |
| Schedule of Changes in the County's Total OPEB Liability and Related Ratios .....   | 99          |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances—<br>Budget and Actual—General Fund.....  | 102         |
| Notes to the Required Supplementary Information.....  | 103         |
| Independent Auditors' Report on Internal Control over Financial Reporting<br>and on Compliance and Other Matters Based on an Audit of Financial<br>Statements Performed in Accordance with <i>Government Auditing Standards</i> ..... | 105         |

## DRESCHER & MALECKI LLP

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



### INDEPENDENT AUDITORS' REPORT

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

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

##### *Opinions*

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

In our opinion, based on our audit and the reports of 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 major discretely presented component units, the aggregate nonmajor discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Dutchess County Local Development Corporation (the "Corporation"), which represents 6.1 percent of the assets and 4.4 percent of the revenues of the business-type activities. We did not audit the financial statements of the Dutchess Community College (the "College"), the Dutchess County Resource Recovery Agency (the "Agency"), or the Dutchess County Water and Wastewater Authority (the "Authority"), which represent 63.5 percent, 6.5 percent, and 30.0 percent, respectively, of the assets, and 71.6 percent, 14.6 percent, and 13.8 percent, respectively, of the revenues of the major discretely presented component units. We did not audit the financial statements of the Dutchess County Industrial Development Agency (the "IDA") or the Dutchess County Soil and Water Conservation District (the "SWCD"), which are aggregated and presented as the aggregate nonmajor discretely presented component units, and represent 87.4 percent and 12.6 percent, respectively, of the assets, and 56.0 percent and 44.0 percent, respectively, of the revenues of the aggregate nonmajor discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Corporation, College, Agency, Authority, IDA and SWCD, is based solely on the reports of such other auditors.

##### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS"), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements

section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

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

In accordance with *Governmental Auditing Standards*, we have also issued our report dated September 22, 2025 on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

*Drescher & Malecki LLP*

September 22, 2025

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

---

As management of the County of Dutchess, New York (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2024. 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 items from the prior year have been reclassified to conform with the current year presentation.

**Financial Highlights**

- The liabilities and deferred inflows of resources of the County's primary government exceeded its assets and deferred outflows of resources at December 31, 2024 by \$208,302,293. This consists of \$152,946,064 net investment in capital assets, \$68,658,940 restricted for specific purposes, offset by an unrestricted net position of \$(429,907,297).
- The County's primary government net position increased \$17,209,646 during the year ended December 31, 2024. Governmental activities increased the County's net position by \$12,691,615 and the net position of business-type activities increased by \$4,518,031.
- As of December 31, 2024, the County's governmental funds reported combined ending fund balances of \$263,819,405, an increase of \$28,956,549 in comparison with the prior year. This increase was primarily due to General Fund revenues being higher than originally anticipated, specifically within grants and aid, miscellaneous, and use of money and property.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$104,317,378, or 18.4 percent of total General Fund expenditures and transfers out. This total amount is available for spending at the County's discretion and constitutes approximately 54.2 percent of the General Fund's total fund balance of \$192,345,575 at December 31, 2024.
- The County's governmental activities' serial bonds, excluding its blended component unit's serial bonds, increased by \$19,331,427 during the current year as a result of serial bond issuances totaling \$35,157,500, and scheduled principal payments of \$15,826,073. The newly issued serial bonds mature in 2044 and carry an interest rate of 4.00 percent.

**Overview of the Financial Statements**

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

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

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

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported 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 the Airport and Transportation enterprise funds, along with the Dutchess County Local Development Corporation blended component unit.

The government-wide financial statements include not only the County and its blended component units (known as the *primary government*), but also the Dutchess Community College, the Dutchess County Resource Recovery Agency, the Dutchess County Water and Wastewater Authority, the Dutchess County Industrial Development Agency and the Dutchess County Soil and Water Conservation District discretely presented component units, for which the County is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 16-17 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 fiduciary funds.

**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 funds' balance sheet and the governmental funds' 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 six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, and the Dutchess Tobacco Asset Securitization Corporation (“DTASC”), which are considered to be major funds. Data from the other three governmental funds, which include the County Road Fund, Road Machinery Fund and Community Development Fund, are combined into a single, aggregated presentation.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

**Proprietary funds**—The County maintains two enterprise 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 its Airport operations, as well as its Transportation operations. Additionally, the Dutchess County Local Development Corporation, a blended component unit, is reported as an enterprise fund.

The basic proprietary fund financial statements can be found on pages 22-25 of this report.

**Fiduciary funds**—Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of the funds are not available to support the County’s own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

The County maintains two different types of fiduciary funds. The Private Purpose Trust Fund is used to account for trust arrangements for which cemetery plots are maintained. The Custodial Fund reports resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The fiduciary fund financial statements can be found on pages 26-27 of this report.

**Major discretely presented component units**—The combining statements of major discretely presented component units present the major component units in separate columns.

The combining statements of major discretely presented component units can be found on pages 28-29 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 30-92 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 liabilities/(assets), changes in the County’s total other postemployment benefits (“OPEB”) obligation, and the County’s budgetary comparison for the General Fund. Required Supplementary Information and the related notes to the Required Supplementary Information can be found on pages 93-104 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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$(208,302,293) at the close of the most recent fiscal year, as compared to a net position of \$(225,511,939), at the close of the fiscal year ended December 31, 2023, as restated.

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

|                                  | Governmental Activities |                         | Business-type Activities |                       | Total Primary Government |                         |
|----------------------------------|-------------------------|-------------------------|--------------------------|-----------------------|--------------------------|-------------------------|
|                                  | December 31,            |                         | December 31,             |                       | December 31,             |                         |
|                                  | 2024                    | 2023<br>(as restated)   | 2024                     | 2023<br>(as restated) | 2024                     | 2023<br>(as restated)   |
| Current assets                   | \$ 451,180,364          | \$ 450,878,062          | \$ 20,734,670            | \$ 19,625,310         | \$ 471,915,034           | \$ 470,503,372          |
| Noncurrent assets                | 474,413,791             | 458,205,372             | 34,756,470               | 30,594,717            | 509,170,261              | 488,800,089             |
| Total assets                     | <u>925,594,155</u>      | <u>909,083,434</u>      | <u>55,491,140</u>        | <u>50,220,027</u>     | <u>981,085,295</u>       | <u>959,303,461</u>      |
| Deferred outflows of resources   | 164,092,634             | 168,915,429             | 4,109,053                | 4,402,192             | 168,201,687              | 173,317,621             |
| Current liabilities              | 122,332,643             | 155,133,481             | 2,206,909                | 3,445,128             | 124,539,552              | 158,578,609             |
| Noncurrent liabilities           | 991,456,431             | 947,714,150             | 11,141,339               | 10,877,124            | 1,002,597,770            | 958,591,274             |
| Total liabilities                | <u>1,113,789,074</u>    | <u>1,102,847,631</u>    | <u>13,348,248</u>        | <u>14,322,252</u>     | <u>1,127,137,322</u>     | <u>1,117,169,883</u>    |
| Deferred inflows of resources    | 223,877,442             | 235,822,574             | 6,574,511                | 5,140,564             | 230,451,953              | 240,963,138             |
| Net position:                    |                         |                         |                          |                       |                          |                         |
| Net investment in capital assets | 120,900,059             | 106,531,374             | 32,046,005               | 28,966,035            | 152,946,064              | 135,497,409             |
| Restricted                       | 68,658,940              | 50,331,246              | -                        | -                     | 68,658,940               | 50,331,246              |
| Unrestricted                     | (437,538,726)           | (417,533,962)           | 7,631,429                | 6,193,368             | (429,907,297)            | (411,340,594)           |
| Total net position               | <u>\$ (247,979,727)</u> | <u>\$ (260,671,342)</u> | <u>\$ 39,677,434</u>     | <u>\$ 35,159,403</u>  | <u>\$ (208,302,293)</u>  | <u>\$ (225,511,939)</u> |

The largest positive portion of the County's primary government net position, \$152,946,064, reflects its net investment in capital and right-to-use assets (such as land, buildings, machinery, equipment, right-to-use assets, and infrastructure), net of accumulated depreciation/amortization, less any related outstanding debt that was used to acquire these assets. The County uses these capital and right-to-use assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital and right-to-use assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$68,658,940, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining balance of the County's net position, \$(429,907,297), is considered to be an unrestricted deficit. 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 and right-to-use assets and are not expected to be repaid from current resources. These long-term liabilities including compensated absences, other postemployment benefits ("OPEB") obligations, net pension liability and claims payable are funded annually within the funds.

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

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

|                        | Governmental Activities |                         | Business-type Activities |                      | Total Primary Government |                         |
|------------------------|-------------------------|-------------------------|--------------------------|----------------------|--------------------------|-------------------------|
|                        | Year Ended December 31, |                         | Year Ended December 31,  |                      | Year Ended December 31,  |                         |
|                        | 2024                    | 2023                    | 2024                     | 2023                 | 2024                     | 2023                    |
| Revenues:              |                         |                         |                          |                      |                          |                         |
| Program revenues       | \$ 227,961,532          | \$ 201,639,420          | \$ 22,297,185            | \$ 22,340,392        | \$ 250,258,717           | \$ 223,979,812          |
| General revenues       | 397,080,210             | 386,735,273             | 1,488,123                | 1,342,746            | 398,568,333              | 388,078,019             |
| Total revenues         | <u>625,041,742</u>      | <u>588,374,693</u>      | <u>23,785,308</u>        | <u>23,683,138</u>    | <u>648,827,050</u>       | <u>612,057,831</u>      |
| Program expenses       | <u>606,741,199</u>      | <u>596,661,930</u>      | <u>24,876,205</u>        | <u>21,514,634</u>    | <u>631,617,404</u>       | <u>618,176,564</u>      |
| Transfers              | <u>(5,608,928)</u>      | <u>(2,900,066)</u>      | <u>5,608,928</u>         | <u>2,900,066</u>     | <u>-</u>                 | <u>-</u>                |
| Change in net position | 12,691,615              | (11,187,303)            | 4,518,031                | 5,068,570            | 17,209,646               | (6,118,733)             |
| Net position—beginning | (260,671,342)           | (223,763,352)           | 35,159,403               | 30,673,731           | (225,511,939)            | (193,089,621)           |
| Restatement            | <u>-</u>                | <u>(25,720,687)</u>     | <u>-</u>                 | <u>(582,898)</u>     | <u>-</u>                 | <u>(26,303,585)</u>     |
| Net position—ending    | <u>\$ (247,979,727)</u> | <u>\$ (260,671,342)</u> | <u>\$ 39,677,434</u>     | <u>\$ 35,159,403</u> | <u>\$ (208,302,293)</u>  | <u>\$ (225,511,939)</u> |

**Governmental activities**—Governmental activities increased the County’s net position by \$12,691,615 for the year ended December 31, 2024, primarily due to increases in operating grants and contributions related to the spending and recognition of American Rescue Plan Act (“ARPA”) funding. A summary of sources of revenues for governmental activities for the years ended December 31, 2024 and 2023 is presented below.

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

|                                    | Year Ended December 31, |                       | Increase/(Decrease)  |             |
|------------------------------------|-------------------------|-----------------------|----------------------|-------------|
|                                    | 2024                    | 2023                  | Dollars              | Percent (%) |
| Charges for services               | \$ 32,854,937           | \$ 30,558,974         | \$ 2,295,963         | 7.5         |
| Operating grants and contributions | 185,083,855             | 159,335,098           | 25,748,757           | 16.2        |
| Capital grants and contributions   | 10,022,740              | 11,745,348            | (1,722,608)          | (14.7)      |
| Property taxes and tax items       | 107,929,079             | 107,415,219           | 513,860              | 0.5         |
| Non-property taxes                 | 269,961,651             | 259,714,314           | 10,247,337           | 3.9         |
| Tobacco settlement revenues        | 2,944,919               | 3,654,254             | (709,335)            | (19.4)      |
| Use of money and property          | 15,948,625              | 15,951,486            | (2,861)              | (0.0)       |
| Miscellaneous                      | 295,936                 | -                     | 295,936              | 100.0       |
| Total revenues                     | <u>\$ 625,041,742</u>   | <u>\$ 588,374,693</u> | <u>\$ 36,667,049</u> | 6.2         |

The most significant source of revenues is non-property taxes, which accounts for \$269,961,651, or 43.2 percent of total governmental activities revenues for the year ended December 31, 2024, and \$259,714,314, or 44.1 percent of total governmental activities revenues for the year ended December 31, 2023. The next largest source of revenues is operating grants and contributions, which comprises \$185,083,855, or 29.6 percent, and \$159,335,098, or 27.1 percent of total governmental activities revenues for the years ended December 31, 2024 and 2023, respectively. The third largest source of revenues is property taxes and tax items, which comprises \$107,929,079, or 17.3 percent, and

\$107,415,219, or 18.3 percent of total governmental activities revenues for the years ended December 31, 2024 and 2023, respectively.

During the year ended December 31, 2024, total revenues increased by \$36,667,049, or 6.2 percent. Operating grants and contributions accounted for a \$25,748,757 increase, resulting primarily from increases in spending of the federal ARPA money and increases in social service program state aid. Non-property taxes accounted for an increase of \$10,247,337, mainly due to increases in sales and use tax.

A summary of program expenses of governmental activities for the years ended December 31, 2024 and 2023 is presented below in Table 4.

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

|                                     | Year Ended December 31, |                       | Increase/(Decrease)  |             |
|-------------------------------------|-------------------------|-----------------------|----------------------|-------------|
|                                     | 2024                    | 2023                  | Dollars              | Percent (%) |
| General government support          | \$ 132,703,022          | \$ 138,023,301        | \$ (5,320,279)       | (3.9)       |
| Education                           | 22,305,656              | 23,872,546            | (1,566,890)          | (6.6)       |
| Public safety                       | 104,715,211             | 104,347,465           | 367,746              | 0.4         |
| Health                              | 88,390,970              | 86,433,932            | 1,957,038            | 2.3         |
| Transportation                      | 32,896,216              | 33,497,194            | (600,978)            | (1.8)       |
| Economic assistance and opportunity | 182,615,795             | 167,443,003           | 15,172,792           | 9.1         |
| Culture and recreation              | 9,958,165               | 9,227,389             | 730,776              | 7.9         |
| Home and community services         | 21,018,754              | 22,357,206            | (1,338,452)          | (6.0)       |
| Interest and other fiscal charges   | 12,137,410              | 11,459,894            | 677,516              | 5.9         |
| Total program expenses              | <u>\$ 606,741,199</u>   | <u>\$ 596,661,930</u> | <u>\$ 10,079,269</u> | 1.7         |

The County’s most significant expense items for governmental activities were economic assistance and opportunity of \$182,615,795, or 30.1 percent of total governmental activities expenses, general government support of \$132,703,022, or 21.9 percent of total governmental activities expenses, and public safety of \$104,715,211, or 17.3 percent of total governmental activities expenses for the year ended December 31, 2024. Similarly, for the year ended December 31, 2023 the most significant expense items were economic assistance and opportunity of \$167,443,003, or 28.1 percent of total governmental activities expenses, general government support of \$138,023,301, or 23.1 percent of total governmental activities expenses, and public safety of \$104,347,465, or 17.5 percent of total governmental activities expenses.

During the year ended December 31, 2024, expenses increased by \$10,079,269, or 1.7 percent, mainly due to increases in economic assistance and opportunity for increased costs associated with medicaid services and other social service programs.

**Business-type activities**—Business-type activities increased the County’s net position by \$4,518,031 for the year ended December 31, 2024. The County’s Transportation Fund increased the business-type activities net position by \$5,833,101, while the County’s Airport Fund and Dutchess County LDC decreased the business-type activities by \$1,033,459 and \$281,611, respectively. For the year ended December 31, 2024, operating revenues increased 8.8 percent and operating expenses increased 15.6 percent.

A summary of operating revenues and operating expenses for the County’s business-type activities for the years ended December 31, 2024 and 2023 is presented on the following page.

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

|   | Year Ended December 31, |                      | Increase/(Decrease) |             |
|---|-------------------------|----------------------|---------------------|-------------|
|   | 2024                    | 2023                 | Dollar              | Percent (%) |
| Operating revenues:                     |                         |                      |                     |             |
| Charges for services                    | \$ 3,243,442            | \$ 3,381,423         | \$ (137,981)        | (4.1)       |
| Operating grants and revenues           | 12,284,370              | 10,854,554           | 1,429,816           | 13.2        |
| Other                                   | 358,188                 | 361,060              | (2,872)             | (0.8)       |
| Total operating revenues                | <u>\$ 15,886,000</u>    | <u>\$ 14,597,037</u> | <u>\$ 1,288,963</u> | 8.8         |
| Operating expenses:                     |                         |                      |                     |             |
| Personal services and employee benefits | \$ 16,057,298           | \$ 13,223,092        | \$ 2,834,206        | 21.4        |
| Depreciation/amortization               | 3,781,548               | 3,238,691            | 542,857             | 16.8        |
| Contracted services                     | 4,942,727               | 4,976,377            | (33,650)            | (0.7)       |
| Total operating expenses                | <u>\$ 24,781,573</u>    | <u>\$ 21,438,160</u> | <u>\$ 3,343,413</u> | 15.6        |

The County's business-type activities operating revenues for the year ended December 31, 2024 increased 8.8 percent from the previous year, resulting primarily from increased operating grants received for the County's transportation activity.

Additionally, the most significant expense items for the year ended December 31, 2024 were personal services and employee benefits, which accounted for \$16,057,298, or 64.8 percent of total expenses, and contracted services of \$4,942,727, or 20.0 percent of total expenses. Similarly, for the year ended December 31, 2023 the most significant expense items were personal services and employee benefits, which accounted for \$13,223,092, or 61.7 percent of total expenses, and contracted services of \$4,976,377, or 23.2 percent of total expenses. Operating expenses increased 15.6 percent from the prior year ended December 31, 2023, due primarily to an increase in personal services and employee benefits for retirement costs.

### Financial Analysis of the 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* and *fund balance assigned to specific use* in special revenue funds may serve as a useful measure of a government's net resources available for discretionary use, as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the County Legislature.

At December 31, 2024, the County's governmental funds reported combined ending fund balances of \$263,819,405, an increase of \$28,956,549 in comparison with the prior year. The County reported *unassigned fund balance* totaling \$104,317,378, which is available for spending at the County's discretion or amounts within special revenue funds that are not restricted or committed. The remainder of fund balance is either *nonspendable*, *restricted*, or *assigned* to indicate that it is: (1) not in spendable form, \$5,812,531; (2) restricted for particular purposes, \$112,266,996; or (3) assigned for particular purposes, \$41,422,500.

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 \$104,317,378, while total fund balance increased to \$192,345,575. The General Fund fund balance increased \$32,942,337 from the prior year. 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 18.4 percent of General Fund expenditures and transfers out, while total fund balance represents 33.9 percent of that same amount.

The fund balance in the Capital Projects Fund decreased \$4,998,793 from the prior year, resulting in ending fund balance of \$60,474,201 as of December 31, 2024, all of which is restricted for future capital projects. The decrease in the Capital Projects Fund is primarily due to capital outlay and other financing uses exceeding revenues and other financing sources.

At December 31, 2024, the DTASC Fund reported restricted fund balance of \$3,430,565 to be used for upcoming payments of principal and interest; and the remaining fund balance, \$104,876, constitutes assigned fund balance which is available for spending towards DTASC activities. Total fund balance increased \$14,345 during the year ended December 31, 2024.

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

Net position of the Airport Fund at December 31, 2024 totaled \$18,472,147, which included \$19,334,567 net investment in capital assets and an unrestricted net position deficit of \$(862,420). The Airport Fund net position decreased \$1,033,459 during the year ended December 31, 2024, primarily as a result of a decrease in state and federal aid.

Net position of the Transportation Fund at December 31, 2024 totaled \$18,347,406, which included \$12,772,749 net investment in capital assets and unrestricted net position of \$5,574,657. The Transportation Fund net position increased \$5,833,101 during the year ended December 31, 2024, primarily as a result of an increase in state and federal aid and transfers in from General Fund.

Net position of the Dutchess County Local Development Corporation at December 31, 2024 totaled \$2,857,881, which included \$61,311 net investment in capital assets deficit and unrestricted net position of \$2,919,192. The Dutchess County Local Development Corporation net position decreased \$281,611 as a result of operating and nonoperating revenues exceeding costs of operation.

### **General Fund Budgetary Highlights**

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

A summary of the General Fund results of operations for the year ended December 31, 2024 is presented in Table 6 below.

**Table 6—General Fund Budget**

|  | Budgeted Amounts       |                        | Actual<br>Amounts    | Variance with<br>Final Budget |
|--|------------------------|------------------------|----------------------|-------------------------------|
|  | Original               | Final                  |                      |                               |
| Revenues and other financing sources   | \$ 544,735,664         | \$ 559,764,912         | \$ 600,878,997       | \$ 41,114,085                 |
| Expenditures and other financing uses  | <u>574,229,231</u>     | <u>591,830,458</u>     | <u>567,936,660</u>   | <u>23,893,798</u>             |
| Deficiency of revenues and other sources<br>over expenditures and other financing uses | <u>\$ (29,493,567)</u> | <u>\$ (32,065,546)</u> | <u>\$ 32,942,337</u> | <u>\$ 65,007,883</u>          |

**Original budget compared to final budget**—During the year the budget is modified, primarily to reflect the acceptance of new state and federal grants. These grants explain many of the increases in revenues and expenditures from the original adopted budget to the final budget. Additionally, significant transfers and amendments to the budget included \$17,601,227 supplemental appropriations, mainly within economic assistance and opportunity, home and community services, and public safety, to provide funding for ongoing activities.

**Final budget compared to actual results**—The General Fund had a favorable variance from the final budgeted appropriations of \$23,893,798. The primary positive variances were realized within general government support and economic assistance and opportunity from lower than expected costs of operating County social services programs and savings on personnel costs. Additionally, actual revenues and other financing sources exceeded final budget by \$41,114,085, primarily due to more grants and aid funding than originally anticipated.

### **Capital and Right-to-Use Assets and Debt Administration**

**Capital and right-to-use assets**—The County’s investment in capital and right-to-use assets for its governmental activities and business-type activities as of December 31, 2024 amounted to \$468,655,230 and \$34,756,470, respectively (net of accumulated depreciation/amortization). This investment in capital and right-to-use assets includes land, right of way easements, construction in progress, infrastructure, buildings and building improvements, machinery and equipment, and right-to-use assets. All depreciable/amortizable capital and right-to-use assets were depreciated/amortized from acquisition date to the end of the current year as outlined in the County’s capital asset policy.

Capital and right-to-use assets, net of depreciation/amortization, for the governmental activities and business-type activities at the years ended December 31, 2024 and 2023 are presented in Table 7 on the following page.

**Table 7—Summary of Capital and Right-to-Use Assets (Net of Depreciation/Amortization)**

|                                   | Governmental Activities |                       | Business-type Activities |                      | Total Primary Government |                       |
|-----------------------------------|-------------------------|-----------------------|--------------------------|----------------------|--------------------------|-----------------------|
|                                   | 2024                    | 2023                  | 2024                     | 2023                 | 2024                     | 2023                  |
| Land                              | \$ 15,791,866           | \$ 15,783,031         | \$ 3,385,364             | \$ 3,385,364         | \$ 19,177,230            | \$ 19,168,395         |
| Right of way and easements        | 19,844,973              | 18,523,098            | -                        | -                    | 19,844,973               | 18,523,098            |
| Construction in progress          | 22,299,183              | 166,148,684           | 3,503,638                | 2,634,273            | 25,802,821               | 168,782,957           |
| Infrastructure                    | 161,877,393             | 126,412,660           | 4,630,488                | 5,853,339            | 166,507,881              | 132,265,999           |
| Buildings and improvements        | 188,347,817             | 69,779,221            | 12,431,140               | 10,232,877           | 200,778,957              | 80,012,098            |
| Improvements other than buildings | 10,865,251              | 4,712,083             | 19,546                   | 23,455               | 10,884,797               | 4,735,538             |
| Machinery and equipment           | 22,174,059              | 20,905,657            | 10,259,235               | 7,825,906            | 32,433,294               | 28,731,563            |
| Right-to-use leased assets        | 26,333,187              | 28,772,199            | 527,059                  | 639,503              | 26,860,246               | 29,411,702            |
| Right-to-use subscription assets  | 1,121,501               | 1,135,607             | -                        | -                    | 1,121,501                | 1,135,607             |
| Total                             | <u>\$ 468,655,230</u>   | <u>\$ 452,172,240</u> | <u>\$ 34,756,470</u>     | <u>\$ 30,594,717</u> | <u>\$ 503,411,700</u>    | <u>\$ 482,766,957</u> |

The County’s infrastructure assets are recorded at historical cost in the government-wide and proprietary fund financial statements. The County has elected to depreciate its infrastructure assets. Additional information on County’s capital assets can be found in Note 5 to the basic financial statements.

**Long-term debt**—The New York State Local Finance Law limits the County’s power to contract indebtedness to 7% of the five-year average full valuation of taxable real estate, which results in an applicable debt limit of \$2,795,770,650 as of December 31, 2024. At the end of 2024, the County’s governmental activities outstanding bonded debt totaled \$304,587,566 (excluding DTASC) and represents approximately 10.9% of the County’s debt limit.

A summary of the County’s long-term liabilities at December 31, 2024 and December 31, 2023 is presented below in Table 8:

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

|  | Governmental Activities |                       | Business-type Activities |                       | Total Primary Government |                       |
|--|-------------------------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------|
|  | December 31,            |                       | December 31,             |                       | December 31,             |                       |
|  | 2024                    | 2023<br>(as restated) | 2024                     | 2023<br>(as restated) | 2024                     | 2023<br>(as restated) |
| Bonds payable                            | \$ 370,005,595          | \$ 349,165,117        | \$ 2,522,802             | \$ 1,863,890          | \$ 372,528,397           | \$ 351,029,007        |
| Leases                                   | 28,725,595              | 30,648,936            | 605,592                  | 706,689               | 29,331,187               | 31,355,625            |
| Subscriptions                            | 973,557                 | 1,105,114             | -                        | -                     | 973,557                  | 1,105,114             |
| Compensated absences                     | 37,711,610              | 37,461,486            | 988,903                  | 899,103               | 38,700,513               | 38,360,589            |
| Workers' compensation and general claims | 30,648,181              | 33,529,113            | -                        | -                     | 30,648,181               | 33,529,113            |
| Other postemployment benefits            | 452,439,877             | 401,850,291           | 3,395,638                | 2,547,992             | 455,835,515              | 404,398,283           |
| Net pension liability                    | 70,952,016              | 93,954,093            | 3,628,404                | 4,859,449             | 74,580,420               | 98,813,542            |
| Total                                    | <u>\$ 991,456,431</u>   | <u>\$ 947,714,150</u> | <u>\$ 11,141,339</u>     | <u>\$ 10,877,123</u>  | <u>\$ 1,002,597,770</u>  | <u>\$ 958,591,273</u> |

Total primary government outstanding long-term liabilities increased by \$44,006,497 from prior year. Major factors that contributed to this increase include:

- Bonds payable increased in the governmental activities and business-type activities by \$20,840,478 and \$658,912, respectively. During the year ended December 31, 2024, the County’s primary government issued general improvement serial bonds in the amount of \$35,905,000, partially offset by scheduled principal payments of \$15,955,000.
- Obligations for other postemployment benefits (“OPEB”) increased in the governmental and business-type activities by \$50,589,586 and \$847,646, respectively. This obligation is a commitment the County has made to its employees pursuant to contract negotiations. The increase is largely related to changes in actuarial assumptions, such as the discount rate which saw a decrease from the prior year.

Additional information on the County’s long-term liabilities can be found in Note 12 to the financial statements.

**Economic Factors and Next Year’s Budgets and Rates**

Dutchess County, like other counties in New York State, is challenged on a fiscal level by State and Federal imposed mandates. Medicaid is a federally mandated program that provides health benefits to low income individuals and their families. Medicaid continues to be one of the single largest mandated programs for counties.

The following summarizes the County’s spending in this area:

| <u>Year Ended December 31,</u> |               |
|--------------------------------|---------------|
| 2025 (budgeted)                | \$ 43,110,452 |
| 2024                           | 43,224,519    |
| 2023                           | 37,679,343    |

In addition to Medicaid costs, Dutchess County participates in the New York State Employees’ Retirement System, a cost-sharing, multiple public employers system. The County is required to contribute at an actuarially determined rate. The following summarizes the County’s spending for this appropriation:

| <u>Year Ended December 31,</u> |               |
|--------------------------------|---------------|
| 2025 (budgeted)                | \$ 25,056,745 |
| 2024                           | 24,163,155    |
| 2023                           | 17,923,632    |

The County has appropriated \$23.4 million in fund balance to finance the 2025 budget within the General Fund. The unassigned fund balance is \$104.3 million in the General Fund as of December 31, 2024.

The total tax levy for the 2025 budget is \$102.2 million, resulting in a property tax rate of \$2.17 per thousand of assessed value, which is 2.7% lower than \$2.23 in 2024. The true value assessment for the County has increased from \$44.62 billion for the 2024 budget to \$47.07 billion for the 2025 budget; an increase of 5.5%.

Dutchess County contains a diverse mix of industries, including microelectronics, life sciences, high-tech manufacturing, distribution, higher education, agriculture, tourism and retail trades.

A significant portion of the county's labor force is employed in the healthcare and education industry clusters, but the county's high-tech manufacturing industry continues to grow and see new investments including Onsemi's \$1.3 billion investment in their flagship microelectronics manufacturing facility in the Town of East Fishkill. In October 2023, the President of the United States toured IBM's Poughkeepsie campus and announced IBM's plan to invest \$20 billion in the region. IBM also announced Poughkeepsie is now home to the world's largest fleet of quantum computers and home to the world's first quantum data center. Two years ago, California-based AMD, a global leader in the microelectronics industry with more than 25,000 employees, opened a state-of-the-art research and design facility in the Town of Fishkill.

In 2023, the County's \$1.2 million mechatronics lab at Dutchess Community College's Fishkill campus opened to train the workforce for high-wage jobs in the manufacturing industry. The First Lady of the United States and the U.S. Secretary of Education cut the ribbon on the lab and referred to it as a model for the nation.

Aside from the recent completion of Vassar Brothers Medical Center's \$545 million expansion, the nearby Westchester Medical Center's Mid-Hudson Regional Hospital established a Maria Fareri Children's Hospital pediatric center and announced the establishment of a Behavioral Health Center of Excellence in Poughkeepsie, which is expected to further increase the economic growth of the County and the labor force within the healthcare industry. Amazon has completed construction of a 631,000 square foot facility in the Town of East Fishkill, and on an adjacent parcel, Stellantis, the fourth-largest automaker in the world, has fully leased a new 530,000 square-foot building and it is the first Stellantis facility in the United States to feature the cutting-edge AutoStore automated storage and retrieval system, a breakthrough in warehouse logistics. Additionally, GAP Inc. recently completed a \$70 million expansion of their expansive three-million square foot northeast logistics center and PepsiCo has constructed a \$100 million 150,000 square-foot fulfillment center, both in East Fishkill.

Earlier this year, Marist College became Marist University, and both Marist and Vassar College were listed among New York's top-rated colleges by Money's annual list of the Best Colleges in America.

According to the U.S. Department of Labor's latest Quarterly Census of Employment and Wages ("QCEW") report, the Average Weekly Wage ("AWW") in Dutchess County increased 5.0 percent over the same period in the previous year.

Wealth levels for Dutchess County residents remains high. In 2023, the median household income grew to \$96,824.

The County continues to experience an influx of investors and home buyers. In May 2025, Dutchess County home prices were up 9.1% compared to the same time last year, selling for a median price of \$490K. For May 2025, homes in Dutchess County sold after 63 days on the market, compared to 66 days the same time last year.

### **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 demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Heidi Seelbach, Commissioner of Finance, 22 Market Street, Poughkeepsie, New York 12601.

# BASIC FINANCIAL STATEMENTS

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

|  | Primary Government         |                             |                        | Total<br>Major<br>Discretely<br>Presented<br>Component<br>Units | Aggregate<br>Nonmajor<br>Discretely<br>Presented<br>Component<br>Units |
|--|----------------------------|-----------------------------|------------------------|---|--|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                  |   |  |
|  |                            |                             |                        |   |  |
| <b>ASSETS</b>  |                            |                             |                        |   |  |
| Cash and cash equivalents                                    | \$ 107,111,238             | \$ 13,548,127               | \$ 120,659,365         | \$ 40,331,047   | \$ 3,438,856   |
| Restricted cash and cash equivalents                         | 126,880,176                | 27,585                      | 126,907,761            | 28,819,523  | 1,956,352  |
| Investments  | 31,044,311                 | -                           | 31,044,311             | -   | -  |
| Receivables (net of allowances):                             |                            |                             |                        |   |  |
| Taxes  | 43,724,121                 | -                           | 43,724,121             | -   | -  |
| Accounts receivable  | 4,694,838                  | 555,762                     | 5,250,600              | 10,102,546  | 824,703  |
| Leases   | 8,923,019                  | 3,572,705                   | 12,495,724             | -   | -  |
| Intergovernmental receivables                                | 121,296,006                | 4,470,466                   | 125,766,472            | 1,854,582   | -  |
| Internal balances  | 1,694,124                  | (1,694,124)                 | -                      | -   | -  |
| Prepaid items  | 5,635,208                  | 254,149                     | 5,889,357              | 1,168,439   | 18,590   |
| Inventories  | 177,323                    | -                           | 177,323                | -   | -  |
| Noncurrent net pension asset                                 | -                          | -                           | -                      | 1,222,735   | -  |
| Other noncurrent assets                                      | 5,758,561                  | -                           | 5,758,561              | 2,158,677   | 425,258  |
| Capital assets, not being depreciated/amortized              | 57,936,022                 | 6,889,002                   | 64,825,024             | 3,153,275   | -  |
| Capital assets, net of accumulated depreciation/amortization | 410,719,208                | 27,867,468                  | 438,586,676            | 172,939,959   | 4,066  |
| Total assets   | <u>925,594,155</u>         | <u>55,491,140</u>           | <u>981,085,295</u>     | <u>261,750,783</u>  | <u>6,667,825</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                        |                            |                             |                        |   |  |
| Deferred outflows—relating to pensions                       | 70,715,389                 | 3,438,882                   | 74,154,271             | 9,000,581   | 160,131  |
| Deferred outflows—relating to OPEB                           | 93,377,245                 | 670,171                     | 94,047,416             | 9,486,786   | -  |
| Deferred charge on refunding                                 | -                          | -                           | -                      | 435,541   | -  |
| Total deferred outflows of resources                         | <u>164,092,634</u>         | <u>4,109,053</u>            | <u>168,201,687</u>     | <u>18,922,908</u>   | <u>160,131</u>   |
| <b>LIABILITIES</b>   |                            |                             |                        |   |  |
| Accounts payable   | 63,257,248                 | 1,681,053                   | 64,938,301             | 7,223,811   | 51,176   |
| Retainages payable   | 954,135                    | 62,189                      | 1,016,324              | -   | -  |
| Accrued liabilities  | 12,146,252                 | 436,082                     | 12,582,334             | 4,569,254   | 8,900  |
| Intergovernmental payables                                   | 42,971,387                 | -                           | 42,971,387             | -   | -  |
| Unearned revenue   | 3,003,621                  | 27,585                      | 3,031,206              | 5,678,437   | 84   |
| Noncurrent liabilities:                                      |                            |                             |                        |   |  |
| Due within one year  | 38,027,600                 | 365,734                     | 38,393,334             | 7,462,793   | -  |
| Due in more than one year                                    | 953,428,831                | 10,775,605                  | 964,204,436            | 190,711,588   | 2,133,510  |
| Total liabilities  | <u>1,113,789,074</u>       | <u>13,348,248</u>           | <u>1,127,137,322</u>   | <u>215,645,883</u>  | <u>2,193,670</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                         |                            |                             |                        |   |  |
| Deferred inflows—relating to leases                          | 8,698,194                  | 3,323,460                   | 12,021,654             | 469,289   | -  |
| Deferred inflows—relating to opioid revenue                  | 7,848,342                  | -                           | 7,848,342              | -   | -  |
| Deferred inflows—relating to pensions                        | 40,653,148                 | 2,078,954                   | 42,732,102             | 5,814,980   | 124,735  |
| Deferred inflows—relating to OPEB                            | 156,172,036                | 1,172,097                   | 157,344,133            | 19,605,252  | -  |
| Deferred inflows—relating to NYS TAP payments                | -                          | -                           | -                      | 587,250   | -  |
| Deferred inflows—relating to capital                         | -                          | -                           | -                      | 20,234,202  | -  |
| Deferred gain on refunding                                   | 10,505,722                 | -                           | 10,505,722             | -   | -  |
| Total deferred inflows of resources                          | <u>223,877,442</u>         | <u>6,574,511</u>            | <u>230,451,953</u>     | <u>46,710,973</u>   | <u>124,735</u>   |
| <b>NET POSITION</b>  |                            |                             |                        |   |  |
| Net investment in capital assets                             | 120,900,059                | 32,046,005                  | 152,946,064            | 82,781,643  | 4,066  |
| Restricted for:  |                            |                             |                        |   |  |
| Debt service   | 17,548,039                 | -                           | 17,548,039             | -   | -  |
| Workers' compensation  | 15,793,352                 | -                           | 15,793,352             | -   | -  |
| Housing trust  | 11,988,479                 | -                           | 11,988,479             | -   | -  |
| Other  | 23,329,070                 | -                           | 23,329,070             | 28,015,180  | -  |
| Unrestricted   | (437,538,726)              | 7,631,429                   | (429,907,297)          | (92,479,988)  | 4,505,485  |
| Total net position   | <u>\$(247,979,727)</u>     | <u>\$ 39,677,434</u>        | <u>\$(208,302,293)</u> | <u>\$ 18,316,835</u>  | <u>\$ 4,509,551</u>  |

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

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

| Functions/Programs                           | Expenses       | Net (Expense) Revenue and Changes in Net Position |                             |  |                            |                             |                  |               | Total<br>Major<br>Discretely<br>Presented<br>Component<br>Units | Aggregate<br>Nonmajor<br>Discretely<br>Presented<br>Component<br>Units |
|--|----------------|---|-----------------------------|--|----------------------------|-----------------------------|------------------|---------------|---|--|
|  |                | Program Revenues                                  |                             |  | Primary Government         |                             |                  |               |   |  |
|  |                | Charges for<br>Services                           | Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities | Business-type<br>Activities | Total            |               |   |  |
|  |                |   |                             |  |                            |                             |                  | Operating     |   |  |
| <b>Primary government:</b>                   |                |   |                             |  |                            |                             |                  |               |   |  |
| Governmental activities:                     |                |   |                             |  |                            |                             |                  |               |   |  |
| General government support                   | \$ 132,703,022 | \$ 10,152,521                                     | \$ 10,619,352               | \$ 638,734                             | \$ (111,292,415)           | \$ -                        | \$ (111,292,415) | \$ -          | \$ -  |  |
| Education                                    | 22,305,656     | -   | 21,136,308                  | 274,211                                | (895,137)                  | -                           | (895,137)        | -             | -   |  |
| Public safety                                | 104,715,211    | 3,777,407   | 4,237,966                   | 830,163                                | (95,869,675)               | -                           | (95,869,675)     | -             | -   |  |
| Health                                       | 88,390,970     | 7,084,583   | 50,180,730                  | 250,000                                | (30,875,657)               | -                           | (30,875,657)     | -             | -   |  |
| Transportation                               | 32,896,216     | 2,267,538   | 2,752,118                   | 6,229,284                              | (21,647,276)               | -                           | (21,647,276)     | -             | -   |  |
| Economic assistance and opportunity          | 182,615,795    | 8,654,716   | 89,591,665                  | 24,197                                 | (84,345,217)               | -                           | (84,345,217)     | -             | -   |  |
| Culture and recreation                       | 9,958,165      | 295,925   | 1,053,989                   | 1,776,151                              | (6,832,100)                | -                           | (6,832,100)      | -             | -   |  |
| Home and community services                  | 21,018,754     | 622,247   | 5,511,727                   | -                                      | (14,884,780)               | -                           | (14,884,780)     | -             | -   |  |
| Interest and other fiscal charges            | 12,137,410     | -   | -                           | -                                      | (12,137,410)               | -                           | (12,137,410)     | -             | -   |  |
| Total governmental activities                | 606,741,199    | 32,854,937  | 185,083,855                 | 10,022,740                             | (378,779,667)              | -                           | (378,779,667)    | -             | -   |  |
| Business-type activities:                    |                |   |                             |  |                            |                             |                  |               |   |  |
| Airport                                      | 4,137,026      | 955,623   | -                           | 767,315                                | -                          | (2,414,088)                 | (2,414,088)      | -             | -   |  |
| Transportation                               | 19,414,606     | 1,373,893   | 12,284,370                  | 6,002,058                              | -                          | 245,715                     | 245,715          | -             | -   |  |
| Local Development Corporation                | 1,324,573      | 913,926   | -                           | -                                      | -                          | (410,647)                   | (410,647)        | -             | -   |  |
| Total business-type activities               | 24,876,205     | 3,243,442   | 12,284,370                  | 6,769,373                              | -                          | (2,579,020)                 | (2,579,020)      | -             | -   |  |
| Total primary government                     | \$ 631,617,404 | \$ 36,098,379                                     | \$ 197,368,225              | \$ 16,792,113                          | (378,779,667)              | (2,579,020)                 | (381,358,687)    | -             | -   |  |
| <b>Component units:</b>                      |                |   |                             |  |                            |                             |                  |               |   |  |
| Dutchess Community College                   | \$ 87,837,120  | \$ 49,096,973                                     | \$ 16,749,655               | \$ -                                   | -                          | -                           | -                | (21,990,492)  | -   |  |
| Resource Recovery Agency                     | 16,775,793     | 17,144,743  | -                           | -                                      | -                          | -                           | -                | 368,950       | -   |  |
| Water and Wastewater Authority               | 13,870,062     | 10,847,816  | -                           | 1,069,136                              | -                          | -                           | -                | (1,953,110)   | -   |  |
| Nonmajor component units                     | 1,487,144      | 799,994   | 336,009                     | -                                      | -                          | -                           | -                | -             | (351,141)   |  |
| Total component units                        | \$ 119,970,119 | \$ 77,889,526                                     | \$ 17,085,664               | \$ 1,069,136                           | -                          | -                           | -                | (23,574,652)  | (351,141)   |  |
| General revenues:                            |                |   |                             |  |                            |                             |                  |               |   |  |
| Property taxes, levied for general purpose   |                |   |                             |  | 92,103,006                 | -                           | 92,103,006       | -             | -   |  |
| Property taxes, levied for debt service      |                |   |                             |  | 15,826,073                 | -                           | 15,826,073       | -             | -   |  |
| Sales and use taxes                          |                |   |                             |  | 263,692,322                | -                           | 263,692,322      | -             | -   |  |
| Other taxes                                  |                |   |                             |  | 6,269,329                  | -                           | 6,269,329        | -             | -   |  |
| Use of money and property                    |                |   |                             |  | 15,948,625                 | 1,129,935                   | 17,078,560       | 4,198,349     | 135,159   |  |
| Tobacco settlement revenues                  |                |   |                             |  | 2,944,919                  | -                           | 2,944,919        | -             | -   |  |
| Miscellaneous                                |                |   |                             |  | 295,936                    | 358,188                     | 654,124          | -             | 21,757  |  |
| Payments from primary government             |                |   |                             |  | -                          | -                           | -                | 20,961,059    | 329,535   |  |
| Transfers                                    |                |   |                             |  | (5,608,928)                | 5,608,928                   | -                | -             | -   |  |
| Total general revenues and transfers         |                |   |                             |  | 391,471,282                | 7,097,051                   | 398,568,333      | 25,159,408    | 486,451   |  |
| Change in net position                       |                |   |                             |  | 12,691,615                 | 4,518,031                   | 17,209,646       | 1,584,756     | 135,310   |  |
| Net position—beginning, as previously stated |                |   |                             |  | (234,950,655)              | 35,742,301                  | (199,208,354)    | 16,718,203    | 4,374,241   |  |
| Restatement for GASB implementation          |                |   |                             |  | (25,720,687)               | (582,898)                   | (26,303,585)     | -             | -   |  |
| Restatement for capital asset adjustment     |                |   |                             |  | -                          | -                           | -                | 13,876        | -   |  |
| Net position—beginning, as restated          |                |   |                             |  | (260,671,342)              | 35,159,403                  | (225,511,939)    | 16,732,079    | 4,374,241   |  |
| Net position—ending                          |                |   |                             |  | \$ (247,979,727)           | \$ 39,677,434               | \$ (208,302,293) | \$ 18,316,835 | \$ 4,509,551  |  |

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

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

|   | <u>General</u>        | <u>Capital<br/>Projects</u> | <u>DTASC</u>        | <u>Total<br/>Nonmajor<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-----------------------|-----------------------------|---------------------|-------------------------------------|---|
| <b>ASSETS</b>   |                       |                             |                     |                                     |   |
| Cash and cash equivalents   | \$ 99,043,185         | \$ -                        | \$ 104,876          | \$ 7,963,177                        | \$ 107,111,238                          |
| Restricted cash and cash equivalents                                  | 51,365,851            | 72,083,760                  | 3,430,565           | -                                   | 126,880,176                             |
| Investments   | 31,044,311            | -                           | -                   | -                                   | 31,044,311                              |
| Receivables (net of allowances):                                      |                       |                             |                     |                                     |   |
| Taxes   | 43,724,121            | -                           | -                   | -                                   | 43,724,121                              |
| Accounts receivable   | 4,661,587             | -                           | -                   | 12,329                              | 4,673,916                               |
| Leases  | 8,923,019             | -                           | -                   | -                                   | 8,923,019                               |
| Due from other funds  | 3,969,997             | 1,851                       | -                   | 8                                   | 3,971,856                               |
| Intergovernmental receivables   | 76,087,171            | 3,785,357                   | -                   | 2,484,522                           | 82,357,050                              |
| Prepaid items   | 5,384,963             | -                           | -                   | 250,245                             | 5,635,208                               |
| Inventories   | 177,323               | -                           | -                   | -                                   | 177,323                                 |
| Total assets  | <u>\$ 324,381,528</u> | <u>\$ 75,870,968</u>        | <u>\$ 3,535,441</u> | <u>\$ 10,710,281</u>                | <u>\$ 414,498,218</u>                   |
| <b>LIABILITIES</b>  |                       |                             |                     |                                     |   |
| Accounts payable  | \$ 46,667,776         | \$ 13,824,535               | \$ -                | \$ 2,764,937                        | \$ 63,257,248                           |
| Accrued liabilities   | 7,993,606             | 6,128                       | -                   | 434,990                             | 8,434,724                               |
| Due to other funds  | 665,462               | 1,566,104                   | -                   | 46,166                              | 2,277,732                               |
| Intergovernmental payables  | 42,971,387            | -                           | -                   | -                                   | 42,971,387                              |
| Unearned revenue  | 3,003,621             | -                           | -                   | -                                   | 3,003,621                               |
| Total liabilities   | <u>101,301,852</u>    | <u>15,396,767</u>           | <u>-</u>            | <u>3,246,093</u>                    | <u>119,944,712</u>                      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                       |                             |                     |                                     |   |
| Deferred inflows—relating to leases                                   | 8,698,194             | -                           | -                   | -                                   | 8,698,194                               |
| Deferred inflows—relating to opioid revenue                           | 7,848,342             | -                           | -                   | -                                   | 7,848,342                               |
| Unavailable revenue—property taxes                                    | 14,187,565            | -                           | -                   | -                                   | 14,187,565                              |
| Total deferred inflows of resources                                   | <u>30,734,101</u>     | <u>-</u>                    | <u>-</u>            | <u>-</u>                            | <u>30,734,101</u>                       |
| <b>FUND BALANCES</b>  |                       |                             |                     |                                     |   |
| Nonspendable  | 5,562,286             | -                           | -                   | 250,245                             | 5,812,531                               |
| Restricted  | 48,362,230            | 60,474,201                  | 3,430,565           | -                                   | 112,266,996                             |
| Assigned  | 34,103,681            | -                           | 104,876             | 7,213,943                           | 41,422,500                              |
| Unassigned  | 104,317,378           | -                           | -                   | -                                   | 104,317,378                             |
| Total fund balances   | <u>192,345,575</u>    | <u>60,474,201</u>           | <u>3,535,441</u>    | <u>7,464,188</u>                    | <u>263,819,405</u>                      |
| Total liabilities, deferred inflows of<br>resources and fund balances | <u>\$ 324,381,528</u> | <u>\$ 75,870,968</u>        | <u>\$ 3,535,441</u> | <u>\$ 10,710,281</u>                | <u>\$ 414,498,218</u>                   |

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

**COUNTY OF DUTCHESS, NEW YORK**  
**Reconciliation of the Balance Sheet—Governmental Funds**  
**to the Government-wide Statement of Net Position**  
**December 31, 2024**

|  |                      |                               |
|--|----------------------|-------------------------------|
| Amounts reported for governmental activities in the statement of net position (page 16) are different because:   |                      |                               |
| Total fund balances—governmental funds (page 18)   |                      | \$ 263,819,405                |
| Capital and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$950,156,937 and the accumulated depreciation/amortization is \$481,501,707.   |                      | 468,655,230                   |
| Other noncurrent assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.  |                      | 5,758,561                     |
| Real property taxes not collected within 60 days of year end are reported as deferred inflows of resources in the fund statements, but are recognized on the accrual basis for government-wide statements.   |                      | 14,187,565                    |
| Certain accrued revenues for grants, aid and tobacco settlement revenue reported in the statement of net position are received after the availability period for recognition of revenue in the governmental funds.   |                      | 38,959,878                    |
| Deferred charges and gains associated with refunding bond issuances are not reported in the governmental funds. The charges are reported as deferred outflows of resources, while the gains are reported as deferred inflows of resources on the statement of net position, and the net amounts are recognized as a component of interest expense over the life of the related debt. |                      |                               |
| Deferred gain on refunding—County  | \$ (323,225)         |                               |
| Deferred gain on refunding—DTASC   | <u>(10,182,497)</u>  | (10,505,722)                  |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements.   |                      |                               |
| Deferred outflows related to employer contributions  | \$ 15,864,722        |                               |
| Deferred outflows related to experience, changes in assumptions, and investment earnings   | 54,850,667           |                               |
| Deferred inflows related to pension plans  | <u>(40,653,148)</u>  | 30,062,241                    |
| Deferred outflows and inflows of resources related to other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the fund statements:   |                      |                               |
| Deferred outflows related to employer contributions  | \$ 11,804,982        |                               |
| Deferred outflows relating to experience and changes in assumptions  | 81,572,263           |                               |
| Deferred inflows relating to OPEB liability  | <u>(156,172,036)</u> | (62,794,791)                  |
| Net accrued interest expense for general obligation bonds of \$3,404,748, leases of \$96,015, SBITAs of \$24,561 and DTASC bonds of \$186,204 are not reported in the fund statements.   |                      | (3,711,528)                   |
| To recognize retainages payable on outstanding capital projects not recorded in the fund statements.   |                      | (954,135)                     |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:   |                      |                               |
| Serial bonds—County  | \$ (304,587,566)     |                               |
| Unamortized bond premiums—County   | (11,039,408)         |                               |
| DTASC bonds  | (41,860,000)         |                               |
| Unamortized bond premiums—DTASC  | (3,096,080)          |                               |
| DTASC subordinate turbo CABs   | (9,422,541)          |                               |
| Leases   | (28,725,595)         |                               |
| SBITAs   | (973,557)            |                               |
| Compensated absences   | (37,711,610)         |                               |
| Workers' compensation and general claims   | (30,648,181)         |                               |
| OPEB obligation  | (452,439,877)        |                               |
| Net pension liability  | <u>(70,952,016)</u>  | (991,456,431)                 |
| Net position of governmental activities  |                      | <u><u>\$(247,979,727)</u></u> |

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

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

|  | <u>General</u>        | <u>Capital<br/>Projects</u> | <u>DTASC</u>        | <u>Total<br/>Nonmajor<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-----------------------|-----------------------------|---------------------|-------------------------------------|---|
| <b>REVENUES</b>                                      |                       |                             |                     |                                     |   |
| Real property taxes                                  | \$ 91,360,826         | \$ -                        | \$ -                | \$ 14,387,259                       | \$ 105,748,085                          |
| Sales and use taxes                                  | 263,692,322           | -                           | -                   | -                                   | 263,692,322                             |
| Other taxes  | 6,269,329             | -                           | -                   | -                                   | 6,269,329                               |
| Departmental income                                  | 25,723,048            | -                           | -                   | 2,120,341                           | 27,843,389                              |
| Use of money and property                            | 11,532,095            | 4,083,756                   | 231,172             | 82,087                              | 15,929,110                              |
| Miscellaneous  | 13,671,494            | -                           | 3,194,919           | 204,415                             | 17,070,828                              |
| Grants and aid                                       | 180,523,668           | 10,022,742                  | -                   | 6,373,631                           | 196,920,041                             |
| Total revenues                                       | <u>592,772,782</u>    | <u>14,106,498</u>           | <u>3,426,091</u>    | <u>23,167,733</u>                   | <u>633,473,104</u>                      |
| <b>EXPENDITURES</b>                                  |                       |                             |                     |                                     |   |
| Current:   |                       |                             |                     |                                     |   |
| General government support                           | 103,164,710           | -                           | 60,446              | -                                   | 103,225,156                             |
| Education  | 21,192,298            | -                           | -                   | -                                   | 21,192,298                              |
| Public safety  | 68,093,544            | -                           | -                   | 479,673                             | 68,573,217                              |
| Health   | 79,098,678            | -                           | -                   | -                                   | 79,098,678                              |
| Transportation                                       | 3,445,766             | -                           | -                   | 11,035,735                          | 14,481,501                              |
| Economic assistance and opportunity                  | 164,270,803           | -                           | -                   | 1,959,169                           | 166,229,972                             |
| Culture and recreation                               | 4,736,589             | -                           | -                   | -                                   | 4,736,589                               |
| Home and community services                          | 14,921,492            | -                           | -                   | 4,109,894                           | 19,031,386                              |
| Employee benefits                                    | 72,677,421            | -                           | -                   | 4,531,028                           | 77,208,449                              |
| Debt service:  |                       |                             |                     |                                     |   |
| Principal  | 19,300,285            | 72,866                      | 1,125,000           | 51,592                              | 20,549,743                              |
| Interest and other fiscal charges                    | 10,288,504            | 4,213                       | 2,226,300           | 1,982                               | 12,520,999                              |
| Capital outlay                                       | -                     | 51,826,725                  | -                   | -                                   | 51,826,725                              |
| Total expenditures                                   | <u>561,190,090</u>    | <u>51,903,804</u>           | <u>3,411,746</u>    | <u>22,169,073</u>                   | <u>638,674,713</u>                      |
| Excess (deficiency) of revenues<br>over expenditures | <u>31,582,692</u>     | <u>(37,797,306)</u>         | <u>14,345</u>       | <u>998,660</u>                      | <u>(5,201,609)</u>                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                       |                             |                     |                                     |   |
| Transfers in   | 6,266,507             | 1,137,642                   | -                   | -                                   | 7,404,149                               |
| Transfers out  | (6,746,570)           | (6,266,507)                 | -                   | -                                   | (13,013,077)                            |
| Serial bonds issued                                  | -                     | 35,157,500                  | -                   | -                                   | 35,157,500                              |
| Premium on serial bonds issued                       | -                     | 2,769,878                   | -                   | -                                   | 2,769,878                               |
| Leases issued  | 1,126,914             | -                           | -                   | -                                   | 1,126,914                               |
| SBITAs issued  | 712,794               | -                           | -                   | -                                   | 712,794                                 |
| Total other financing sources (uses)                 | <u>1,359,645</u>      | <u>32,798,513</u>           | <u>-</u>            | <u>-</u>                            | <u>34,158,158</u>                       |
| Net change in fund balances                          | 32,942,337            | (4,998,793)                 | 14,345              | 998,660                             | 28,956,549                              |
| Fund balances—beginning                              | <u>159,403,238</u>    | <u>65,472,994</u>           | <u>3,521,096</u>    | <u>6,465,528</u>                    | <u>234,862,856</u>                      |
| Fund balances—ending                                 | <u>\$ 192,345,575</u> | <u>\$ 60,474,201</u>        | <u>\$ 3,535,441</u> | <u>\$ 7,464,188</u>                 | <u>\$ 263,819,405</u>                   |

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

**COUNTY OF DUTCHESS, NEW YORK**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances—Governmental Funds to the Government-wide Statement of Activities**  
**Year Ended December 31, 2024**

Amounts reported for governmental activities in the statement of activities (page 17) are different because:

Net change in fund balances—total governmental funds (page 20) \$ 28,956,549

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

|                                   |                  |            |
|-----------------------------------|------------------|------------|
| Capital asset additions, net      | \$ 54,374,736    |            |
| Depreciation/amortization expense | (31,083,351)     |            |
| Loss on disposals                 | <u>(299,496)</u> | 22,991,889 |

In the statement of activities, the cost of other noncurrent assets is allocated and amortized over their estimated useful lives. (274,571)

Certain tax and other revenues are not recognized in the governmental funds because they are not available soon enough after year-end to pay for the current period's expenditures. On the statement of activities, however, revenue is recognized regardless of when it's collected.

|  |                  |         |
|--|------------------|---------|
| Change in deferred inflows of resources—property taxes | \$ 2,180,994     |         |
| Change in accrued interest receivable—leases           | 19,515           |         |
| Change in long-term receivable—grants and aid          | (1,813,445)      |         |
| Change in long-term receivable—DTASC                   | <u>(250,000)</u> | 137,064 |

For refunding bonds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred charge/gain on the government-wide statements and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. 376,630

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

|   |                     |              |
|---|---------------------|--------------|
| Direct pension contributions                          | \$ 20,418,736       |              |
| Cost of benefits earned net of employee contributions | <u>(54,052,350)</u> | (33,633,614) |

Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in experience and changes in assumptions and other inputs. These amounts are shown net of current year amortization. 38,058,449

In the statement of activities, interest expense is recognized as it accrues, regardless of when it's paid. (178,500)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of 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 effects of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:

|  |                   |              |
|--|-------------------|--------------|
| Serial bonds issued—County                         | \$(35,157,500)    |              |
| Repayment of serial bonds—County                   | 15,826,073        |              |
| Premium on serial bonds issued—County              | (2,769,878)       |              |
| Amortization of bond premiums—County               | 666,356           |              |
| Repayment of serial bonds—DTASC                    | 1,125,000         |              |
| Amortization of bond premiums—DTASC                | 83,208            |              |
| Accreted interest on DTASC bonds                   | (613,737)         |              |
| Leases issued                                      | (1,126,914)       |              |
| Repayment of leases                                | 3,050,255         |              |
| SBITAs issued                                      | (712,794)         |              |
| Repayment of SBITAs                                | 548,415           |              |
| Termination of SBITAs                              | 295,936           |              |
| Change in compensated absences                     | (250,124)         |              |
| Change in workers' compensation and general claims | 2,880,932         |              |
| Change in OPEB obligation                          | (50,589,586)      |              |
| Change in net pension liability                    | <u>23,002,077</u> | (43,742,281) |

Change in net position of governmental activities \$ 12,691,615

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

**COUNTY OF DUTCHESS, NEW YORK**  
**Statement of Net Position—Proprietary Funds**  
**December 31, 2024**

|   | <u>Business-type Activities</u> |                       |                                    | <u>Total<br/>Enterprise<br/>Funds</u> |
|---|---------------------------------|-----------------------|------------------------------------|---------------------------------------|
|   | <u>Airport</u>                  | <u>Transportation</u> | <u>Dutchess<br/>County<br/>LDC</u> |                                       |
| <b>ASSETS</b>   |                                 |                       |                                    |                                       |
| Current assets:   |                                 |                       |                                    |                                       |
| Cash and cash equivalents                                     | \$ 2,368,345                    | \$ 8,377,202          | \$ 2,802,580                       | \$ 13,548,127                         |
| Restricted cash and cash equivalents                          | 27,585                          | -                     | -                                  | 27,585                                |
| Receivables   | 229,311                         | 180,740               | 145,711                            | 555,762                               |
| Intergovernmental receivables                                 | 454,998                         | 4,015,468             | -                                  | 4,470,466                             |
| Leases receivable   | 3,572,705                       | -                     | -                                  | 3,572,705                             |
| Due from other funds  | 181,956                         | -                     | -                                  | 181,956                               |
| Prepaid items   | 21,385                          | 189,893               | 42,871                             | 254,149                               |
| Total current assets  | <u>6,856,285</u>                | <u>12,763,303</u>     | <u>2,991,162</u>                   | <u>22,610,750</u>                     |
| Noncurrent assets:  |                                 |                       |                                    |                                       |
| Capital assets, not being depreciated/amortized:              |                                 |                       |                                    |                                       |
| Land  | 3,136,399                       | 248,965               | -                                  | 3,385,364                             |
| Construction in progress                                      | 1,587,668                       | 1,915,970             | -                                  | 3,503,638                             |
| Capital assets, net of accumulated depreciation/amortization: |                                 |                       |                                    |                                       |
| Infrastructure  | 4,364,161                       | 266,327               | -                                  | 4,630,488                             |
| Buildings and building improvements                           | 9,007,768                       | 3,423,372             | -                                  | 12,431,140                            |
| Improvements other than buildings                             | -                               | 19,546                | -                                  | 19,546                                |
| Machinery and equipment                                       | 3,199,780                       | 7,042,829             | 16,626                             | 10,259,235                            |
| Right-to-use lease assets                                     | -                               | 34,704                | 492,355                            | 527,059                               |
| Total noncurrent assets                                       | <u>21,295,776</u>               | <u>12,951,713</u>     | <u>508,981</u>                     | <u>34,756,470</u>                     |
| Total assets  | <u>28,152,061</u>               | <u>25,715,016</u>     | <u>3,500,143</u>                   | <u>57,367,220</u>                     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                         |                                 |                       |                                    |                                       |
| Deferred outflows—relating to pensions                        | 271,367                         | 3,167,515             | -                                  | 3,438,882                             |
| Deferred outflows—relating to OPEB                            | 512,464                         | 157,707               | -                                  | 670,171                               |
| Total deferred outflows of resources                          | <u>783,831</u>                  | <u>3,325,222</u>      | <u>-</u>                           | <u>4,109,053</u>                      |
| <b>LIABILITIES</b>  |                                 |                       |                                    |                                       |
| Current liabilities:  |                                 |                       |                                    |                                       |
| Accounts payable  | 186,321                         | 1,422,762             | 71,970                             | 1,681,053                             |
| Accrued liabilities   | 69,745                          | 366,337               | -                                  | 436,082                               |
| Retainages payable  | -                               | 62,189                | -                                  | 62,189                                |
| Due to other funds  | 319,737                         | 1,556,343             | -                                  | 1,876,080                             |
| Unearned revenue  | 27,585                          | -                     | -                                  | 27,585                                |
| Current portion of long-term debt                             | 183,629                         | 110,029               | 72,076                             | 365,734                               |
| Total current liabilities                                     | <u>787,017</u>                  | <u>3,517,660</u>      | <u>144,046</u>                     | <u>4,448,723</u>                      |
| Noncurrent liabilities:                                       |                                 |                       |                                    |                                       |
| Bonds payable   | 2,077,648                       | 52,386                | -                                  | 2,130,034                             |
| Premium on bonds  | 135,115                         | 48,740                | -                                  | 183,855                               |
| Leases  | -                               | -                     | 498,216                            | 498,216                               |
| Compensated absences  | 327,828                         | 611,630               | -                                  | 939,458                               |
| OPEB obligation   | 2,520,917                       | 874,721               | -                                  | 3,395,638                             |
| Net pension liability   | 268,028                         | 3,360,376             | -                                  | 3,628,404                             |
| Total noncurrent liabilities                                  | <u>5,329,536</u>                | <u>4,947,853</u>      | <u>498,216</u>                     | <u>10,775,605</u>                     |
| Total liabilities   | <u>6,116,553</u>                | <u>8,465,513</u>      | <u>642,262</u>                     | <u>15,224,328</u>                     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                          |                                 |                       |                                    |                                       |
| Deferred inflows—relating to leases                           | 3,323,460                       | -                     | -                                  | 3,323,460                             |
| Deferred inflows—relating to pensions                         | 153,568                         | 1,925,386             | -                                  | 2,078,954                             |
| Deferred inflows—relating to OPEB                             | 870,164                         | 301,933               | -                                  | 1,172,097                             |
| Total deferred inflows of resources                           | <u>4,347,192</u>                | <u>2,227,319</u>      | <u>-</u>                           | <u>6,574,511</u>                      |
| <b>NET POSITION</b>   |                                 |                       |                                    |                                       |
| Net investment in capital assets                              | 19,334,567                      | 12,772,749            | (61,311)                           | 32,046,005                            |
| Unrestricted  | (862,420)                       | 5,574,657             | 2,919,192                          | 7,631,429                             |
| Total net position  | <u>\$ 18,472,147</u>            | <u>\$ 18,347,406</u>  | <u>\$ 2,857,881</u>                | <u>\$ 39,677,434</u>                  |

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

**COUNTY OF DUTCHESS, NEW YORK**  
**Statement of Revenues, Expenses, and Changes in Net Position—Proprietary Funds**  
**Year Ended December 31, 2024**

|  | <u>Business-type Activities</u> |                       |                                    | <b>Total<br/>Enterprise<br/>Funds</b> |
|--|---------------------------------|-----------------------|------------------------------------|---------------------------------------|
|  | <u>Airport</u>                  | <u>Transportation</u> | <u>Dutchess<br/>County<br/>LDC</u> |                                       |
| Operating revenues:                    |                                 |                       |                                    |                                       |
| Charges for services                   | \$ 955,623                      | \$ 1,373,893          | \$ 913,926                         | \$ 3,243,442                          |
| Operating grants and revenues          | -                               | 12,284,370            | -                                  | 12,284,370                            |
| Other                                  | 271,422                         | 86,766                | -                                  | 358,188                               |
| Total operating revenues               | <u>1,227,045</u>                | <u>13,745,029</u>     | <u>913,926</u>                     | <u>15,886,000</u>                     |
| Operating expenses:                    |                                 |                       |                                    |                                       |
| Personal services                      | 552,910                         | 6,932,060             | 565,337                            | 8,050,307                             |
| Employee benefits                      | 991,987                         | 6,863,065             | 151,939                            | 8,006,991                             |
| Depreciation/amortization              | 1,905,172                       | 1,795,265             | 81,111                             | 3,781,548                             |
| Contracted services                    | 618,919                         | 3,824,216             | 499,592                            | 4,942,727                             |
| Total operating expenses               | <u>4,068,988</u>                | <u>19,414,606</u>     | <u>1,297,979</u>                   | <u>24,781,573</u>                     |
| Operating (loss)                       | <u>(2,841,943)</u>              | <u>(5,669,577)</u>    | <u>(384,053)</u>                   | <u>(8,895,573)</u>                    |
| Nonoperating revenues (expenses):      |                                 |                       |                                    |                                       |
| State and Federal aid                  | 767,315                         | 6,002,058             | -                                  | 6,769,373                             |
| Lease payments collected               | 586,751                         | -                     | -                                  | 586,751                               |
| Interest income                        | 225,656                         | 188,492               | 129,036                            | 543,184                               |
| Interest expense                       | (68,038)                        | -                     | (26,594)                           | (94,632)                              |
| Total nonoperating revenues (expenses) | <u>1,511,684</u>                | <u>6,190,550</u>      | <u>102,442</u>                     | <u>7,804,676</u>                      |
| Income (loss) before transfers         | (1,330,259)                     | 520,973               | (281,611)                          | (1,090,897)                           |
| Transfers in                           | <u>296,800</u>                  | <u>5,312,128</u>      | <u>-</u>                           | <u>5,608,928</u>                      |
| Change in net position                 | (1,033,459)                     | 5,833,101             | (281,611)                          | 4,518,031                             |
| Net position—beginning, as restated    | <u>19,505,606</u>               | <u>12,514,305</u>     | <u>3,139,492</u>                   | <u>35,159,403</u>                     |
| Net position—ending                    | <u>\$ 18,472,147</u>            | <u>\$ 18,347,406</u>  | <u>\$ 2,857,881</u>                | <u>\$ 39,677,434</u>                  |

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

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

|   | <u>Business-type Activities</u> |                       |                                    |                      |
|---|---------------------------------|-----------------------|------------------------------------|----------------------|
|   | <u>Airport</u>                  | <u>Transportation</u> | <u>Dutchess<br/>County<br/>LDC</u> |                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                                 |                       |                                    |                      |
| Receipts from services provided                                     | \$ 1,091,264                    | \$ 1,361,377          | \$ 921,833                         | \$ 3,374,474         |
| Receipts from operating grants and revenue                          | -                               | 14,142,470            | -                                  | 14,142,470           |
| Receipts from other operating revenue                               | 71,133                          | 86,766                | -                                  | 157,899              |
| Payments to employees   | (917,064)                       | (12,785,935)          | (679,700)                          | (14,382,699)         |
| Payments to suppliers of contracted services                        | <u>(685,699)</u>                | <u>(3,908,680)</u>    | <u>(554,384)</u>                   | <u>(5,148,763)</u>   |
| Net cash (used for) operating activities                            | <u>(440,366)</u>                | <u>(1,104,002)</u>    | <u>(312,251)</u>                   | <u>(1,856,619)</u>   |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>          |                                 |                       |                                    |                      |
| Transfers and loans to and from other funds, net                    | <u>135,974</u>                  | <u>6,522,772</u>      | <u>-</u>                           | <u>6,658,746</u>     |
| Net cash provided by noncapital<br>financing activities             | <u>135,974</u>                  | <u>6,522,772</u>      | <u>-</u>                           | <u>6,658,746</u>     |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b> |                                 |                       |                                    |                      |
| Capital contributions to noncurrent assets                          | 1,398,433                       | 4,395,342             | -                                  | 5,793,775            |
| Acquisition of capital assets                                       | (2,787,842)                     | (6,358,622)           | -                                  | (9,146,464)          |
| Proceeds from issuance of debt                                      | 747,500                         | -                     | -                                  | 747,500              |
| Premium from issuance of debt                                       | 54,145                          | -                     | -                                  | 54,145               |
| Principal payments on bonds   | (87,986)                        | (40,941)              | -                                  | (128,927)            |
| Principal payments on leases  | -                               | (34,874)              | (66,223)                           | (101,097)            |
| Interest payments   | <u>(54,449)</u>                 | <u>(6,286)</u>        | <u>(26,594)</u>                    | <u>(87,329)</u>      |
| Net cash (used for) capital and related<br>financing activities     | <u>(730,199)</u>                | <u>(2,045,381)</u>    | <u>(92,817)</u>                    | <u>(2,868,397)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                                 |                       |                                    |                      |
| Lease payments collected  | 480,525                         | -                     | -                                  | 480,525              |
| Interest income earned  | <u>225,360</u>                  | <u>186,554</u>        | <u>129,036</u>                     | <u>540,950</u>       |
| Net cash provided by investing activities                           | <u>705,885</u>                  | <u>186,554</u>        | <u>129,036</u>                     | <u>1,021,475</u>     |
| Increase (decrease) in cash and cash equivalents                    | (328,706)                       | 3,559,943             | (276,032)                          | 2,955,205            |
| Cash, cash equivalents and investments—beginning                    | <u>2,724,636</u>                | <u>4,817,259</u>      | <u>3,078,612</u>                   | <u>10,620,507</u>    |
| Cash, cash equivalents and investments—ending                       | <u>\$ 2,395,930</u>             | <u>\$ 8,377,202</u>   | <u>\$ 2,802,580</u>                | <u>\$ 13,575,712</u> |

(continued)

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

(concluded)

|  | <u>Business-type Activities</u> |                       |                                    |                                       |
|--|---------------------------------|-----------------------|------------------------------------|---------------------------------------|
|  | <u>Airport</u>                  | <u>Transportation</u> | <u>Dutchess<br/>County<br/>LDC</u> | <u>Total<br/>Enterprise<br/>Funds</u> |
| <b>Reconciliation of operating (loss) to net cash<br/>(used for) operating activities:</b> |                                 |                       |                                    |                                       |
| Operating (loss)   | \$ (2,841,943)                  | \$ (5,669,577)        | \$ (384,053)                       | \$ (8,895,573)                        |
| Adjustments to reconcile operating (loss) to net<br>cash (used for) operating activities:  |                                 |                       |                                    |                                       |
| Depreciation/amortization expense  | 1,905,172                       | 1,795,265             | 81,111                             | 3,781,548                             |
| (Increase) decrease in receivables   | (59,931)                        | (12,516)              | 7,907                              | (64,540)                              |
| (Increase) decrease in other assets  | (9,710)                         | 1,795,070             | (11,140)                           | 1,774,220                             |
| Decrease (increase) in deferred outflows of resources                                      | 412,241                         | (119,103)             | -                                  | 293,138                               |
| (Decrease) in accounts payable   | (27,548)                        | (32,132)              | (6,076)                            | (65,756)                              |
| (Decrease) increase in retainage payable   | (36,487)                        | 45,770                | -                                  | 9,283                                 |
| Increase in unearned revenue   | 2,247                           | -                     | -                                  | 2,247                                 |
| Increase in compensated absences   | 40,118                          | 49,682                | -                                  | 89,800                                |
| (Decrease) in net pension liability  | (61,486)                        | (1,169,559)           | -                                  | (1,231,045)                           |
| Increase in OPEB obligation  | 302,115                         | 545,531               | -                                  | 847,646                               |
| Increase (decrease) in deferred inflows of resources                                       | (65,154)                        | 1,667,567             | -                                  | 1,602,413                             |
| Total adjustments  | <u>2,401,577</u>                | <u>4,565,575</u>      | <u>71,802</u>                      | <u>7,038,954</u>                      |
| Net cash (used for) operating activities   | <u>\$ (440,366)</u>             | <u>\$ (1,104,002)</u> | <u>\$ (312,251)</u>                | <u>\$ (1,856,619)</u>                 |

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

**COUNTY OF DUTCHESS, NEW YORK**  
**Statement of Fiduciary Net Position—Fiduciary Funds**  
**December 31, 2024**

---

|  | <b>Private<br/>Purpose<br/>Trust Fund</b> | <b>Custodial<br/>Fund</b> |
|--|---|---------------------------|
| <b>ASSETS</b>                          |   |                           |
| Restricted cash and cash equivalents   | \$ 5,852                                  | \$ 5,956,848              |
| Receivables                            | -   | 732,417                   |
| Total assets                           | 5,852                                     | 6,689,265                 |
| <b>LIABILITIES</b>                     |   |                           |
| Accounts payable and other liabilities | -   | 3,342,513                 |
| Total liabilities                      | -   | 3,342,513                 |
| <b>NET POSITION</b>                    |   |                           |
| Restricted for:                        |   |                           |
| Cemetery plots                         | 5,852                                     | -                         |
| Organizations and other governments    | -   | 3,346,752                 |
| Total net position                     | \$ 5,852                                  | \$ 3,346,752              |

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

**COUNTY OF DUTCHESS, NEW YORK**  
**Statement of Changes in Fiduciary Net Position—Fiduciary Funds**  
**Year Ended December 31, 2024**

---

|                                       | <b>Private<br/>Purpose<br/>Trust Fund</b> | <b>Custodial<br/>Fund</b> |
|---------------------------------------|---|---------------------------|
| <b>ADDITIONS</b>                      |   |                           |
| Funds received on behalf of others    | \$ -                                      | \$ 2,485,073              |
| Total additions                       | -   | 2,485,073                 |
| <b>DEDUCTIONS</b>                     |   |                           |
| Funds distributed on behalf of others | -   | 2,097,299                 |
| Total deductions                      | -   | 2,097,299                 |
| Change in fiduciary net position      | -   | 387,774                   |
| Net position—beginning                | 5,852                                     | 2,958,978                 |
| Net position—ending                   | \$ 5,852                                  | \$ 3,346,752              |

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

**COUNTY OF DUTCHESS, NEW YORK**  
**Combining Statement of Net Position—Major Component Units**  
**December 31, 2024**

|  | <b>Dutchess<br/>Community<br/>College<br/>(August 31, 2024)</b> | <b>Dutchess<br/>County<br/>Resource<br/>Recovery<br/>Agency</b> | <b>Dutchess<br/>County<br/>Water and<br/>Wastewater<br/>Authority</b> | <b>Total<br/>Major<br/>Discretely<br/>Presented<br/>Component<br/>Units</b> |
|--|---|---|---|---|
| <b>ASSETS</b>  |   |   |   |   |
| Cash and cash equivalents                                    | \$ 35,100,203   | \$ 500,961  | \$ 4,729,883  | \$ 40,331,047   |
| Restricted cash and investments                              | 17,683,769  | 7,480,592   | 3,655,162   | 28,819,523  |
| Receivables (net of allowances)                              | 5,700,347   | 1,683,901   | 2,718,298   | 10,102,546  |
| Intergovernmental receivables                                | -   | -   | 1,854,582   | 1,854,582   |
| Prepaid items  | 1,040,572   | 28,678  | 99,189  | 1,168,439   |
| Other assets   | 484,202   | 1,674,475   | -   | 2,158,677   |
| Net pension asset  | 1,222,735   | -   | -   | 1,222,735   |
| Capital assets, not being depreciated/amortized              | 1,703,296   | -   | 1,449,979   | 3,153,275   |
| Capital assets, net of accumulated depreciation/amortization | 103,328,838   | 5,757,204   | 63,853,917  | 172,939,959   |
| Total assets   | <u>166,263,962</u>  | <u>17,125,811</u>   | <u>78,361,010</u>   | <u>261,750,783</u>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                        |   |   |   |   |
| Deferred outflows—relating to pensions                       | 8,106,820   | 43,313  | 850,448   | 9,000,581   |
| Deferred outflows—relating to OPEB                           | 9,486,786   | -   | -   | 9,486,786   |
| Deferred charge on refunding                                 | -   | 65,917  | 369,624   | 435,541   |
| Total deferred outflows of resources                         | <u>17,593,606</u>   | <u>109,230</u>  | <u>1,220,072</u>  | <u>18,922,908</u>   |
| <b>LIABILITIES</b>   |   |   |   |   |
| Accounts payable   | 5,152,015   | 294,877   | 1,776,919   | 7,223,811   |
| Accrued liabilities  | 2,983,972   | 852,813   | 732,469   | 4,569,254   |
| Unearned revenues  | 5,678,437   | -   | -   | 5,678,437   |
| Noncurrent liabilities:                                      |   |   |   |   |
| Due within one year  | 4,530,021   | 1,350,000   | 1,582,772   | 7,462,793   |
| Due in more than one year                                    | 150,016,977   | 3,609,462   | 37,085,149  | 190,711,588   |
| Total noncurrent liabilities                                 | <u>154,546,998</u>  | <u>4,959,462</u>  | <u>38,667,921</u>   | <u>198,174,381</u>  |
| Total liabilities  | <u>168,361,422</u>  | <u>6,107,152</u>  | <u>41,177,309</u>   | <u>215,645,883</u>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                         |   |   |   |   |
| Deferred inflows—relating to leases                          | 469,289   | -   | -   | 469,289   |
| Deferred inflows—relating to pensions                        | 5,368,657   | 13,946  | 432,377   | 5,814,980   |
| Deferred inflows—relating to OPEB                            | 19,605,252  | -   | -   | 19,605,252  |
| Deferred inflows—relating to NYS TAP payments                | 587,250   | -   | -   | 587,250   |
| Deferred inflows—relating to capital                         | -   | -   | 20,234,202  | 20,234,202  |
| Total deferred inflows of resources                          | <u>26,030,448</u>   | <u>13,946</u>   | <u>20,666,579</u>   | <u>46,710,973</u>   |
| <b>NET POSITION</b>  |   |   |   |   |
| Net investment in capital assets                             | 59,464,515  | 4,661,679   | 18,655,449  | 82,781,643  |
| Restricted   | 18,403,756  | 5,958,342   | 3,653,082   | 28,015,180  |
| Unrestricted   | (88,402,573)  | 493,922   | (4,571,337)   | (92,479,988)  |
| Total net position   | <u>\$ (10,534,302)</u>  | <u>\$ 11,113,943</u>  | <u>\$ 17,737,194</u>  | <u>\$ 18,316,835</u>  |

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

**COUNTY OF DUTCHESS, NEW YORK**  
**Combining Statement of Activities—Major Component Units**  
**Year Ended December 31, 2024**

|  | <b>Dutchess<br/>Community<br/>College<br/>(August 31, 2024)</b> | <b>Dutchess<br/>County<br/>Resource<br/>Recovery<br/>Agency</b> | <b>Dutchess<br/>County<br/>Water and<br/>Wastewater<br/>Authority</b> | <b>Total<br/>Major<br/>Discretely<br/>Presented<br/>Component<br/>Units</b> |
|--|---|---|---|---|
| Program expenses:                                    |   |   |   |   |
| Disposal fees  | \$ -  | \$ 3,940,833  | \$ -  | \$ 3,940,833  |
| Service fees   | -   | 9,900,366   | -   | 9,900,366   |
| Administrative expenses                              | 7,360,305   | 1,060,889   | 1,656,673   | 10,077,867  |
| Interest expenses                                    | 543,590   | 84,226  | 1,272,211   | 1,900,027   |
| Depreciation and amortization                        | 5,628,040   | 1,789,479   | 2,344,478   | 9,761,997   |
| Instruction  | 33,077,340  | -   | -   | 33,077,340  |
| Academic support                                     | 3,838,711   | -   | -   | 3,838,711   |
| Libraries  | 1,192,509   | -   | -   | 1,192,509   |
| Student services                                     | 9,527,272   | -   | -   | 9,527,272   |
| General institution                                  | 10,101,358  | -   | -   | 10,101,358  |
| Operation and maintenance of plant                   | 4,752,038   | -   | 7,378,470   | 12,130,508  |
| Student aid  | 6,452,800   | -   | -   | 6,452,800   |
| Other  | 5,363,157   | -   | 1,218,230   | 6,581,387   |
| Total program expenses                               | <u>87,837,120</u>   | <u>16,775,793</u>   | <u>13,870,062</u>   | <u>118,482,975</u>  |
| Program revenues:                                    |   |   |   |   |
| Charges for services:                                |   |   |   |   |
| Tipping fees   | -   | 14,454,155  | -   | 14,454,155  |
| Energy sales   | -   | 2,015,571   | -   | 2,015,571   |
| Other charges for services                           | 6,286,536   | 512,751   | 10,847,816  | 17,647,103  |
| Student tuition and fees                             | 18,283,142  | -   | -   | 18,283,142  |
| Grants and contracts                                 | 16,190,003  | -   | -   | 16,190,003  |
| Other  | 8,337,292   | 162,266   | -   | 8,499,558   |
| Operating grants and contributions                   | 16,749,655  | -   | -   | 16,749,655  |
| Capital grants and contributions                     | -   | -   | 1,069,136   | 1,069,136   |
| Total program revenues                               | <u>65,846,628</u>   | <u>17,144,743</u>   | <u>11,916,952</u>   | <u>94,908,323</u>   |
| Net (expense) revenue and changes<br>in net position | (21,990,492)  | 368,950   | (1,953,110)   | (23,574,652)  |
| General revenues:                                    |   |   |   |   |
| Use of money and property                            | 3,437,634   | 412,910   | 347,805   | 4,198,349   |
| Payments from primary government                     | <u>17,123,656</u>   | <u>-</u>  | <u>3,837,403</u>  | <u>20,961,059</u>   |
| Total general revenues                               | <u>20,561,290</u>   | <u>412,910</u>  | <u>4,185,208</u>  | <u>25,159,408</u>   |
| Change in net position                               | (1,429,202)   | 781,860   | 2,232,098   | 1,584,756   |
| Net position—beginning, as previously stated         | (9,105,100)   | 10,332,083  | 15,491,220  | 16,718,203  |
| Restatement for capital assets adjustment            | <u>-</u>  | <u>-</u>  | <u>13,876</u>   | <u>13,876</u>   |
| Net position—beginning, as restated                  | <u>(9,105,100)</u>  | <u>10,332,083</u>   | <u>15,505,096</u>   | <u>16,732,079</u>   |
| Net position—ending                                  | <u>\$ (10,534,302)</u>  | <u>\$ 11,113,943</u>  | <u>\$ 17,737,194</u>  | <u>\$ 18,316,835</u>  |

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

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

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the County of Dutchess, 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 governmental accounting and financial reporting principles. The more significant of the County’s accounting principles are described below.

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

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

***Reporting Entity***

The County is a municipal entity which performs local governmental functions within its jurisdiction, including public safety, transportation, health and economic assistance and opportunity. The County charter was adopted April 17, 1967 and became effective January 1, 1968. The County is governed by an elected County Executive and a twenty-five member County Legislature.

The County’s financial statements include those entities for which the County has clear oversight responsibility. This responsibility is determined through a review of such factors as the selecting of governing boards, financial interdependency and the ability to influence management and operations on a continuing basis. 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. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

***Discretely Presented Component Units***—The component unit columns in the government-wide financial statements include the financial data of the County’s discretely presented component units. The combining statements of discretely presented component units present the major component units in separate columns and the nonmajor component units aggregated into a single column. These statements are presented separately from the financial data of the primary government to emphasize that they are legally separate from the County.

**Dutchess Community College (Major Component Unit)**—The Dutchess Community College (“DCC” or the “College”) was established under Article 126 of the Education Act of the State of New York under the sponsorship of the County and is operated by a Board of Trustees under Paragraph I of Subdivision 6 of Section 6304 of the Education Act of the State of New York. DCC’s fiscal year end is August 31. The Dutchess Community College Association, Inc. (the “Association”) is organized under the not-for-profit laws of New York State to supplement and conduct activities and

services for the students, faculty, staff and alumni of the College. The Association is presented as a component unit of the College, and its fiscal year end is June 30. The Dutchess Community College Foundation, Inc. (the “Foundation”) is organized under the not-for-profit laws of New York State to raise funds to provide scholarships and to provide support for initiatives that will have a significant and measurable impact on the students, faculty and staff of the College. The Foundation is a component unit of the College and its fiscal year end is August 31.

Pursuant to New York State Education Law relating to community colleges, title to real property is held by the County in trust for the use of the College in carrying out its institutional purposes. The accompanying debt is also a legal obligation of the County. No revenues or assets of the College have been pledged or will be available to pay the principal and interest on this debt. Principal and interest payments on the debt are payable from amounts appropriated each year by the State of New York pursuant to the State Education Law, and the County in the case of County-related debt through the College’s budget, and from monies in the debt service reserve fund held by the DASNY trustees. Capital appropriations include the annual debt service requirements on the Dutchess County debt. The provisions of the State Education Law regarding the State appropriations for principal and interest payments do not constitute a legally enforceable obligations of the State.

Equipment made available to the College from its inception are stated at cost and were purchased from appropriations of the County and New York State, designated for that purpose, and from Federal grants.

**Dutchess County Resource Recovery Agency (Major Component Unit)**—The Dutchess County Resource Recovery Agency (“RRA” or the “Agency”) was established as a public benefit corporation to perform the function of solid waste management. The Agency constructed a solid waste disposal resource recovery plant to be used for that purpose. The construction of the plant was financed primarily by the issuance of Dutchess County Resource Recovery Agency revenue bonds and New York State Environmental Quality Bond Act (“EQBA”) grant proceeds. The New York State Environmental Quality Bond Act grant proceeds have been recorded as contributed capital in these financial statements. In fulfilling its function, the Agency also operates a materials recycling facility. The Dutchess County Executive and/or members of the County Legislature appoint all of the Agency’s board members.

**Dutchess County Water and Wastewater Authority (Major Component Unit)**—The Dutchess County Water and Wastewater Authority (“WWA” or the “Authority”) is a public benefit corporation established under Section 1123 of the New York Local Water and Sewer Act, duly enacted into law as Chapter 592 of the Laws of the State of New York. The Act was requested by the Dutchess County Legislature to assist the County and its municipalities with managing water supplies and wastewater disposal. The legislation empowers the Authority to make plans and studies; develop, construct or maintain projects; acquire or lease real and personal property; to issue bonds and notes for financing; and fix rates and collect charges for the purpose of supplying and selling water and to collect, treat and discharge sewage in Dutchess County. The governing body of the Authority consists of eight members – five voting and three nonvoting. Voting members serve five year terms with two members appointed by the County Executive, two appointed by the Chairman of the County Legislature and the fifth being a joint appointment confirmed by the entire Legislature. The nonvoting members include the Director of the Dutchess County Environmental Management Council, the Director of the Dutchess County Soil and Water Conservation District, and the Commissioner of the Dutchess County Department of Planning and Economic Development.

**Dutchess County Industrial Development Agency (Nonmajor Component Unit)**—The Dutchess County Industrial Development Agency (“IDA”) is a public benefit corporation established June 28, 1977 under the mandate of Article 18-A, “New York State Industrial Development Agency Act,” of New York State general municipal law. The seven member board is appointed by the County Legislature subject to confirmation of the County Executive. The IDA was established to promote and assist in acquiring or constructing various business and recreational facilities and, in the process, advances the job opportunities, health, general prosperity and economic welfare of the people of Dutchess County. The IDA’s function is to authorize the issuance of industrial revenue bonds and to provide property, mortgage, and sales tax exemptions, to private entities, in order to promote economic development. The IDA reviews and determines whether to recommend approval of those applicants wishing to obtain financing. The IDA receives application fees from applicants and closing fees from those accepted for industrial revenue financing, such fees are recorded when earned.

**Dutchess County Soil and Water Conservation District (Nonmajor Component Unit)**—The Dutchess County Soil and Water Conservation District (“SWCD”) (including the Dutchess County Environmental Management Council) is a nonprofit organization set up to coordinate state and federal conservation programs on a local level. The SWCD provides education and technical assistance on managing soil, water and related natural resources to municipalities, farmers, business owners and homeowners.

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

**Dutchess Tobacco Asset Securitization Corporation**—The Dutchess Tobacco Asset Securitization Corporation (“DTASC”) is a special purpose local development corporation organized pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, created by Dutchess County for the purposes of: (i) purchasing from the County all rights, title and interest in certain litigation awards under the Consent Decree and Final Judgment of the Supreme Court of the State of New York dated December 23, 1998 and in all portions due to the County under the Master Settlement Agreement with respect to tobacco related litigation among various settling states and participating manufacturers, (ii) to purchase, acquire, own, hold, sell, dispose of tobacco assets and any future rights of tobacco assets, and (iii) to issue and sell bonds to pay for the acquisition of such tobacco assets. The sole member of the Corporation is the County Attorney. There are three directors, one appointed by the County Executive, one appointed by the Chairman of the Dutchess County Legislature and one jointly appointed by the County Executive and Chairman of the County Legislature.

**Dutchess County Local Development Corporation**—The Dutchess County Local Development Corporation (“LDC”) is a public benefit corporation established in 2010 under Section 1411 of the New York Not-for-Profit Corporation Law to act as an “on behalf of” issuer of conduit tax exempt bonds. In January 2008, civic facility legislation expired and industrial development agencies no longer had the authority to issue tax exempt bonds or provide other financial assistance to 501c(3) organizations. The LDC was established to address the capital needs of these organizations. The LDC’s function is via the issuance of industrial revenue bonds and other means to promote economic development. The LDC reviews and determines whether to recommend approval of those applicants wishing to obtain financing. The LDC receives fees from applicants and closing fees from those accepted for industrial revenue financing. The seven member board is appointed by the County Legislature with approval by the County Executive. The County is the sole member of the LDC.

Separately issued financial statements for all component units may be obtained from Dutchess County Finance Office at 22 Market Street, Poughkeepsie, New York, 12601.

### ***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 five discretely presented component units. Three of the component units, Dutchess Community College, the Dutchess County Resource Recovery Agency and the Dutchess County Water and Wastewater Authority, are considered to be major component units. They are presented in separate columns in the Combining Statement of Net Position—Major Component Units and the Combining Statement of Activities—Major Component Units, and are aggregated in a single column in the government-wide Statement of Net Position and the Statement of Activities. The remaining two are considered nonmajor component units and are combined and presented in a single column in the government-wide Statement of Net Position and the Statement of Activities.

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 various other functions of the County. Elimination of these changes 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 units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

- *General Fund*—The General Fund is the primary operating fund of the County and accounts for all financial resources of the general government, except those required to be accounted for in other funds. The principal sources of revenue for the General Fund are sales and use taxes, grants and aid and property taxes.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for 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 principal sources of revenue for the Capital Projects Fund include serial bonds, and grants and aid.
- *Dutchess Tobacco Asset Securitization Corporation (“DTASC”)*—The DTASC Fund is used to account for the receipt and disbursement of resources related to tobacco assets and related obligations.

*Nonmajor Special Revenue Funds*—These nonmajor governmental funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following special revenue funds are utilized:

- *County Road Fund*—The County Road Fund is used to account for expenditures for highway purposes authorized by Section 114 of the Highway Law. The principal source of revenue for the County Road Fund is property taxes.
- *Road Machinery Fund*—The Road Machinery Fund is used to account for the purchase, repair, maintenance and storage of highway machinery, tools and equipment pursuant to Section 133 of the Highway Law. The principal source of revenue for the Road Machinery Fund is property taxes.
- *Community Development Fund*—The Community Development Fund is used to account for funds received under the Job Training Partnership Act/Workforce Investment Act and for Community Block Grant funds received from the Department of Housing and Urban Development. The principal source of revenue for the Community Development Fund is federal aid.

The County reports the following major proprietary funds:

- *Dutchess County Airport Fund* (“Airport Fund”)—The Airport Fund accounts for the activities of the Dutchess County airport. The intent of the County is that the costs of operations of the airport will be financed through charges to users.
- *Dutchess County Bus Transportation System* (“Transportation Fund”)—The Transportation Fund accounts for the activities of the County’s public transportation system. The transportation system operates for the residents of the County.
- *Dutchess County Local Development Corporation* (the “Dutchess County LDC”)—The Dutchess County LDC Fund is used to account for the economic development and administrative services provided by the Dutchess County LDC.

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.

*Fiduciary Funds*—These funds are used to account for assets held by the County in a trustee or custodial capacity, and therefore are not available to support the County’s programs. The County’s fiduciary funds include the following:

- *Private Purpose Trust Fund*—The Private Purpose Trust Fund represents a trust arrangement under which cemetery plots are maintained.
- *Custodial Fund*—The Custodial Fund is used to account for assets held by the County in a trustee capacity or as an agent for individuals or other governmental units.

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/due to other funds and advances to/from 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 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 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 recorded 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 governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue 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 *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be 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 property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period; all other revenues are deemed to be available if they are collected within 90 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 claims and judgments, 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, 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 of availability. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and the amount is received during the period of availability. All other revenue items are considered to be measurable and available only when cash is received by the County.

The proprietary and fiduciary funds are 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 with original maturities of three months or less from the date of acquisition. The County’s short-term investments consist of certificates of deposit, obligations of New York State, the United States Government and its agents. State statutes and various resolutions of the County Legislature govern the County’s investment policies. County monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Investments are recorded at fair values in accordance with GASB.

***Restricted Cash and Cash Equivalents***—Restricted cash and cash equivalents represent amounts to support fund balance restrictions, unearned revenues, debt proceeds, funds set aside for specific purposes and cash held on behalf of others.

***Intergovernmental 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.

***Lease Receivable***—The County is a lessor for noncancellable leases of buildings. The County recognizes a lease receivable and a deferred inflow of resources in the statement of net position and governmental fund and proprietary funds financial statements. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

***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.

***Inventories***—Inventories are recorded at cost using the first-in, first-out method. Inventories largely consist of office supplies reported within governmental activities.

***Other Noncurrent Assets***—Represents the County’s share of municipal wastewater systems and waterlines, which is recorded at historical cost and depreciated over 40 years. At December 31, 2024, the County reported \$5,758,561 related to other assets.

***Capital and Right-to-Use Lease/SBITA Assets***—All capital assets, which include property, plant, equipment, right-to-use lease/SBITA assets, and infrastructure assets (e.g. roads and bridges), are reported in the applicable governmental or business-type activities column in the government-wide financial statements, as well as within the individual proprietary funds. Capital assets, except for infrastructure assets, are defined by the County as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of three years. For infrastructure assets, the same estimated minimum useful life is used (in excess of ten years), but only those infrastructure projects that cost more than \$100,000 are reported as capital assets. Such assets are recorded at historical cost or estimated historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Right-to-use lease and subscription-based information technology arrangement (“SBITA”) assets are initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs and are amortized on a straight-line basis over their useful lives.

Land, right of way and easements, and construction in progress are not depreciated. The other capital assets of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

| Capital Assets                      | Years |
|-------------------------------------|-------|
| Infrastructure                      | 10-50 |
| Buildings and building improvements | 5-40  |
| Improvements other than buildings   | 5-30  |
| Machinery and equipment             | 3-15  |
| Right-to-use lease/SBITA assets     | 3-15  |

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

***Deferred Outflows/Inflows of Resources***—In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2024, the County’s primary government has two items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide financial statements and proprietary fund financial statements. This item represents the effect of the net change in the County’s proportion of the collective net pension liability, the difference during the measurement period between the County’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date. The second item is related to OPEB reported in the government-wide and proprietary fund financial statements and represents the effects of the change in the County’s proportion of the collective OPEB liability and difference during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability.

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, 2024, the primary government of the County has six items that qualify for reporting in this category. One of the items arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported as deferred inflows of resources only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes that will not be realized within the period of availability. These amounts are deferred and recognized in the period that the amounts become available. The second item is related to leases receivable reported on both the Statement of Net Position and governmental funds balance sheet, which is reported equal to the lease receivable at the present value of the remaining lease payments expected to be received during the lease term and amortized over the life of the lease. The third item is related to opioid revenue reported on both the Statement of Net Position and Governmental Funds Balance Sheet, which is reported equal to the opioid receivable for the remaining opioid distributor payments expected to be received. The fourth item represents the effect of the net change in the County’s proportion of the collective net pension liability and the difference during the measurement periods between the County’s contributions and its proportionate share of total contributions to the pension systems not included in pension expense and is reported on the government-wide financial statements as

well as within the individual proprietary funds. The fifth item represents the effects of the change in the County's proportion of the collective OPEB liability and difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability. The final item is a deferred gain on refunding, which the County reports within its governmental activities. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

***Net Position Flow Assumptions***—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 position 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 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 specific purposes determined by a formal action of the government'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 government for specific purposes but do not meet the criteria to be classified as committed. The County Legislature has by resolution authorized the Commissioner of Finance to assign amounts for specific purposes. The Legislature may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

## ***Revenues and Expenses/Expenditures***

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

***Property Taxes***—The County levies its real property taxes on December 31<sup>st</sup>, prior to the year of collection and attached as an enforceable lien on January 1<sup>st</sup>. On March 1<sup>st</sup>, interest is accrued on all unpaid taxes in accordance with real property tax law. Property tax is only recognized as revenue in the year for which the levy is made, and to the extent that such taxes are received within the reporting period or 60 days thereafter in the governmental fund financial statements.

Tax collections are the responsibility of either the city tax collectors for the cities of Poughkeepsie and Beacon or the town receivers or collectors for the towns in the County and are collected through May 31<sup>st</sup> or August 31<sup>st</sup>, the later date being for certain towns that pay in installments. After these dates, uncollected real property taxes receivables of the towns are turned over for collection by the County. The towns satisfy the full amount of their tax levies from the first monies collected and remit all amounts thereafter to the County.

A local law provides for the collection, by the County, of delinquent village taxes. This law requires the amount of returned delinquent village taxes remaining unpaid, be paid to the village by the County by the first day of April following the return.

Tax rates are calculated using assessments prepared by individual city and town assessors utilizing the equalization rates established by the New York State Board of Equalization and Assessment for the purpose of comparability. The total taxable equalized assessed value of real property included in the tax levy of 2024 is \$44,623,642,348. The effective tax rate on this value is \$2.23 per thousand. The constitutional tax limit is 1.5% of the 5-year average of the equalized assessment. The 2024 levy represents approximately 14.2% of the constitutional tax limit.

***Unearned Revenue***—Certain cash receipts have not met the revenue recognition criteria for government-wide or fund financial statement purposes. At December 31, 2024, the primary government reported unearned revenues within the General Fund and Airport Fund of \$3,003,621 and \$27,585, respectively. These funds received overpayments and cash in advance but have not performed the services and therefore recognize a liability.

***Local Development Revenue Bonds***—Bonds authorized by the Dutchess County LDC and issued through various lending institutions, are designated as special obligations of the Dutchess County LDC and payable solely from the revenues and other assets pledged as collateral against the bonds. The Dutchess County LDC does not act as guarantor in the event of collateralized properties and revenues, as specified in the applicable financing agreement, that are insufficient to meet debt service requirements. Additionally, in each of these financings, the Dutchess County LDC has assigned all rights to receive certain revenues derived with respect to the facilities it has financed to the holders of the local development revenue bonds. As a consequence, the Dutchess County LDC does not reflect such bonds or related properties on its financial statements. Local development revenue bonds authorized by the Dutchess County LDC and outstanding at December 31, 2024 total \$1,471,057,861.

**Compensated Absences**—The County employees are entitled, with certain limitations, to accrue sick leave and vacation time. Estimated sick leave and vacation time is accumulated by governmental fund type employees and reported as a liability and expenditure in the government-wide financial statements under governmental activities. For proprietary fund type employees, the accumulation is recorded as a noncurrent liability of the proprietary fund type. The compensated absences liability for the County’s governmental and business-type activities at December 31, 2024 totaled \$37,711,610 and \$988,903, respectively, and are reported in the government-wide financial statements and proprietary fund financial statements. Refer to Note 2 for more information regarding the County’s restatement of the compensated absences liability as a result of the implementation of GASB Statement No. 101, *Compensated Absences*.

Payment of sick leave and compensatory time recorded in the government-wide financial statements is dependent on many factors; therefore, the timing of future payments is not readily determinable. However, management believes that sufficient resources will be available for the payment of compensated absences when such payments become due.

**Proprietary Funds Operating and Nonoperating Revenues and Expenses**—Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues of enterprise funds consist of charges for services, operating grants, and other miscellaneous revenues. Operating expenses of enterprise funds consist of salaries, wages and benefits, contractual services and depreciation. Transactions related to capital and financing activities, non-capital financing activities, investing activities and interfund transfers from other funds and State appropriations are components of nonoperating revenues (expenses). Subsidies and grants to proprietary funds which finance capital activities are reported as nonoperating revenue.

**Pension Plans**—The County is mandated by New York State law to participate in the New York State Local Employees’ Retirement System (“ERS”). For purposes of measuring the net pension liability, 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 for fractional values of unused sick leave for certain retired employees at the time of retirement, as discussed in Note 8.

**Workers’ Compensation and General Claims**—Estimated costs associated with workers’ compensation and general claims and judgments for both reported and unreported events totaled \$30,648,181 at December 31, 2024. Estimates of both future payment of losses and related claim adjustment expenses are recorded as long-term liabilities in the government-wide financial statements, as discussed in Note 10.

#### **Other**

**Estimates**—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows/inflows of resources, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses/expenditures during the reported period. Actual results could differ from those estimates.

***Adoption of New Accounting Pronouncements***—During the year ended December 31, 2024, the County implemented the remainder of GASB Statement No. 99, *Omnibus 2022*; GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 99 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53. GASB Statement No. 100 improves financial reporting by enhancing accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. GASB Statement No. 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. Except for the matter discussed in Note 2, the implementation of GASB Statements No. 99, 100, and 101 did not have a material impact on the County’s financial position or results from operations.

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

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

***Legal Compliance—Budgets***—The County’s annual procedures in establishing the budgetary data reflected in the basic financial statements are described below.

- No later than November 1<sup>st</sup>, the County Executive submits a tentative budget to the County Legislature for the fiscal year commencing the following January 1<sup>st</sup>. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- After public hearings are conducted to obtain taxpayer comments, no later than December 21<sup>st</sup>, the governing board adopts the budget.
- All modifications of the budget must be approved by the governing board. The Budget Officer is authorized to transfer certain budgeted amounts within departments, upon request of the department head.
- Budgets are prepared for proprietary funds to establish the estimated contributions required from other funds and to control expenditures.

Additional information regarding the County’s budgets can be found in the Required Supplementary Information section of this report.

## 2. RESTATEMENT OF NET POSITION

During the year ended December 31, 2024, the County implemented GASB Statement No. 101, *Compensated Absences*. As a result of the implementation, the County’s compensated absences liability was restated as of December 31, 2023. Accordingly, net position for governmental activities and business-type activities at December 31, 2023 has been restated. The effect of this implementation is shown in the table below:

|  | Governmental            | Business-type Activities |                      |
|--|-------------------------|--------------------------|----------------------|
|  | Activities              | Airport                  | Transportation       |
| Net position–December 31, 2023, as previously stated | \$ (234,950,655)        | \$ 19,749,288            | \$ 12,853,521        |
| Implementation of GASB Statement No. 101             | (25,720,687)            | (243,682)                | (339,216)            |
| Net position–December 31, 2023, as restated          | <u>\$ (260,671,342)</u> | <u>\$ 19,505,606</u>     | <u>\$ 12,514,305</u> |

### Discretely Presented Component Units

- i) **Dutchess County Water and Wastewater Authority**—The Authority restated its beginning net position by \$13,876 to adjust capital asset balances.

## 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 Federal Deposit Insurance Corporation (“FDIC”) insured commercial banks or trust companies located within the State. The County 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. 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, cash equivalents and investments at December 31, 2024 are as follows:

|                               | Governmental          | Business-type        | Fiduciary           | Total                 |
|-------------------------------|-----------------------|----------------------|---------------------|-----------------------|
|                               | Activities            | Activities           | Funds               |                       |
| Petty cash (uncollateralized) | \$ 19,265             | \$ -                 | \$ -                | \$ 19,265             |
| Deposits                      | 230,541,584           | 13,575,712           | 5,962,700           | 250,079,996           |
| Money market funds            | 3,430,565             | -                    | -                   | 3,430,565             |
| Investments                   | 31,044,311            | -                    | -                   | 31,044,311            |
| Total                         | <u>\$ 265,035,725</u> | <u>\$ 13,575,712</u> | <u>\$ 5,962,700</u> | <u>\$ 284,574,137</u> |

**Deposits**—All deposits are carried at fair value, and are classified by custodial credit risk at December 31, 2024 as follows:

|  | Bank<br>Balance       | Carrying<br>Amount    |
|--|-----------------------|-----------------------|
| FDIC insured   | \$ 1,419,364          | \$ 1,419,364          |
| Uninsured:   |                       |                       |
| Collateral held by pledging bank's<br>agent in the County's name | <u>254,577,318</u>    | <u>248,660,632</u>    |
| Total  | <u>\$ 255,996,682</u> | <u>\$ 250,079,996</u> |

**Restricted Cash and Cash Equivalents**—Restricted cash of the County consists of cash reported within the Capital Projects Fund in the amount of \$72,083,760, and cash restricted for future debt service within both the General Fund and DTASC Fund of \$10,667,474 and \$3,430,565, respectively. Also included within restricted cash is General Fund (including self-insurance) balances subject to externally enforceable legal purpose restrictions, totaling \$21,901,404, unearned revenues of \$3,003,621, and cash reported within the County’s workers’ compensation self-insured program in excess of the related restricted fund balance, totaling \$15,793,352. The County also reports restricted cash relating to unearned revenues within the County’s Airport Fund in the amount of \$27,585. Lastly, the County reports restricted cash held on behalf of others in the amount of \$5,962,700 within the Fiduciary Funds. These deposits were fully covered by FDIC insurance or collateral held by escrow agents in the name of the County or were cash equivalent discount notes.

**Custodial Credit Risk—Deposits and Cash Equivalents**—Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits and cash equivalents may not be returned to it. As noted above, by State Statute all deposits and cash equivalents in excess of FDIC insurance coverage must be collateralized. As of December 31, 2024, the County’s deposits and cash equivalents were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the County’s name.

**Investments, Restricted Investments, and Fair Value Measurements**—At December 31, 2024, the County has investments in securities of \$31,044,311, which consist of U.S. Treasury notes with maturities of twelve months. Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1           Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
  
- Level 2           Inputs to the valuation methodology include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
  
- Level 3           Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The investments of the County at December 31, 2024 are considered level 1 inputs.

***Custodial Credit Risk—Investments***—For investments, this is the risk that, in the event of failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Underlying securities must have a market value of at least the cost of the repurchase agreement

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

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

***Interest Rate Risk***—The County investment policy limits investment maturities to two years as a means of managing its exposure to fair value losses arising from increasing interest rates.

#### **Discretely Presented Component Units**

##### **i) Dutchess Community College**

***Cash and Cash Equivalents***—Cash and cash equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with maturities of less than three months at the time of purchase. At August 31, 2024, the College reports \$35,100,203 of cash and cash equivalents.

The College's investment policies are governed by State statutes. The College has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The College is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, and obligations of New York State or its municipalities.

Collateral is required for demand deposits, time deposits and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the College's name. As of August 31, 2024, none of the College's bank balance of \$31,984,924 was exposed to custodial credit risk as \$512,629 and \$31,472,295 were insured by FDIC insurance and collateralized, respectively.

**Restricted Investments**—Investments consist of money market funds, mutual funds, exchange-traded funds, and government bonds with initial maturities of greater than three months. At August 31, 2024, the College reports \$17,683,769 of investments at fair value in accordance with GASB.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying financial statements.

**ii) Dutchess County Resource Recovery Agency**

**Cash and Cash Equivalents and Investments**—Statutes authorize the Agency to maintain deposits with financial institutions and to invest in certificates of deposit, obligations of New York State, the United States of America Government and its agencies, and repurchase agreements collateralized by U.S. obligations. The Agency has investments in money market funds, which invests at least 99.5% of assets in U.S. Treasury Bills and other U.S. backed securities.

As of December 31, 2024, the Agency had cash deposited in various banks aggregating approximately \$250,000, which is classified as Custodial Credit Risk Category 1, the lowest risk, as defined by GASB, as insured by the FDIC or collateralized with securities held by the entity’s agent in the entity’s name. As of December 31, 2024, the Agency had additional cash and cash equivalents and investments of \$9,410,124 in various accounts, which are not covered by FDIC. The cash balances are collateralized with securities held by the counter party’s trust department or agent in the entity’s name and the investments are held by the counter party’s trust department in the entity’s name which are considered Custodial Credit Risk Category 2, as defined by the GASB.

Cash, cash equivalents and investments are as follows at December 31, 2024:

|  |                     |
|--|---------------------|
| Bank balance                           | \$ 1,541,864        |
| U.S. Government money market           | <u>8,118,260</u>    |
| Total custodial credit risk Category 2 | <u>\$ 9,660,124</u> |

Bank balances differ from the Agency’s cash balances by the amount of outstanding items clearing in the following month.

Disclosures relating to risk and type of investments as presented above are indicative of activity and positions held during the year.

**Restricted Cash and Investments**—In accordance with the terms of the general bond resolution, bond and note proceeds, accrued interest receivable, the initial collection of tipping fees and energy revenues, and investments are administered and reported upon by a trustee on behalf of the Agency and are restricted.

The Debt Service Reserve Funds are funded in an amount equal to the greater of any annual principal and interest or sinking fund payments, but limited to 10% of the original principal amount of the 2017 Refunding bonds. The Reserve and Contingency Fund is funded in an amount at least equal to 10% of the debt service payments required for the current year. However, since

these funds are not anticipated to be used in the subsequent year, they have been classified as restricted noncurrent assets in the statement of net position.

The proceeds from collections of energy revenues, which had not yet been released by the trustee, and funds available for the January 1<sup>st</sup> bond principal and interest payments, amounted to \$1,522,250 at December 31, 2024, and are included in restricted cash. Additionally, the Agency records unspent proceeds from the Series 2017 bonds as noncurrent restricted cash and cash equivalents.

Restricted assets as of December 31, 2024 are summarized as follows:

|  |                     |
|--|---------------------|
| Current restricted assets                        |                     |
| Series 2017                                      | \$ 1,522,250        |
| Energy revenues and debt service funds           | <u>5,958,342</u>    |
| Total current restricted assets                  | <u>\$ 7,480,592</u> |
| Noncurrent restricted assets                     |                     |
| Series 2017                                      | <u>\$ 1,674,475</u> |
| Total noncurrent restricted cash and investments | <u>1,674,475</u>    |
| Total restricted cash and investments            | <u>\$ 9,155,067</u> |

**iii) Dutchess County Water and Wastewater Authority**

***Cash, Cash Equivalents and Investments***—State statutes authorized the Authority to maintain deposits with financial institutions and to invest in certificates of deposits, obligations of New York State, the United States Government and its agencies, and repurchase agreements collateralized by U.S. obligations.

In addition, the Authority, through the General Bond Resolution adopted June 1, 1998, is authorized to invest funds held under the Resolution in “Qualified Investments”. Qualified Investments include the above-described investments as well as certain types of commercial paper, money market accounts and investment agreements.

Cash, cash equivalents and investments (tier 1) are as follows as of December 31, 2024:

|                               |                     |
|-------------------------------|---------------------|
| Cash in banks                 | <u>\$ 4,729,883</u> |
| Investments:                  |                     |
| Money market funds            | \$ 1,245,929        |
| U.S. Treasury bills and notes | <u>2,407,190</u>    |
| Total investments*            | <u>\$ 3,653,119</u> |

\*At December 31, 2024, the Authority has \$2,043 in unspent bond proceeds held by the New York State Environmental Facilities Corporation (“EFC”). The unspent bond proceeds are not included in the above table because the cash is held by EFC, not the Authority. The entire December 31, 2024 balance held by EFC related to the 2023 Greenfields Sewer bond.

Disclosures relating to risk and type of investments as presented above are indicative of activity and positions held during the year.

**Restricted Cash and Investments**—The restricted cash and investments of the Authority consist of unexpended bond and note proceeds, which are invested in cash funds and investments under the control of bank trustees. These assets are restricted in use by bond covenants as described below at December 31, 2024.

|                                       |                     |
|---------------------------------------|---------------------|
| Construction reserve funds            | \$ 37               |
| Debt service sinking funds            | 88                  |
| Debt service reserve funds            | 1,566,576           |
| Held by EFC                           | <u>2,043</u>        |
| Current restricted funds              | <u>1,568,744</u>    |
| Noncurrent debt service reserve funds | <u>2,086,418</u>    |
| Total restricted funds                | <u>\$ 3,655,162</u> |

**iv) Aggregate Nonmajor Discretely Presented Component Units**

The County’s aggregate nonmajor discretely presented component units, the IDA and the SWCD, consider all demand deposits, time and savings accounts, and certificates of deposit with an original maturity of three months or less, to be cash and cash equivalents. At December 31, 2024, the IDA and the SWCD recorded \$2,869,942 and \$568,914 in cash and cash equivalents, respectively. The IDA also reports restricted cash in the amount of \$1,956,352 related to a deposit for the Cricket Valley Energy Center IDA project.

**4. RECEIVABLES**

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

**Taxes Receivable**—Represents amounts due from County taxpayers that remain unpaid. At December 31, 2024, the County recorded \$43,724,121 related to taxes receivable. These amounts are reported net of an allowance for uncollectible taxes provision of \$12,837,176.

**Accounts Receivable**—Represents amounts due from various sources. The County’s accounts receivable at December 31, 2024 are presented below.

|                                       |                     |
|---------------------------------------|---------------------|
| Governmental funds:                   |                     |
| General Fund                          | \$ 7,206,012        |
| Less: allowance for doubtful accounts | (2,544,425)         |
| Nonmajor governmental funds           | <u>12,329</u>       |
| Total governmental funds              | <u>\$ 4,673,916</u> |
| Proprietary funds:                    |                     |
| Airport Fund                          | \$ 229,311          |
| Transportation Fund                   | 180,740             |
| Dutchess County LDC                   | <u>145,711</u>      |
| Total proprietary funds               | <u>\$ 555,762</u>   |
| Fiduciary funds:                      |                     |
| Custodial Fund                        | <u>\$ 732,417</u>   |

**Intergovernmental Receivables**—Represents amounts due from other units of government, such as Federal, New York State or other local governments. Amounts are net of related advances from New York State. Intergovernmental receivables at December 31, 2024 are presented below:

|                              |                |                      |
|------------------------------|----------------|----------------------|
| Governmental funds:          |                |                      |
| General Fund:                |                |                      |
| Due from state and federal   | \$ 75,214,514  |                      |
| Other                        | <u>872,657</u> | \$ 76,087,171        |
| Capital Projects Fund:       |                |                      |
| Due from state and federal   |                | 3,785,357            |
| Nonmajor governmental funds: |                |                      |
| Due from state and federal   |                | <u>2,484,522</u>     |
| Total governmental funds     |                | <u>\$ 82,357,050</u> |
| Proprietary funds:           |                |                      |
| Airport Fund:                |                |                      |
| Due from state and federal   |                | \$ 454,998           |
| Transportation Fund:         |                |                      |
| Due from state and federal   |                | <u>4,015,468</u>     |
| Total proprietary funds      |                | <u>\$ 4,470,466</u>  |

**Leases Receivable**—The County recognizes various lease receivables for building use measured at the present value of the remaining lease payments expected to be received during the lease terms. The leases have maturity dates ranging from 5 to 15 years remaining, and the County recognized \$1,266,203 in lease revenue and \$512,777 in interest revenue during the current fiscal year. As of December 31, 2024, the County’s outstanding receivable for lease payments was \$8,923,019 for governmental activities and \$3,572,705 for business-type activities. Also, the County has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of December 31, 2024, the balance of the deferred inflow of resources reported within the governmental activities was \$8,698,194 and \$3,323,460 for business-type activities.

### Discretely Presented Component Units

#### i) Dutchess Community College

Significant receivables include amounts due from grants, lessees, pledges, chargebacks, and students for fees and tuitions. Delinquent student accounts are written off after five years. Additionally, the College records a provision for uncollectible accounts receivable each year based on the estimated probability of collection. At August 31, 2024, the College reported total receivables of \$5,700,347, which is reported net of an allowance for uncollectible accounts of \$1,533,145. Of this balance, \$512,043 relates to a lease receivable in which the College is a lessor of equipment and land.

#### ii) Dutchess County Resource Recovery Agency

The Agency records accounts receivable of \$1,683,901, which is reported net of an allowance for uncollectible accounts of \$15,000.

**iii) Dutchess County Water and Wastewater Authority**

Significant receivables represent outstanding user fees, which total \$2,718,298 and \$1,854,582 recorded within receivables and intergovernmental receivables, respectively, at December 31, 2024. The Authority has an agreement with Dutchess County that provides for collection of outstanding user fees through the real property tax levy. Therefore, the Authority has not established an allowance for uncollectible accounts.

**iv) Aggregate Nonmajor Discretely Presented Component Units**

The County’s aggregate nonmajor discretely presented component units, the IDA and SWCD record receivables at the amount management expects to collect from outstanding balances. At December 31, 2024, the IDA and SWCD records accounts receivable of \$575,563 and \$249,140, respectively.

**5. CAPITAL ASSETS**

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

|  | Balance<br>1/1/2024   | Increases             | Decreases             | Balance<br>12/31/2024 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Capital assets, not being depreciated/amortized:       |                       |                       |                       |                       |
| Land   | \$ 15,783,031         | \$ 8,835              | \$ -                  | \$ 15,791,866         |
| Right of way and easements                             | 18,523,098            | 1,321,875             | -                     | 19,844,973            |
| Construction in progress                               | 166,148,684           | 44,368,280            | 188,217,781           | 22,299,183            |
| Total capital assets, not being depreciated/amortized  | <u>200,454,813</u>    | <u>45,698,990</u>     | <u>188,217,781</u>    | <u>57,936,022</u>     |
| Capital assets, being depreciated/amortized:           |                       |                       |                       |                       |
| Infrastructure   | 356,140,289           | 50,937,289            | -                     | 407,077,578           |
| Buildings and building improvements                    | 217,099,829           | 124,971,381           | -                     | 342,071,210           |
| Improvements other than buildings                      | 13,440,809            | 6,984,317             | -                     | 20,425,126            |
| Machinery and equipment                                | 80,666,539            | 5,651,932             | 1,362,299             | 84,956,172            |
| Right-to-use lease assets                              | 34,716,548            | 1,126,915             | -                     | 35,843,463            |
| Right-to-use subscription assets                       | 1,474,922             | 712,794               | 340,350               | 1,847,366             |
| Total capital assets, being depreciated/amortized      | <u>703,538,936</u>    | <u>190,384,628</u>    | <u>1,702,649</u>      | <u>892,220,915</u>    |
| Less accumulated depreciation/amortization for:        |                       |                       |                       |                       |
| Infrastructure   | 229,727,629           | 15,472,556            | -                     | 245,200,185           |
| Buildings and building improvements                    | 147,320,608           | 6,402,785             | -                     | 153,723,393           |
| Improvements other than buildings                      | 8,728,726             | 831,149               | -                     | 9,559,875             |
| Machinery and equipment                                | 59,760,882            | 4,375,491             | 1,354,260             | 62,782,113            |
| Right-to-use lease assets                              | 5,944,349             | 3,565,927             | -                     | 9,510,276             |
| Right-to-use subscription assets                       | 339,315               | 435,443               | 48,893                | 725,865               |
| Total accumulated depreciation/amortization            | <u>451,821,509</u>    | <u>31,083,351</u>     | <u>1,403,153</u>      | <u>481,501,707</u>    |
| Total capital assets, being depreciated/amortized, net | <u>251,717,427</u>    | <u>159,301,277</u>    | <u>299,496</u>        | <u>410,719,208</u>    |
| Governmental activities capital assets, net            | <u>\$ 452,172,240</u> | <u>\$ 205,000,267</u> | <u>\$ 188,517,277</u> | <u>\$ 468,655,230</u> |

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

|                                     |                      |
|-------------------------------------|----------------------|
| General government support          | \$ 9,206,332         |
| Public safety                       | 3,024,144            |
| Health                              | 711,745              |
| Transportation                      | 13,355,001           |
| Economic assistance and opportunity | 562,623              |
| Culture and recreation              | 4,051,319            |
| Home and community services         | 172,187              |
| Total governmental activities       | <u>\$ 31,083,351</u> |

**Business-type activities**—Capital asset activity for the primary government’s business-type activities (enterprise funds) for the year ended December 31, 2024 was as follows:

|  | Balance<br>1/1/2024  | Increases            | Decreases           | Balance<br>12/31/2024 |
|--|----------------------|----------------------|---------------------|-----------------------|
| Capital assets, not being depreciated/amortized:       |                      |                      |                     |                       |
| Land   | \$ 3,385,364         | \$ -                 | \$ -                | \$ 3,385,364          |
| Construction in progress                               | 2,634,273            | 7,983,371            | 7,114,006           | 3,503,638             |
| Total capital assets, not being depreciated/amortized  | <u>6,019,637</u>     | <u>7,983,371</u>     | <u>7,114,006</u>    | <u>6,889,002</u>      |
| Capital assets, being depreciated/amortized:           |                      |                      |                     |                       |
| Infrastructure   | 36,571,073           | 50,166               | -                   | 36,621,239            |
| Buildings and building improvements                    | 24,030,077           | 2,966,950            | -                   | 26,997,027            |
| Improvements other than buildings                      | 39,091               | -                    | -                   | 39,091                |
| Machinery and equipment                                | 27,943,097           | 4,060,402            | 909,454             | 31,094,045            |
| Right-to-use lease assets                              | 942,131              | -                    | -                   | 942,131               |
| Total capital assets, being depreciated/amortized      | <u>89,525,469</u>    | <u>7,077,518</u>     | <u>909,454</u>      | <u>95,693,533</u>     |
| Less accumulated depreciation/amortization for:        |                      |                      |                     |                       |
| Infrastructure   | 30,717,734           | 1,273,017            | -                   | 31,990,751            |
| Buildings and building improvements                    | 13,797,200           | 768,687              | -                   | 14,565,887            |
| Improvements other than buildings                      | 15,636               | 3,909                | -                   | 19,545                |
| Machinery and equipment                                | 20,117,191           | 1,623,491            | 905,872             | 20,834,810            |
| Right-to-use lease assets                              | 302,628              | 112,444              | -                   | 415,072               |
| Total accumulated depreciation/amortization            | <u>64,950,389</u>    | <u>3,781,548</u>     | <u>905,872</u>      | <u>67,826,065</u>     |
| Total capital assets, being depreciated/amortized, net | <u>24,575,080</u>    | <u>3,295,970</u>     | <u>3,582</u>        | <u>27,867,468</u>     |
| Business-type activities capital assets, net           | <u>\$ 30,594,717</u> | <u>\$ 11,279,341</u> | <u>\$ 7,117,588</u> | <u>\$ 34,756,470</u>  |

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

|                                |                     |
|--------------------------------|---------------------|
| Airport                        | \$ 1,905,172        |
| Transportation                 | 1,795,265           |
| Dutchess County LDC            | 81,111              |
| Total business-type activities | <u>\$ 3,781,548</u> |

## Discretely Presented Component Units

### i) Dutchess Community College

Capital asset activity for the Dutchess Community College for the year ended August 31, 2024 is presented below:

|  | Balance<br>9/1/2023  | Increases             | Decreases           | Balance<br>8/31/2024 |
|--|----------------------|-----------------------|---------------------|----------------------|
| Capital assets, not being depreciated/amortized:       |                      |                       |                     |                      |
| Land   | \$ 1,151,144         | \$ -                  | \$ -                | \$ 1,151,144         |
| Construction in progress                               | <u>2,110,408</u>     | <u>466,172</u>        | <u>2,024,428</u>    | <u>552,152</u>       |
| Total capital assets, not being depreciated/amortized  | <u>3,261,552</u>     | <u>466,172</u>        | <u>2,024,428</u>    | <u>1,703,296</u>     |
| Capital assets, being depreciated/amortized:           |                      |                       |                     |                      |
| Building and improvements                              | 105,903,989          | 2,255,579             | -                   | 108,159,568          |
| Furniture and equipment                                | 19,963,030           | 671,021               | -                   | 20,634,051           |
| Right-to-use lease assets                              | 21,642,399           | 597,473               | 58,752              | 22,181,120           |
| Right-to-use subscription assets                       | <u>3,993,593</u>     | <u>343,581</u>        | <u>54,270</u>       | <u>4,282,904</u>     |
| Total capital assets, being depreciated/amortized      | <u>151,503,011</u>   | <u>3,867,654</u>      | <u>113,022</u>      | <u>155,257,643</u>   |
| Less: Accumulated depreciation/amortization            | <u>67,744,202</u>    | <u>5,635,050</u>      | <u>113,022</u>      | <u>73,266,230</u>    |
| Total capital assets, being depreciated/amortized, net | <u>83,758,809</u>    | <u>(1,767,396)</u>    | <u>-</u>            | <u>81,991,413</u>    |
| Total capital assets, net                              | <u>\$ 87,020,361</u> | <u>\$ (1,301,224)</u> | <u>\$ 2,024,428</u> | <u>\$ 83,694,709</u> |

In addition to the College's capital assets, its component units, the Association and Foundation reported net capital assets, being depreciated of \$21,337,425 and \$0, respectively.

Assets under installment purchase debt agreements at August 31, 2024 are as follows:

|                          |                    |
|--------------------------|--------------------|
| Cost basis               | \$ 5,227,174       |
| Accumulated depreciation | <u>(4,367,396)</u> |
| Total                    | <u>\$ 859,778</u>  |

Depreciation/amortization expense for the year ended August 31, 2024 was \$5,635,050.

### ii) Dutchess County Resource Recovery Agency

Capital asset activity for the Dutchess County Resource Recovery Agency for the year ended December 31, 2024 is presented below:

|   | Balance<br>1/1/2024 | Increases             | Decreases   | Balance<br>12/31/2024 |
|---|---------------------|-----------------------|-------------|-----------------------|
| Capital assets, being depreciated:      |                     |                       |             |                       |
| Property                                | \$ 517,591          | \$ -                  | \$ -        | \$ 517,591            |
| Plant                                   | 63,847,539          | 69,525                | -           | 63,917,064            |
| Equipment                               | <u>61,487</u>       | <u>-</u>              | <u>-</u>    | <u>61,487</u>         |
| Total capital assets, being depreciated | <u>64,426,617</u>   | <u>69,525</u>         | <u>-</u>    | <u>64,496,142</u>     |
| Less: Accumulated depreciation          | <u>56,949,459</u>   | <u>1,789,479</u>      | <u>-</u>    | <u>58,738,938</u>     |
| Total capital assets, net               | <u>\$ 7,477,158</u> | <u>\$ (1,719,954)</u> | <u>\$ -</u> | <u>\$ 5,757,204</u>   |

Depreciation expense for the year ended December 31, 2024 was \$1,789,479.

**iii) Dutchess County Water and Wastewater Authority**

Capital asset activity for the Dutchess County Water and Wastewater Authority for the year ended December 31, 2024 is presented below:

|  | Balance<br>1/1/2024<br>(as restated) | Increases             | Decreases         | Balance<br>12/31/2024 |
|--|--------------------------------------|-----------------------|-------------------|-----------------------|
| Capital assets, not being depreciated:       |                                      |                       |                   |                       |
| Land   | \$ 955,609                           | \$ -                  | \$ -              | \$ 955,609            |
| Construction in progress                     | <u>160,431</u>                       | <u>462,600</u>        | <u>128,661</u>    | <u>494,370</u>        |
| Total capital assets, not being depreciated  | <u>1,116,040</u>                     | <u>462,600</u>        | <u>128,661</u>    | <u>1,449,979</u>      |
| Capital assets, being depreciated:           |                                      |                       |                   |                       |
| Improvements                                 | 596,738                              | -                     | -                 | 596,738               |
| Buildings                                    | 29,282,804                           | -                     | -                 | 29,282,804            |
| Water system                                 | 64,079,142                           | 64,000                | -                 | 64,143,142            |
| Machinery and equipment                      | 13,660,988                           | 215,626               | -                 | 13,876,614            |
| Sewage collection system                     | <u>2,487,962</u>                     | <u>-</u>              | <u>-</u>          | <u>2,487,962</u>      |
| Total capital assets, being depreciated      | <u>110,107,634</u>                   | <u>279,626</u>        | <u>-</u>          | <u>110,387,260</u>    |
| Less: Accumulated depreciation               | <u>43,593,012</u>                    | <u>2,940,331</u>      | <u>-</u>          | <u>46,533,343</u>     |
| Total capital assets, being depreciated, net | <u>66,514,622</u>                    | <u>(2,660,705)</u>    | <u>-</u>          | <u>63,853,917</u>     |
| Total capital assets, net                    | <u>\$ 67,630,662</u>                 | <u>\$ (2,198,105)</u> | <u>\$ 128,661</u> | <u>\$ 65,303,896</u>  |

For the year ended December 31, 2024, depreciation was recorded in the amount of \$2,940,331, less amortization of deferred revenues associated with the Central Dutchess Water Transmission Line of \$595,853; which was put into service in 2007. The effects of these factors resulted in \$2,344,478 in depreciation expense.

**6. ACCRUED LIABILITIES**

Accrued liabilities reported by governmental and proprietary funds at December 31, 2024 were as follows:

|                                | Governmental Funds  |                       |                             | Total               |
|--------------------------------|---------------------|-----------------------|-----------------------------|---------------------|
|                                | General Fund        | Capital Projects Fund | Nonmajor Governmental Funds |                     |
| Salaries and employee benefits | \$ 7,846,106        | \$ 6,128              | \$ 434,990                  | \$ 8,287,224        |
| Other                          | <u>147,500</u>      | <u>-</u>              | <u>-</u>                    | <u>147,500</u>      |
| Total accrued liabilities      | <u>\$ 7,993,606</u> | <u>\$ 6,128</u>       | <u>\$ 434,990</u>           | <u>\$ 8,434,724</u> |

|                                | Proprietary Funds |                   |                   |
|--------------------------------|-------------------|-------------------|-------------------|
|                                | Airport           | Transportation    | Total             |
| Salaries and employee benefits | \$ 31,515         | \$ 366,141        | \$ 397,656        |
| Other                          | 38,230            | 196               | 38,426            |
| Total accrued liabilities      | <u>\$ 69,745</u>  | <u>\$ 366,337</u> | <u>\$ 436,082</u> |

## 7. PENSION PLANS

### *Plan Descriptions and Benefits Provided*

***New York State and Local Employees' Retirement System ("ERS")***—The County participates in the ERS, a cost-sharing multiple-employer retirement system (the "System"). The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the NYSRSSL. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State's financial report as a pension trust fund. That report, including information with regards to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The system is noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 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 Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions***—At December 31, 2024, the County reported the following liability for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total net pension liability to the measurement date. The County's proportion of the net pension liability was based on projections of the County's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the County.

|  | ERS                     |                          |
|--|-------------------------|--------------------------|
|  | Governmental Activities | Business-type Activities |
| Measurement date   | March 31, 2024          |                          |
| Net pension liability                                      | \$ 70,952,016           | \$ 3,628,404             |
| County's portion of the Plan's total net pension liability | 0.4818796%              | 0.0246420%               |

For the year ended December 31, 2024, the County recognized pension expense of \$30,624,218 and \$1,566,087 for governmental activities and business-type activities, respectively. At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown below:

|   | ERS                               |                             |                                  |                             |
|---|-----------------------------------|-----------------------------|----------------------------------|-----------------------------|
|   | Deferred Outflows<br>of Resources |                             | Deferred Inflows<br>of Resources |                             |
|   | Governmental<br>Activities        | Business-type<br>Activities | Governmental<br>Activities       | Business-type<br>Activities |
| Differences between expected and actual experiences   | \$ 22,853,588                     | \$ 1,168,706                | \$ 1,934,676                     | \$ 98,937                   |
| Changes of assumptions  | 26,825,436                        | 1,371,825                   | -                                | -                           |
| Net difference between projected and actual earnings on pension plan investments                                  | -                                 | -                           | 34,659,680                       | 1,772,456                   |
| Changes in proportion and differences between the County's contributions and proportionate share of contributions | 5,171,643                         | 264,471                     | 4,058,792                        | 207,561                     |
| County contributions subsequent to the measurement date   | <u>15,864,722</u>                 | <u>633,880</u>              | <u>-</u>                         | <u>-</u>                    |
| Total   | <u>\$ 70,715,389</u>              | <u>\$ 3,438,882</u>         | <u>\$ 40,653,148</u>             | <u>\$ 2,078,954</u>         |

County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending December 31, | ERS                        |                             |
|--------------------------|----------------------------|-----------------------------|
|                          | Governmental<br>Activities | Business-type<br>Activities |
| 2025                     | \$ (13,260,809)            | \$ (678,143)                |
| 2026                     | 13,514,566                 | 691,120                     |
| 2027                     | 20,964,077                 | 1,072,079                   |
| 2028                     | (7,020,315)                | (359,008)                   |

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

|                           | ERS                              |
|---------------------------|----------------------------------|
| Measurement date          | March 31, 2024                   |
| Actuarial valuation date  | April 1, 2023                    |
| Interest rate             | 5.9%                             |
| Salary scale              | 4.4%                             |
| Decrement tables          | April 1, 2015-<br>March 31, 2020 |
| Inflation rate            | 2.9%                             |
| Cost-of-living adjustment | 1.5%                             |

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

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

|   | ERS               |   |
|---|-------------------|---|
|   | Target Allocation | Long-Term Expected<br>Real Rate of Return |
| Measurement date                          | March 31, 2024    |   |
| Asset class:                              |                   |   |
| Domestic equities                         | 32.0 %            | 4.0 %                                     |
| International equities                    | 15.0              | 6.7                                       |
| Private equity                            | 10.0              | 7.3                                       |
| Real estate                               | 9.0               | 4.6                                       |
| Opportunistics/Absolute return strategies | 3.0               | 5.3                                       |
| Credit                                    | 4.0               | 5.4                                       |
| Real assets                               | 3.0               | 5.8                                       |
| Fixed income                              | 23.0              | 1.5                                       |
| Cash                                      | 1.0               | 0.3                                       |
| Total                                     | <u>100 %</u>      |   |

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

***Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption—***

The chart below 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 they were calculated using a discount rate that is one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

|  | 1%<br>Decrease<br>(4.9%) | Current<br>Assumption<br>(5.9%) | 1%<br>Increase<br>(6.9%) |
|--|--------------------------|---------------------------------|--------------------------|
| Governmental activities:   |                          |                                 |                          |
| Employer's proportionate share<br>of the net pension liability/(asset) | \$ 242,768,953           | \$ 70,952,016                   | \$ (61,058,587)          |
| Business-type activities:  |                          |                                 |                          |
| Employer's proportionate share<br>of the net pension liability/(asset) | \$ 12,414,925            | \$ 3,628,404                    | \$ (3,122,466)           |

***Pension Plan Fiduciary Net Position—***The components of the current-year net pension liability of the employer as of the valuation date, were as follows:

|   | <u>(Dollars in Thousands)</u> |
|---|-------------------------------|
|   | <u>ERS</u>                    |
| Valuation date  | April 1, 2023                 |
| Employers' total pension liability  | \$ 240,696,851                |
| Plan fiduciary net position   | <u>225,972,801</u>            |
| Employers' net pension liability  | <u>\$ 14,724,050</u>          |
| System fiduciary net position as a<br>percentage of total pension liability | 93.9%                         |

**Discretely Presented Component Units**

**i) Dutchess Community College**

***Plan Description and Benefits Provided***

***Employees’ Retirement System—***The College participates in the ERS. The plan description is the same as disclosed previously within this footnote.

***Teachers’ Retirement System—***The College participates in the New York State Teachers’ Retirement System (“TRS”). This is a cost-sharing multiple-employer retirement system. TRS provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and Retirement and the New York State Retirement and Social Security Law (“NYSRSSL”). TRS is governed by a 10 member Board of Trustees. TRS benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York State Public Schools and BOCES who elect to participate in TRS. Once a public employer elects to participate in TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding TRS may be obtained by writing to

the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Annual Comprehensive Financial Report which can be found on TRS' website at [www.nystrs.org](http://www.nystrs.org).

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

***Pension Liability/(Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***—At August 31, 2024, the College reported the following liability/(asset) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension liability/(asset) was measured as of March 31, 2024 for ERS and June 30, 2024 for TRS. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of April 1, 2023 for ERS and June 30, 2023 for TRS. The College's proportion of the net pension liability/(asset) was based on a projection of the College's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS and TRS in reports provided to the College.

| Measurement date  | TRS            | ERS            |
|---|----------------|----------------|
|   | June 30, 2024  | March 31, 2024 |
| Net pension liability/(asset)                                   | \$ (1,222,735) | \$ 6,582,298   |
| The College's portion of the Plan's total net pension liability | 0.040982%      | 0.044704%      |

For the year ended August 31, 2024, the College recognized pension expense of \$617,862 and \$2,841,042 for TRS and ERS, respectively. At August 31, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown below.

|  | Deferred Outflows<br>of Resources |                     | Deferred Inflows<br>of Resources |                     |
|--|-----------------------------------|---------------------|----------------------------------|---------------------|
|  | TRS                               | ERS                 | TRS                              | ERS                 |
| Differences between expected and actual experiences of economic and demographic assumptions                        | \$ 1,316,661                      | \$ 2,120,152        | \$ -                             | \$ 179,482          |
| Changes in assumptions   | 731,443                           | 2,488,618           | 123,034                          | -                   |
| Net difference between projected and actual earnings on pension plan investments                                   | -                                 | -                   | 1,358,562                        | 3,215,416           |
| Changes in proportion and differences between the College's contributions and proportionate share of contributions | 53,129                            | 479,779             | 115,624                          | 376,539             |
| College contributions subsequent to the measurement date   | 127,285                           | 789,753             | -                                | -                   |
| Total  | <u>\$ 2,228,518</u>               | <u>\$ 5,878,302</u> | <u>\$ 1,597,220</u>              | <u>\$ 3,771,437</u> |

The College’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ending August 31, 2025. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to ERS and TRS will be recognized as pension expense as shown below.

| Year Ending August 31, | TRS          | ERS            |
|------------------------|--------------|----------------|
| 2025                   | \$ (658,319) | \$ (1,230,220) |
| 2026                   | 1,492,094    | 1,253,761      |
| 2027                   | (244,012)    | 1,944,860      |
| 2028                   | (287,511)    | (651,289)      |
| 2029                   | 147,666      | -              |
| Thereafter             | 54,095       | -              |

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

|                           | TRS                             | ERS                               |
|---------------------------|---------------------------------|-----------------------------------|
| Measurement date          | June 30, 2024                   | March 31, 2024                    |
| Actuarial valuation date  | June 30, 2023                   | April 1, 2023                     |
| Interest rate             | 6.95%                           | 5.9%                              |
| Salary scale              | 1.95%-5.18%                     | 4.4%                              |
| Decrement tables          | July 1, 2015 -<br>June 30, 2020 | April 1, 2015 -<br>March 31, 2020 |
| Inflation rate            | 2.4%                            | 2.9%                              |
| Cost-of-living adjustment | 1.3%                            | 1.5%                              |

For ERS, the long-term rate of return on pension plan investments is the same as disclosed within the County’s primary government section of this footnote.

For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. The actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standards of Practice (“ASOP”) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized on the following page.

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

**Discount Rate**—The discount rate used to calculate the total pension liability was 6.95% for TRS and 5.90% for ERS for the year ended June 30, 2024. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

| TRS  | 1%<br>Decrease<br>(5.95%) | Current<br>Assumption<br>(6.95%) | 1%<br>Increase<br>(7.95%) |
|--|---------------------------|----------------------------------|---------------------------|
| Employer's proportionate share<br>of the net pension liability/(asset) | \$ 5,647,882              | \$ (1,222,735)                   | \$ (7,001,108)            |
| ERS  | 1%<br>Decrease<br>(4.90%) | Current<br>Assumption<br>(5.90%) | 1%<br>Increase<br>(6.90%) |
| Employer's proportionate share<br>of the net pension liability/(asset) | \$ 20,695,412             | \$ 6,582,298                     | \$ 5,205,083              |

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

|  | (Dollars in Thousands) |                      |
|--|------------------------|----------------------|
|  | TRS                    | ERS                  |
| Valuation date   | June 30, 2023          | April 1, 2023        |
| Employers' total pension liability                                       | \$ 142,837,826         | \$ 240,696,851       |
| Plan fiduciary net position  | 145,821,435            | 225,972,801          |
| Employers' net pension liability/(asset)                                 | <u>\$ (2,983,609)</u>  | <u>\$ 14,724,050</u> |
| System fiduciary net position as a percentage of total pension liability | 102.1%                 | 93.9%                |

**ii) Dutchess County Resource Recovery Agency**

***Plan Description and Benefits Provided***

**Employees' Retirement System**—The Agency participates in the ERS. The plan description is the same as disclosed within the County's primary government section of this footnote.

**Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**—At December 31, 2024, the Agency reported a liability of \$18,425 for its proportionate share of the net pension liability. At March 31, 2024, the Agency's proportion was 0.0001251 percent of the ERS liability.

For the year ended December 31, 2024, the Agency recognized pension expense of \$14,897. At December 31, 2024, the Authority reported deferred outflows of resources and inflows of resources related to pensions as shown below:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
|   | ERS                               |                                  |
| Differences between expected and actual experiences   | \$ 5,935                          | \$ 502                           |
| Changes in assumptions  | 6,966                             | -                                |
| Net difference between projected and actual earnings on pension plan investments                                  | -                                 | 9,001                            |
| Changes in proportion and differences between the Agency's contributions and proportionate share of contributions | 18,668                            | 4,443                            |
| Agency contributions subsequent to the measurement date   | 11,744                            | -                                |
| Total   | <u>\$ 43,313</u>                  | <u>\$ 13,946</u>                 |

Deferred outflows of resources and deferred inflows of resources related to pensions resulting from the Agency’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending December 31,</u> | <u>ERS</u> |
|---------------------------------|------------|
| 2025                            | \$ 2,294   |
| 2026                            | 8,100      |
| 2027                            | 7,986      |
| 2028                            | (757)      |

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

|  | <u>1%<br/>Decrease<br/>(4.9%)</u> | <u>Current<br/>Assumption<br/>(5.9%)</u> | <u>1%<br/>Increase<br/>(6.9%)</u> |
|--|-----------------------------------|--|-----------------------------------|
| Employer's proportionate share<br>of the net pension liability/(asset)—ERS | \$ 57,931                         | \$ 18,425                                | \$ (14,570)                       |

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

**iii) Dutchess County Water and Wastewater Authority**

***Plan Description and Benefits Provided***

***Employees’ Retirement System***—The Authority participates in the ERS. The plan description is the same as disclosed within the County’s primary government section of this footnote.

***Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***—At December 31, 2024, the Authority reported a liability of \$814,224 for its proportionate share of the net pension liability. At the March 31, 2024 measurement date, the Authority’s proportion was 0.0055299 percent of the ERS liability.

For the year ended December 31, 2024, the Authority recognized pension expense of \$374,685.

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
|  | ERS                               |                                  |
| Differences between expected and actual experiences  | \$ 262,261                        | \$ 22,202                        |
| Changes in assumptions   | 307,840                           | -                                |
| Net difference between projected and actual earnings on pension plan investments                                     | -                                 | 397,744                          |
| Changes in proportion and differences between the Authority's contributions and proportionate share of contributions | 56,217                            | 12,431                           |
| Authority contributions subsequent to the measurement date   | 224,130                           | -                                |
| Total  | <u>\$ 850,448</u>                 | <u>\$ 432,377</u>                |

Deferred outflows of resources and deferred inflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending December 31, | ERS          |
|--------------------------|--------------|
| 2025                     | \$ (135,757) |
| 2026                     | 167,842      |
| 2027                     | 241,439      |
| 2028                     | (79,583)     |

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

|   | 1%<br>Decrease<br>(4.9%) | Current<br>Assumption<br>(5.9%) | 1%<br>Increase<br>(6.9%) |
|---|--------------------------|---------------------------------|--------------------------|
| Employer's proportionate share of the net pension liability/(asset)—ERS | \$ 2,560,002             | \$ 814,224                      | \$ (643,864)             |

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

**iv) Aggregate Nonmajor Discretely Presented Component Units**

The SWCD participates in the ERS. The actuarial assumptions, asset allocations and pension plan fiduciary net position are the same as those disclosed for the system within the County’s primary government section of this footnote. At December 31, 2024, the SWCD reported a net pension liability of \$177,158, deferred outflows of resources in the amount of \$160,131, and deferred inflows of resources in the amount of \$124,735.

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

|  | 1%<br>Decrease<br>(4.9%) | Current<br>Assumption<br>(5.9%) | 1%<br>Increase<br>(6.9%) |
|--|--------------------------|---------------------------------|--------------------------|
| Employer's proportionate share<br>of the net pension liability/(asset)—ERS | \$ 557,003               | \$ 177,158                      | \$ (140,091)             |

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

**8. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATION**

***Plan Description***—In addition to providing pension benefits, the County provides certain health care benefits for retired employees including employees at the Airport and Transportation (enterprise funds). The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the primary government may vary according to length of service. Substantially all employees may become eligible for those benefits if they reach normal retirement age and length of service requirement while working for these entities. The cost of retiree health care benefits is recognized as an expense/expenditure as premiums are paid within the governmental and enterprise funds.

***Employees Covered by Benefit Terms***—As of the January 1, 2023 valuation date, the following employees were covered by the benefit terms:

|  |              |
|--|--------------|
| Active employees   | 1,701        |
| Inactive employees or beneficiaries currently receiving benefit payments | <u>1,134</u> |
| Total  | <u>2,835</u> |

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

**Total OPEB Liability**

The County’s total OPEB liability for governmental and business-type activities of \$452,439,877 and \$3,395,638, respectively, was measured as of January 1, 2024, and was determined by an actuarial valuation as of January 1, 2023.

**Actuarial Methods and Assumptions**—Calculations are based on the types of benefits provided under the terms of the substantive plan, the plan as understood by the employer and the plan members, at the time of the valuation and on the pattern of cost sharing between the employer and plan members. The projection of benefits does not incorporate the potential effect of a change in the pattern of cost sharing between the employer and plan members in the future. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the January 1, 2023 actuarial valuation, the entry age normal actuarial cost method, over a level percent of pay was used. The single discount rate changed from 3.72% effective January 1, 2023 to 3.26% effective January 1, 2024. The salary scale assumed to increase at 3.5% per year. The Pub-2010 Mortality Tables, adjusted for mortality improvements with scale MP-2021 on a fully generational basis, were used for mortality rates. The 2020 New York State Employees’ Retirement System rates were used for retirement rates. This rate was based on the April 1, 2019 to March 31, 2020 experience study released by the Retirement System’s actuary and published in their October 2021 report. In order to estimate the change in the cost of healthcare, the actuaries healthcare cost trend rate used is 7.8%.

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

|   | Total OPEB Liability       |                             |
|---|----------------------------|-----------------------------|
|   | Governmental<br>Activities | Business-type<br>Activities |
| Balances at December 31, 2023           | \$ 401,850,291             | \$ 2,547,992                |
| Changes for the year:                   |                            |                             |
| Service cost                            | 12,777,473                 | 740,302                     |
| Interest                                | 15,232,944                 | 111,370                     |
| Changes in assumptions and other inputs | 33,431,711                 | 60,802                      |
| Benefit payments                        | (10,852,542)               | (64,828)                    |
| Net changes                             | 50,589,586                 | 847,646                     |
| Balances at December 31, 2024           | \$ 452,439,877             | \$ 3,395,638                |

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

|                           | 1%<br>Decrease<br>(2.26%) | Current<br>Discount Rate<br>(3.26%) | 1%<br>Increase<br>(4.26%) |
|---------------------------|---------------------------|-------------------------------------|---------------------------|
| Governmental activities:  |                           |                                     |                           |
| Total OPEB liability      | \$ 537,025,535            | \$ 452,439,877                      | \$ 385,636,179            |
| Business-type activities: |                           |                                     |                           |
| Total OPEB liability      | \$ 4,030,469              | \$ 3,395,638                        | \$ 2,894,266              |

Additionally, healthcare costs can be subject to considerable volatility over time. The table below presents the effect on the total OPEB liability of a 1% change in current (7.8%) healthcare cost trend rates.

|                           | 1%<br>Decrease<br>(6.8%) | Healthcare<br>Cost Trend<br>Rates<br>(7.8%) | 1%<br>Increase<br>(8.8%) |
|---------------------------|--------------------------|---|--------------------------|
| Governmental activities:  |                          |   |                          |
| Total OPEB liability      | \$ 368,807,694           | \$ 452,439,877                              | \$ 563,023,282           |
| Business-type activities: |                          |   |                          |
| Total OPEB liability      | \$ 2,767,965             | \$ 3,395,638                                | \$ 4,225,586             |

**Funding Policy**—Contributions by the primary government may vary according to length of service. The cost of providing postemployment health care benefits is shared between the County and the retired employee. Substantially all employees may become eligible for those benefits if they reach normal retirement age and length of service requirement while working for these entities. The cost of retiree health care benefits is recognized as an expense/expenditure as premiums are paid within the governmental funds. For the year ended December 31, 2024, the County’s governmental and business-type activities recognized OPEB expense of \$24,843,089 and \$629,746, respectively.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**—The County reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the total OPEB liability. The table below presents the County’s deferred outflows of resources and deferred inflows of resources at December 31, 2024.

|   | Deferred Outflows<br>of Resources |                             | Deferred Inflows<br>of Resources |                             |
|---|-----------------------------------|-----------------------------|----------------------------------|-----------------------------|
|   | Governmental<br>Activities        | Business-type<br>Activities | Governmental<br>Activities       | Business-type<br>Activities |
| Differences between expected and actual experience  | \$ 11,206,125                     | \$ 84,104                   | \$ 80,477,993                    | \$ 604,001                  |
| Changes in assumptions and other inputs             | 70,366,138                        | 528,110                     | 75,694,043                       | 568,096                     |
| Benefit payments subsequent to the measurement date | 11,804,982                        | 57,957                      | -                                | -                           |
| Total   | <u>\$ 93,377,245</u>              | <u>\$ 670,171</u>           | <u>\$ 156,172,036</u>            | <u>\$ 1,172,097</u>         |

The County’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as shown below.

| Year Ending<br>December 31, | Governmental<br>Activities | Business-type<br>Activities |
|-----------------------------|----------------------------|-----------------------------|
| 2025                        | \$ 1,878,746               | \$ 14,100                   |
| 2026                        | (13,106,228)               | (98,364)                    |
| 2027                        | (19,890,190)               | (149,279)                   |
| 2028                        | (27,442,151)               | (205,958)                   |
| 2029                        | (19,733,717)               | (148,105)                   |
| 2030 and thereafter         | 3,693,767                  | 27,723                      |

## Discretely Presented Component Units

### i) Dutchess Community College

#### *Plan Description*

The College's single-employer defined benefit OPEB plan, which is administered by the College, provides medical and Medicare Part B benefits to retired employees and their eligible dependents. The authority to establish and amend the benefit terms and financing requirements rests with the College Board of Trustees through negotiations with its employee groups. The plan does not accumulate assets to meet its future obligation and the plan is not administered through a trust or an equivalent arrangement. The OPEB plan does not issue a stand-alone financial report.

The College funds the cost of providing health care insurance to its retirees on a pay as you go basis. Total contributions to the plan to cover the College's share of retiree's insurance premiums for the year ended August 31, 2024 was \$2,109,380.

**Employees Covered by Benefit Terms**—At September 1, 2023, the number of employees covered by the College's OPEB plan:

|  |            |
|--|------------|
| Active employees   | 345        |
| Inactive employees or beneficiaries currently receiving benefit payments | <u>263</u> |
| Total  | <u>608</u> |

#### ***Total OPEB Liability***

The College's total OPEB liability of \$102,838,009 was measured as of September 1, 2023 and was determined by an actuarial valuation as of September 1, 2022.

**Actuarial Methods and Assumptions**—The total OPEB liability in the September 1, 2022 actuarial valuation was determined using an inflation rate of 2.70%, a payroll growth rate of 2.00%, and a discount rate of 3.81%, applied to all periods included in the measurement. The discount rate was based on the Bond Buyer 20 Year Bond GO Index, which is a 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The medical trend rates are estimated with the Medicare Part B trend expected to increase 5.0% a year. Mortality was based on Pub-2010 Mortality Table, sex distinct, category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

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

|   | <u>Total<br/>OPEB Liability</u> |
|---|---------------------------------|
| Balance at August 31, 2023              | <u>\$ 100,736,701</u>           |
| Changes for the year:                   |                                 |
| Service cost                            | 3,617,002                       |
| Interest                                | 3,753,820                       |
| Changes of assumptions and other inputs | (2,815,928)                     |
| Benefit payments                        | <u>(2,453,586)</u>              |
| Net changes                             | <u>2,101,308</u>                |
| Balance at August 31, 2024              | <u>\$ 102,838,009</u>           |

**Sensitivity of the Total OPEB Liability to the Change in the Discount Rate**—The following table presents the total OPEB liability of the College, as well as what the College’s total OPEB liability would be if it calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

|                      | 1%<br>Decrease<br>(2.81%) | Current<br>Discount Rate<br>(3.81%) | 1%<br>Increase<br>(4.81%) |
|----------------------|---------------------------|-------------------------------------|---------------------------|
| Total OPEB liability | \$ 121,115,471            | \$ 102,838,009                      | \$ 88,291,814             |

**Sensitivity of the Total OPEB Liability to the Change in the Healthcare Cost Trend Rate**—The following table presents the total OPEB liability of the College, as well as what the College’s total OPEB liability would be if it calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate:

|                      | 1%<br>Decrease<br>(6.8%) | Current<br>Healthcare<br>Trend Rate<br>(7.8%) | 1%<br>Increase<br>(8.8%) |
|----------------------|--------------------------|---|--------------------------|
| Total OPEB liability | \$ 86,184,249            | \$ 102,838,009                                | \$ 124,410,323           |

**Funding Policy**—Contributions may vary according to length of service. The cost of providing postemployment health care benefits is shared between the College and the retired employee. Substantially all employees may become eligible for those benefits if they reach normal retirement age and length of service requirement while working for these entities. The cost of retiree health care benefits is recognized as an expense as premiums are paid. For the year ended August 31, 2024, the recognized OPEB expense was \$4,608,262.

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***—At August 31, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 408,253                           | \$ 8,452,746                        |
| Changes of assumptions                              | 6,275,176                            | 11,152,506                          |
| Benefit payments subsequent to the measurement date | 2,803,357                            | -                                   |
| Total   | <u>\$ 9,486,786</u>                  | <u>\$ 19,605,252</u>                |

The College’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending August 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending<br>August 31, |                |
|---------------------------|----------------|
| 2025                      | \$ (1,507,372) |
| 2026                      | (3,977,348)    |
| 2027                      | (5,870,260)    |
| 2028                      | (1,474,250)    |
| 2029 and thereafter       | (92,593)       |

**ii) Dutchess County Resource Recovery Agency**

***Plan Description***

The Agency provides postemployment health insurance coverage to retired employees through a self-administered single employer plan in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the Agency’s policy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a stand-alone financial report.

The Agency’s OPEB plan subsidizes the cost of healthcare to eligible retired employees and their spouses. Eligibility is based on the respective rules of the New York State and Local Employees Retirement System (“ERS”), as well as the provisions of the Agency’s agreements with its employees.

***Employees Covered by Benefit Terms***—At December 31, 2024, the Agency had 1 active employee and 4 retired employees covered by benefit terms.

***Total OPEB Liability***

The Agency’s total OPEB liability of \$470,980 was determined by an actuarial valuation as of December 31, 2024.

**Actuarial Methods and Assumptions**—The total OPEB liability in the December 31, 2024 actuarial valuation was determined using an inflation rate of 3.00%, a discount rate of 3.95%, and healthcare cost trend rates ranging from 11.7% to 3.0%, reduced incrementally to an ultimate rate of 4.1% to 3.0%, applied to all periods included in the measurement. The discount rate was based on a review of the yield derived from the 20 Year AA Municipal GO Bond Rate Index per Fidelity Investments. Mortality was based on the Pub-2010 Public Retirement Plans Mortality Table, with mortality improvement projected for 10 years.

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

|                              | Total<br>OPEB Liability |
|------------------------------|-------------------------|
| Balance at December 31, 2023 | \$ 270,131              |
| Changes for the year:        |                         |
| Interest                     | 8,549                   |
| Changes of assumptions       | 230,020                 |
| Benefit payments             | (37,720)                |
| Net changes                  | 200,849                 |
| Balance at December 31, 2024 | \$ 470,980              |

**Sensitivity of the Total OPEB Liability to the Change in the Discount Rate**—The following table presents the total OPEB liability of the Agency, as well as what the Agency’s total OPEB liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

|                      | 1%<br>Decrease<br>(2.95%) | Current<br>Discount Rate<br>(3.95%) | 1%<br>Increase<br>(4.95%) |
|----------------------|---------------------------|-------------------------------------|---------------------------|
| Total OPEB liability | \$ 514,808                | \$ 470,980                          | \$ 432,495                |

**Sensitivity of the Total OPEB Liability to the Change in the Healthcare Cost Trend Rate**—The following table presents the total OPEB liability of the Agency, as well as what the Agency’s total OPEB liability would be if it was calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate:

|                      | 1%<br>Decrease<br>(10.7%/2.0%) | Current<br>Healthcare<br>Trend Rate<br>(11.7%/3.0%) | 1%<br>Increase<br>(12.7%/4.0%) |
|----------------------|--------------------------------|---|--------------------------------|
| Total OPEB liability | \$ 430,386                     | \$ 470,980  | \$ 516,423                     |

**iii) Dutchess County Water and Wastewater Authority**

***Plan Description***

The Authority provides continuation of medical insurance coverage to employees that retire under the New York State Retirement Systems at the same time they end their service to the Authority. The benefit levels, employee contributions, and employer contributions are governed by the Authority’s contractual agreements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

***Employees Covered by Benefit Terms***—At December 31, 2024, the Authority had 34 active employees and 9 retired employees covered by benefit terms.

***Total OPEB Liability***

The Authority’s total OPEB liability of \$2,763,074 was determined by an actuarial valuation using the Alternate Measurement Method as of December 31, 2024.

***Actuarial Methods and Assumptions***—The total OPEB liability in the December 31, 2023 actuarial valuation was determined using an inflation rate of 3.00%, a discount rate of 3.90%, and healthcare cost trend rates ranging from 11.70% to 3.00%, reduced incrementally to an ultimate rate of 4.10% to 3.00%, applied to all periods included in the measurement. The discount rate was based on the 20-year tax exempt municipal bond yield. Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

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

|                                   | Total<br>OPEB Liability |
|-----------------------------------|-------------------------|
| Balance at December 31, 2023      | \$ 2,697,275            |
| Changes for the year:             |                         |
| Service cost                      | 78,737                  |
| Interest                          | 102,438                 |
| Economic/demographic gains/losses | 34,657                  |
| Changes of assumptions            | (60,548)                |
| Benefit payments                  | (89,485)                |
| Net changes                       | 65,799                  |
| Balance at December 31, 2024      | \$ 2,763,074            |

***Sensitivity of the Total OPEB Liability to the Change in the Discount Rate***—The following table presents the total OPEB liability of the Authority, as well as what the Authority’s total OPEB liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

|                      | 1%<br>Decrease<br>(2.90%) | Current<br>Discount Rate<br>(3.90%) | 1%<br>Increase<br>(4.90%) |
|----------------------|---------------------------|-------------------------------------|---------------------------|
| Total OPEB liability | \$ 3,207,624              | \$ 2,763,074                        | \$ 2,405,492              |

***Sensitivity of the Total OPEB Liability to the Change in the Healthcare Cost Trend Rate***—The following table presents the total OPEB liability of the Authority, as well as what the Authority’s total OPEB liability would be if it calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate, which ranges from 11.70% to 3.0%, while the ultimate healthcare cost trend rate is 4.10%.

|                      | 1%<br>Decrease<br><u>(10.7%/3.1%)</u> | Current<br>Healthcare<br>Trend Rate<br><u>(11.7%/4.1%)</u> | 1%<br>Increase<br><u>(12.7%/5.1%)</u> |
|----------------------|---------------------------------------|--|---------------------------------------|
| Total OPEB liability | \$ 2,353,007                          | \$ 2,763,074   | \$ 3,280,359                          |

**9. DEFERRED COMPENSATION PLAN**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

As of October 1, 1997 the New York State Deferred Compensation Board (the “Board”) created a Trust and Custody agreement making Chase Manhattan Bank the Trustee and Custodian of the Plan. Since the Board is no longer the trustee of the plan, the plan no longer meets the criteria for inclusion in New York State’s financial statements. Municipalities which participate in New York State’s Deferred Compensation Plan are no longer required to record the value of the plan assets. At December 31, 2024, the market value, as reported by the New York State Deferred Compensation Plan, of the plan assets totaled \$257,208,562.

**10. RISK MANAGEMENT**

The County is exposed to various risks of loss related to property damage and destruction of assets, vehicle liability, injuries to employees, and unemployment insurance. The County purchases commercial insurance to cover such potential risks. The County purchases insurance for general liability, property, automobile, building, law enforcement, crime, airport, public entity management, employment related practices liability, foster care liability and owners and contractors protective (OCP Liability) and medical malpractice coverage. The general liability insurance is limited to \$1 million per occurrence and an aggregate \$2 million limit. All other policies have limits ranging from \$1 million to \$20 million. The County has not incurred claims over the respective coverage limits in any of the last three fiscal years.

The County estimates \$1,000,000 related to general claims against the County which is recorded within governmental activities long-term liabilities at December 31, 2024.

The Dutchess County Self-Insured Workers’ Compensation Plan (the “Plan”) was organized in 1980 to provide a program of workers’ compensation coverage for its member organizations. All political subdivisions in the County are eligible to participate. The Plan’s general objectives are to formulate, develop, and administer, on behalf of the member political subdivisions, a program of workers’ compensation insurance and to develop a comprehensive loss control program. Plan members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Plan were to be exhausted, members would not be responsible for the Plan’s liabilities but would remain responsible for their individual liabilities, which would include their estimated claims and related administrative obligations. A Plan member would also be responsible for its individual liabilities if it were to withdraw from the Plan.

Plan members currently include one city, nine towns, three villages, Dutchess Community College, Dutchess County Resource Recovery Agency and Dutchess County. The County is the predominant participant in the workers' compensation risk pool and, therefore, the activity of the Plan is recorded in the County's General Fund. The Plan maintains insurance coverage for claims in excess of \$1,500,000 for uniformed officers and \$1,250,000 for all other County employees.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following information supplied by the Plan Administrator represents changes in those aggregate liabilities for the Plan during the past two years:

| Year<br>Ended<br><u>December 31,</u> | Liability,<br>Beginning<br><u>of Year</u> | Claims<br>and<br><u>Adjustments</u> | Claim<br>Payments and<br><u>Adjustments</u> | Liability,<br>End<br><u>of Year</u> |
|--------------------------------------|---|-------------------------------------|---|-------------------------------------|
| 2024                                 | \$ 32,529,113                             | \$ 499,202                          | \$ 3,380,134                                | \$ 29,648,181                       |
| 2023                                 | 32,604,319                                | 4,415,114                           | 4,490,320                                   | 32,529,113                          |

The financial information for the self-insurance plan is reported on the modified accrual basis within the General Fund. The liability for workers' compensation claims payable is recorded within governmental activities long-term liabilities at December 31, 2024.

## 11. LEASES AND SUBSCRIPTION LIABILITIES

The County is a lessee for various leases of buildings and equipment, and a subscriber of various technology arrangements. Under GASB 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 ("SBITA")*, the County recognizes a SBITA liability and a subscription asset in the government-wide financial statements. The County recognizes lease and SBITA liabilities if they are considered significant individually or in the aggregate to the financial statements.

At the commencement of a lease/SBITA, 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 lease/subscription 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 lease/SBITA include how the County determines (1) the discount rate it 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/SBITA. Lease/SBITA payments included in the measurement of the lease/subscription 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 right-to-use asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/SBITA 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.

During the current and prior years, the County entered into long-term, lease agreements as the lessee for the acquisition and use of buildings and equipment. As of December 31, 2024, the value of the lease liabilities was \$28,725,595 in governmental activities and \$605,592 in business-type activities. The County is required to make annual principal and interest payments ranging from \$13,341 to \$1,068,889. The leases have interest rates ranging from 1.21% to 5.09%. The value of the right-to-use lease assets as of the end of the current fiscal year was \$35,843,463 and had accumulated amortization of \$9,510,276 for governmental activities, and \$942,131 with an accumulated amortization of \$415,072 for business-type activities.

At December 31, 2024, the County maintained several subscription based information technology arrangements. As of December 31, 2024, the value of the SBITA liabilities was \$973,557. The County is required to make annual principal and interest payments ranging from \$10,967 to \$50,999. The agreements have interest rates ranging from 4.00% to 5.25%. The value of the SBITA assets as of the end of the current fiscal year was \$1,874,366 and had accumulated amortization of \$725,865.

#### **Discretely Presented Component Units:**

##### **i) Dutchess Community College**

The College is the lessee of various equipment and a building. The leases have various inception dates and remaining terms of 45 to 250 months. The building lease has a renewal option. The equipment leases do not have a renewal option. The interest rate on the leases range from 2.20% to 3.64%. As of August 31, 2024, the value of the lease liabilities was \$21,009,250.

The College is the lessee of subscription-based information technology arrangements. The arrangements have various inception dates. The interest rate on the arrangements is 2.14% to 3.64%. As of August 31, 2024, the value of the lease liabilities was \$3,220,944.

## **12. LONG-TERM LIABILITIES**

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

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

The County's outstanding long-term liabilities include bonds payable, leases, SBITAs, compensated absences, workers' compensation and general claims, other postemployment benefits ("OPEB") obligation, and net pension liability. A summary of changes in the County's long-term liabilities for the year ended December 31, 2024 is presented below:

|  | Balance<br>1/1/2024<br>(as restated) | Increases      | Decreases     | Balance<br>12/31/2024 | Due Within<br>One Year |
|--|--------------------------------------|----------------|---------------|-----------------------|------------------------|
| <b>Governmental activities:</b>          |                                      |                |               |                       |                        |
| Bonds payable:                           |                                      |                |               |                       |                        |
| Serial bonds                             | \$ 285,256,139                       | \$ 35,157,500  | \$ 15,826,073 | \$ 304,587,566        | \$ 18,537,600          |
| Premiums on serial bonds                 | 8,935,886                            | 2,769,878      | 666,356       | 11,039,408            | 804,851                |
| DTASC tobacco settlement bonds           | 42,985,000                           | -              | 1,125,000     | 41,860,000            | 7,560,000              |
| Premium on DTASC bonds                   | 3,179,288                            | -              | 83,208        | 3,096,080             | 559,159                |
| DTASC subordinate turbo CABs             | 8,808,804                            | 613,737        | -             | 9,422,541             | -                      |
| Total bonds payable                      | 349,165,117                          | 38,541,115     | 17,700,637    | 370,005,595           | 27,461,610             |
| Lease liability                          | 30,648,936                           | 1,126,914      | 3,050,255     | 28,725,595            | 3,144,573              |
| SBITA liability                          | 1,105,114                            | 712,794        | 844,351       | 973,557               | 357,337                |
| Compensated absences                     | 37,461,486                           | 250,124        | -             | 37,711,610            | 1,885,581              |
| Workers' compensation and general claims | 33,529,113                           | 499,202        | 3,380,134     | 30,648,181            | 5,178,499              |
| OPEB obligation                          | 401,850,291                          | 61,442,128     | 10,852,542    | 452,439,877           | -                      |
| Net pension liability*                   | 93,954,093                           | -              | 23,002,077    | 70,952,016            | -                      |
| Total governmental activities            | \$ 947,714,150                       | \$ 102,572,277 | \$ 58,829,996 | \$ 991,456,431        | \$ 38,027,600          |
| <b>Business-type activities:</b>         |                                      |                |               |                       |                        |
| Bonds payable:                           |                                      |                |               |                       |                        |
| Airport bonds                            | \$ 1,576,095                         | \$ 747,500     | \$ 87,986     | \$ 2,235,609          | \$ 157,961             |
| Transportation bonds                     | 127,766                              | -              | 40,941        | 86,825                | 34,439                 |
| Premiums on serial bonds                 | 160,029                              | 54,145         | 13,806        | 200,368               | 16,513                 |
| Total bonds payable                      | 1,863,890                            | 801,645        | 142,733       | 2,522,802             | 208,913                |
| Leases                                   | 706,689                              | -              | 101,097       | 605,592               | 107,376                |
| Compensated absences                     | 899,103                              | 89,800         | -             | 988,903               | 49,445                 |
| OPEB obligation                          | 2,547,992                            | 912,474        | 64,828        | 3,395,638             | -                      |
| Net pension liability*                   | 4,859,449                            | -              | 1,231,045     | 3,628,404             | -                      |
| Total business-type activities           | \$ 10,877,123                        | \$ 1,803,919   | \$ 1,539,703  | \$ 11,141,339         | \$ 365,734             |

\*(Reductions/additions to compensated absences and net pension liability are shown net of additions/reductions.)

**Serial Bonds**—General obligation bonds of the County (not including the DTASC debt) are issued principally as serial bonds, which are due at various times through 2048. The bonds are issued primarily to finance acquisition or construction of capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. Principal and interest payments are included in the expenditures of the General Fund. The County has utilized 10.9% of its constitutional debt limit as of December 31, 2024.

On April 5, 2024, the County issued \$35,905,000 in public improvement serial bonds for various capital improvements and equipment purchases. Series 2024 bonds for governmental activities and business-type activities of \$35,157,500 and \$747,500 were issued at a premium of \$2,769,878 and \$54,145, respectively, carry an interest rate of 4.00 percent, and have maturities in April of 2044.

Under current law, provision is made for contract creditors, including bondholders and noteholders of the County to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment.

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

| Description                              | Maturity Date | Interest Rate (%) | Balance 1/1/2024      | Increases            | Decreases            | Balance 12/31/2024    |
|--|---------------|-------------------|-----------------------|----------------------|----------------------|-----------------------|
| <b>Governmental activities:</b>          |               |                   |                       |                      |                      |                       |
| 2015 Public Improvement                  | 2035          | 2.00-5.00         | \$ 9,250,000          | \$ -                 | \$ 1,185,000         | \$ 8,065,000          |
| 2015 Refunding                           | 2027          | 2.00-5.00         | 2,299,166             | -                    | 834,706              | 1,464,460             |
| 2016 Refunding                           | 2028          | 3.00-4.00         | 2,375,000             | -                    | 460,000              | 1,915,000             |
| 2017 Public Improvement                  | 2037          | 2.00-3.00         | 3,170,000             | -                    | 255,000              | 2,915,000             |
| 2018 Public Improvement Series A         | 2038          | 3.00-3.25         | 9,050,000             | -                    | 890,000              | 8,160,000             |
| 2018 Public Improvement Series B         | 2048          | 3.25-4.00         | 36,255,000            | -                    | 955,000              | 35,300,000            |
| 2019 Public Improvement Series A         | 2039          | 3.00-5.00         | 10,006,000            | -                    | 763,500              | 9,242,500             |
| 2019 Public Improvement Series B         | 2048          | 3.00-5.00         | 18,590,000            | -                    | 475,000              | 18,115,000            |
| 2019 Refunding                           | 2031          | 2.00-5.00         | 4,592,401             | -                    | 1,352,032            | 3,240,369             |
| 2020 Public Improvement                  | 2040          | 2.00              | 30,468,000            | -                    | 2,414,000            | 28,054,000            |
| 2021 Public Improvement Series A         | 2039          | 2.00-5.00         | 13,449,352            | -                    | 719,615              | 12,729,737            |
| 2021 Public Improvement Series B         | 2047          | 2.00-5.00         | 38,095,000            | -                    | 1,190,000            | 36,905,000            |
| 2022 Public Improvement Series A         | 2042          | 3.00              | 18,195,000            | -                    | 1,290,000            | 16,905,000            |
| 2022 Public Improvement Series B         | 2048          | 3.00-3.25         | 49,040,000            | -                    | 1,490,000            | 47,550,000            |
| 2023 Public Improvement Series A         | 2043          | 4.00              | 21,821,220            | -                    | 1,447,220            | 20,374,000            |
| 2023 Public Improvement Series B         | 2048          | 4.00              | 18,600,000            | -                    | 105,000              | 18,495,000            |
| 2024 Public Improvement Series A         | 2044          | 4.00              | -                     | 35,157,500           | -                    | 35,157,500            |
| Total governmental activities            |               |                   | <u>\$ 285,256,139</u> | <u>\$ 35,157,500</u> | <u>\$ 15,826,073</u> | <u>\$ 304,587,566</u> |
| <b>Business-type activities:</b>         |               |                   |                       |                      |                      |                       |
| 2015 Refunding—Transportation            | 2027          | 2.00-5.00         | \$ 85,834             | \$ -                 | \$ 25,294            | \$ 60,540             |
| 2019 Public Improvement Series A—Airport | 2039          | 3.00-5.00         | 514,000               | -                    | 31,500               | 482,500               |
| 2019 Refunding—Airport                   | 2031          | 2.00-5.00         | 15,665                | -                    | 7,321                | 8,344                 |
| 2019 Refunding—Transportation            | 2031          | 2.00-5.00         | 41,933                | -                    | 15,647               | 26,286                |
| 2020 Public Improvement—Airport          | 2040          | 2.00              | 17,000                | -                    | 1,000                | 16,000                |
| 2021 Public Improvement—Airport          | 2047          | 2.00-5.00         | 100,649               | -                    | 5,385                | 95,264                |
| 2022 Public Improvement—Airport          | 2042          | 3.00              | 765,000               | -                    | 35,000               | 730,000               |
| 2023 Public Improvement Series B—Airport | 2048          | 4.00              | 163,780               | -                    | 7,780                | 156,000               |
| 2024 Public Improvement Series A—Airport | 2044          | 4.00              | -                     | 747,500              | -                    | 747,500               |
| Total business-type activities           |               |                   | <u>\$ 1,703,861</u>   | <u>\$ 747,500</u>    | <u>\$ 128,927</u>    | <u>\$ 2,322,434</u>   |

**DTASC Debt**—In 2003, DTASC issued \$47,815,000 of the New York Counties Tobacco Trust III Tobacco Settlement Pass-Through Bonds, Series 2003 (“Series 2003 Term Bonds”) pursuant to an indenture dated as of December 18, 2003. The issue value of the bonds was \$45,912,363, net of a bond discount of \$1,902,637. Net proceeds were paid to the County for deposit to an escrow fund as a purchase from the County of all of the County’s right, title and interest, under the MSA and the Decree, including the Tobacco Settlement Revenues (“TSR”). On September 22, 2016, DTASC issued \$49,520,000 of Tobacco Settlement Asset Backed Refunding Bonds, Series 2016. The Series 2016 bonds and additional consideration received as a result of the refunding transaction were used to redeem or exchange all of DTASC’s Tobacco Settlement Asset Backed Bonds Series 2003 outstanding in the aggregate principal amount of \$22,250,000. As a result, the Series 2003 Term Bonds have been removed from the financial statements. Additionally, the Series 2016 Bonds’ proceeds were used to acquire by negotiated purchase the initial principal amount of outstanding NYCTT Subordinate Bonds component S4B attributable to

DTASC, to cancel the related NYCTT Subordinate Bonds component S2, and redeem NYCTT Subordinate Bonds component S1 bonds.

On November 15, 2005, DTASC participated in New York Counties Tobacco Trust V (“NYCTT”), along with 23 other New York County Tobacco Corporations, and issued Tobacco Settlement Pass-Through Bonds—Subordinate Turbo CABs in various series for the purpose of securitizing additional future tobacco settlement revenues. The proceeds of these bonds, \$26,236,279 (after the deduction of \$736,279 in bond issuance and underwriter costs), were used to purchase tobacco settlement rights from the County. The issuance had four components and payments on the Subordinate Turbo CABs were subordinate to the Series 2003 Term Bonds. As a result of the Tobacco Asset Back Refunding Bonds, Series 2016 transaction as described below, only the Series 2005 S3 Subordinate Turbo CABs remain.

The payment of the Series 2016 Term Bonds and the Subordinate Turbo Bonds is dependent on the receipt of TSRs. The amount of TSRs actually collected is dependent on many factors including cigarette consumption and the continued operations of the OPMs. Such bonds are secured by and payable solely from TSRs and investment earnings pledged under the Bond Indenture and amounts established and held in accordance with the Bond Indenture. In the event sufficient funds are not available to meet planned payment maturities, rated maturity dates will be used.

Changes in DTASC bonds payable for the year ended December 31, 2024 are presented as follows:

| Description                          | Year of Maturity | Yield   | Balance 1/1/2024     | Additions   | Deletions           | Balance 12/31/2024   | Amounts* Due Within One Year |
|--------------------------------------|------------------|---------|----------------------|-------------|---------------------|----------------------|------------------------------|
| Series 2016 Tobacco Settlement Bonds | 2035             | various | \$ 42,985,000        | \$ -        | \$ 1,125,000        | \$ 41,860,000        | \$ 7,560,000                 |
| Plus:                                |                  |         |                      |             |                     |                      |                              |
| Bond premium                         |                  |         | <u>3,179,288</u>     | <u>-</u>    | <u>83,208</u>       | <u>3,096,080</u>     | <u>559,159</u>               |
| Net Tobacco Settlement Bonds         |                  |         | <u>\$ 46,164,288</u> | <u>\$ -</u> | <u>\$ 1,208,208</u> | <u>\$ 44,956,080</u> | <u>\$ 8,119,159</u>          |

\*Actual amounts due within one year may vary based on the receipt of TSRs and DTASC’s ability to make the payment of principal and interest.

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

A summary of the Subordinate Turbo CABs net bond balance activity for the year ended December 31, 2024 follows:

|                        | Interest Rate   | Original Principal  | Balance 1/1/2024    | Annual Net Interest Accretion | Reductions  | Balance 12/31/2024  |
|------------------------|-----------------|---------------------|---------------------|-------------------------------|-------------|---------------------|
| Subordinate Turbo CABs | 6.00%-<br>7.85% | <u>\$ 2,604,375</u> | <u>\$ 8,808,804</u> | <u>\$ 613,737</u>             | <u>\$ -</u> | <u>\$ 9,422,541</u> |

Redemption of the Subordinate Turbo CABs as outlined in the New York Counties Tobacco Trust VI Tobacco Settlement Pass-Through Bonds, Series 2016 official statement totals \$26,236,279 and is scheduled to be paid from 2035 to 2040, while early payment is allowed. During the year ended

December 31, 2024, DTASC did not make any redemption payments. Outstanding Subordinate Turbo CABs consist of one installment, Series 2005 S3. Any debt service amounts not paid in accordance with the Turbo Redemption Payments schedule will be due and payable on the June 1, 2055 maturity date.

***Amortization of Bond Premiums***—During the year ended December 31, 2024, the County issued serial bonds which included premiums totaling \$2,824,023. Additionally, during previous years, the County issued advanced refunding serial bonds which included bond premiums. The premiums are being amortized on a straight-line basis over the life of the bonds. The total unamortized premium of the County as of December 31, 2024 was \$11,039,408 and \$200,368 for governmental and business-type activities, respectively. Additionally, DTASC issued Tobacco Settlement Asset Backed Refunding Bonds during the year ended December 31, 2016 which included a bond premium. The total unamortized premium of the DTASC as of December 31, 2024 was \$3,096,080.

***Leases***—The County entered into long-term leases for various buildings and equipment within their governmental and business-type activities. The outstanding balance at December 31, 2024 was \$28,725,595 and \$605,592 respectively. Refer to Note 11 for additional information related to the County's leases.

***SBITAs***—The County has entered into long-term subscription-based information technology arrangements. The outstanding balance at December 31, 2024 was \$973,557. Refer to Note 11 for additional information related to the County's SBITAs.

***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 values recorded at December 31, 2024 for governmental and business-type activities are \$37,711,610 and \$988,903, respectively, of which \$1,885,581 and \$49,445 is expected to become due within one year, respectively.

***Workers' Compensation and General Claims***—As explained in Note 10, the County is self-insured. Liabilities are established for workers' compensation and general claims in accordance with GASB requirements. At December 31, 2024, the County reported \$29,648,181 of workers' compensation liability and \$1,000,000 as general claims. Estimated long-term contingent loss liabilities in the governmental fund types have been reported as long-term liabilities in the government-wide financial statements.

***OPEB Obligation***—As explained in Note 8, the County provides medical, dental, and life insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. The County's annual OPEB cost is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The County's long-term OPEB obligation is estimated to be \$452,439,877 and \$3,395,638 at December 31, 2024 for governmental and business-type activities, respectively.

***Net Pension Liability***—The County reports a liability for its proportionate share of the net pension liability for the Employees' Retirement System within their governmental and business-type activities. The net pension liability is estimated to be \$70,952,016 and \$3,628,404, respectively. Refer to Note 7 for additional information related to the County's net pension liability.

The following is a maturity schedule of the County's indebtedness:

| Year Ending<br>December 31, | Governmental Activities |                                |   |                              |                                    |                      |
|-----------------------------|-------------------------|--------------------------------|---|------------------------------|------------------------------------|----------------------|
|                             | Serial<br>Bonds         | Premiums<br>on Serial<br>Bonds | DTASC<br>Tobacco<br>Settlement<br>Bonds | Premium<br>on DTASC<br>Bonds | DTASC<br>Subordinate<br>Turbo CABs | Leases               |
| 2025                        | \$ 18,537,600           | \$ 804,851                     | \$ 7,560,000                            | \$ 559,159                   | \$ -                               | \$ 3,144,573         |
| 2026                        | 18,039,553              | 804,851                        | 2,550,000                               | 188,605                      | -                                  | 3,179,147            |
| 2027                        | 17,745,994              | 804,852                        | 2,715,000                               | 200,808                      | -                                  | 3,034,371            |
| 2028                        | 17,413,383              | 688,599                        | 2,865,000                               | 211,904                      | -                                  | 2,679,130            |
| 2029                        | 16,753,234              | 688,599                        | 3,035,000                               | 224,476                      | -                                  | 2,703,723            |
| 2030-2034                   | 79,464,428              | 3,144,200                      | 17,935,000                              | 1,326,522                    | -                                  | 12,189,513           |
| 2035-2039                   | 61,690,374              | 2,512,223                      | 5,200,000                               | 384,606                      | -                                  | 1,795,138            |
| 2040-2044                   | 42,608,000              | 1,404,904                      | -                                       | -                            | -                                  | -                    |
| 2045-2049                   | 32,335,000              | 186,329                        | -                                       | -                            | -                                  | -                    |
| Thereafter                  | -                       | -                              | -                                       | -                            | 9,422,541                          | -                    |
| Total                       | <u>\$ 304,587,566</u>   | <u>\$ 11,039,408</u>           | <u>\$ 41,860,000</u>                    | <u>\$ 3,096,080</u>          | <u>\$ 9,422,541</u>                | <u>\$ 28,725,595</u> |

(continued)

| Year Ending<br>December 31, | Governmental Activities |                         |   |                       |                             |                       |
|-----------------------------|-------------------------|-------------------------|---|-----------------------|-----------------------------|-----------------------|
|                             | SBITAs                  | Compensated<br>Absences | Workers'<br>Compensation<br>and General<br>Claims | OPEB<br>Obligation    | Net<br>Pension<br>Liability | Total                 |
| 2025                        | \$ 357,337              | \$ 1,885,581            | \$ 5,178,499                                      | \$ -                  | \$ -                        | \$ 38,027,600         |
| 2026                        | 296,767                 | -                       | -   | -                     | -                           | 25,058,923            |
| 2027                        | 286,969                 | -                       | -   | -                     | -                           | 24,787,994            |
| 2028                        | 32,484                  | -                       | -   | -                     | -                           | 23,890,500            |
| 2029                        | -                       | -                       | -   | -                     | -                           | 23,405,032            |
| 2030-2034                   | -                       | -                       | -   | -                     | -                           | 114,059,663           |
| 2035-2039                   | -                       | -                       | -   | -                     | -                           | 71,582,341            |
| 2040-2044                   | -                       | -                       | -   | -                     | -                           | 44,012,904            |
| 2045-2049                   | -                       | -                       | -   | -                     | -                           | 32,521,329            |
| Thereafter                  | -                       | 35,826,029              | 25,469,682  | 452,439,877           | 70,952,016                  | 594,110,145           |
| Total                       | <u>\$ 973,557</u>       | <u>\$ 37,711,610</u>    | <u>\$ 30,648,181</u>                              | <u>\$ 452,439,877</u> | <u>\$ 70,952,016</u>        | <u>\$ 991,456,431</u> |

(concluded)

Business-type Activities

| Year Ending<br>December 31, | Business-type Activities |                         |                             |                   |                         |                     |                          | Total                |
|-----------------------------|--------------------------|-------------------------|-----------------------------|-------------------|-------------------------|---------------------|--------------------------|----------------------|
|                             | Airport<br>Bonds         | Transportation<br>Bonds | Premiums on<br>Serial Bonds | Leases            | Compensated<br>Absences | OPEB<br>Obligation  | Net Pension<br>Liability |                      |
| 2025                        | \$ 157,961               | \$ 34,439               | \$ 16,513                   | \$ 107,376        | \$ 49,445               | \$ -                | \$ -                     | \$ 365,734           |
| 2026                        | 155,561                  | 29,886                  | 16,513                      | 78,280            | -                       | -                   | -                        | 280,240              |
| 2027                        | 156,506                  | 22,500                  | 16,513                      | 84,852            | -                       | -                   | -                        | 280,371              |
| 2028                        | 156,617                  | -                       | 16,513                      | 91,814            | -                       | -                   | -                        | 264,944              |
| 2029                        | 156,766                  | -                       | 16,513                      | 99,184            | -                       | -                   | -                        | 272,463              |
| 2030-2034                   | 625,570                  | -                       | 56,385                      | 144,086           | -                       | -                   | -                        | 826,041              |
| 2035-2039                   | 639,628                  | -                       | 40,024                      | -                 | -                       | -                   | -                        | 679,652              |
| 2040-2044                   | 187,000                  | -                       | 21,394                      | -                 | -                       | -                   | -                        | 208,394              |
| Thereafter                  | -                        | -                       | -                           | -                 | 939,458                 | 3,395,638           | 3,628,404                | 7,963,500            |
| <b>Total</b>                | <b>\$ 2,235,609</b>      | <b>\$ 86,825</b>        | <b>\$ 200,368</b>           | <b>\$ 605,592</b> | <b>\$ 988,903</b>       | <b>\$ 3,395,638</b> | <b>\$ 3,628,404</b>      | <b>\$ 11,141,339</b> |

Interest requirements relating to bonds payable, leases, and SBITAs are as follows:

| Year Ending<br>December 31, | Bonds Payable           |                      |                   | Leases/SBITAs       |                  |  |
|-----------------------------|-------------------------|----------------------|-------------------|---------------------|------------------|--|
|                             | Governmental Activities |                      | Business-type     | Governmental        | Business-type    |  |
|                             | County                  | DTASC                | Activities        | Activities          | Activities       |  |
| 2025                        | \$ 9,952,023            | \$ 1,965,600         | \$ 93,701         | \$ 936,759          | \$ 23,722        |  |
| 2026                        | 8,658,483               | 1,663,150            | 71,386            | 811,623             | 20,191           |  |
| 2027                        | 8,096,271               | 1,519,625            | 64,560            | 692,353             | 16,572           |  |
| 2028                        | 7,533,198               | 1,380,125            | 57,783            | 597,474             | 12,653           |  |
| 2029                        | 6,987,581               | 1,232,625            | 51,841            | 506,126             | 8,415            |  |
| 2030-2034                   | 27,346,556              | 3,639,375            | 189,797           | 1,149,497           | 4,049            |  |
| 2035-2039                   | 16,430,960              | 130,000              | 82,891            | 65,637              | -                |  |
| 2040-2044                   | 8,720,926               | -                    | 9,640             | -                   | -                |  |
| Thereafter                  | 2,144,718               | -                    | -                 | -                   | -                |  |
| <b>Total</b>                | <b>\$ 95,870,716</b>    | <b>\$ 11,530,500</b> | <b>\$ 621,599</b> | <b>\$ 4,759,469</b> | <b>\$ 85,602</b> |  |

**Discretely Presented Component Units**

**i) Dutchess Community College**

The following table summarizes changes in the College's long-term liabilities for the year ended August 31, 2024:

|                                    | Balance<br>9/1/2023   | Additions           | Reductions          | Balance<br>8/31/2024  | Due<br>Within<br>One Year |
|------------------------------------|-----------------------|---------------------|---------------------|-----------------------|---------------------------|
| Lease liability                    | \$ 20,984,128         | \$ 597,473          | \$ 572,351          | \$ 21,009,250         | \$ 649,504                |
| SBITA liability                    | 3,520,597             | 291,926             | 591,579             | 3,220,944             | 492,345                   |
| Compensated absences               | 2,824,300             | 254,144             | -                   | 3,078,444             | -                         |
| OPEB obligation                    | 100,736,701           | 2,101,308           | -                   | 102,838,009           | 2,547,068                 |
| Net pension liability              | 9,100,006             | -                   | 2,517,708           | 6,582,298             | -                         |
| <b>Total long-term liabilities</b> | <b>\$ 137,165,732</b> | <b>\$ 3,244,851</b> | <b>\$ 3,681,638</b> | <b>\$ 136,728,945</b> | <b>\$ 3,688,917</b>       |

**Lease Liability**—As explained in Note 10, the College entered into long-term leases for various equipment and a building. At August 31, 2024, the outstanding balance is \$21,009,250.

**SBITA Liability**—As explained in Note 10, the College entered into long-term subscription-based information technology arrangements. At August 31, 2024, the outstanding balance is \$3,220,944.

**Compensated Absences**—The College recognizes a liability for vested sick leave and other compensated absences with similar characteristics to the extent it is probable that the College will compensate the employees for the benefits through cash payments at retirement rather than be taken as absences due to illness or other contingencies. The value recorded at August 31, 2024 for the College is \$3,078,444.

**OPEB Obligation**—As explained in Note 8, the College provides medical, dental, and life insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. The College’s annual OPEB cost is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability), less the amount of the OPEB plan’s fiduciary net position. The College’s long-term OPEB obligation is estimated to be \$102,838,009 at August 31, 2024.

**Net Pension Liability**—The College reported a liability, \$6,582,298, for its proportionate share of the net pension liability for the Employee Retirement System. Refer to Note 7 for additional information related to the College’s net pension liability.

Other long-term liabilities reported for the College include serial bonds of the Dutchess Community College Association, a discretely presented component unit of the College, in the amount of \$17,818,053, of which \$841,104 is due within one year.

**ii) Dutchess County Resource Recovery Agency**

**Bonds Payable**—In May 2017, the Agency issued the 2017 Series Refunding Bonds in the amount of \$12,130,000 to refund the outstanding principal amount of the Agency’s 2007 Series bonds. The 2007 Series bonds had been issued to fund improvements required by compliance with the Clean Air Act (US Code Title 42, Chapter 85, as amended). The Agency received a bond premium in the amount of \$1,500,243, paid certain costs of issuance and established a debt reserve fund as part of the refunding. The Agency incurred a loss on refunding as a result of this transaction in the amount of \$282,501. The unamortized balance as of December 31, 2024 was \$65,917. Additionally, the Agency reports an unamortized premium at December 31, 2024 in the amount of \$350,057.

Annual amortization and sinking fund requirements for bonds payable are as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|---------------------------------|---------------------|-------------------|---------------------|
| 2025                            | \$ 1,350,000        | \$ 172,250        | \$ 1,522,250        |
| 2026                            | 1,415,000           | 103,125           | 1,518,125           |
| 2027                            | 1,355,000           | 33,875            | 1,388,875           |
| Total                           | <u>\$ 4,120,000</u> | <u>\$ 309,250</u> | <u>\$ 4,429,250</u> |

The Agency must obtain additional certifications regarding events of default occurring, landfill capacity and the quantity of waste processed. The Agency must maintain various accounts, described as restricted assets, which are subject to minimum funding requirements. At December 31, 2024, these debt service reserves exceeded their funding requirements.

**OPEB Obligation**—As explained in Note 8, the Agency provides certain benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. The Agency’s annual OPEB cost is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability), less the amount of the OPEB plan’s fiduciary net position. The Agency’s long-term OPEB obligation is estimated to be \$470,980 at December 31, 2024.

**Net Pension Liability**—As explained in Note 7, the Agency reports a liability for its proportionate share of the net pension liability for the Employees’ Retirement System. The net pension liability is estimated to be \$18,425.

**iii) Dutchess County Water and Wastewater Authority**

The following table summarizes changes in the Authority’s long-term liabilities for the year ended December 31, 2024 is presented below:

|                                      | Balance<br>1/1/2024  | Additions        | Payments            | Balance<br>12/31/2024 | Due<br>Within<br>One Year |
|--------------------------------------|----------------------|------------------|---------------------|-----------------------|---------------------------|
| Bonds payable*                       | \$ 37,049,225        | \$ -             | \$ 2,989,032        | \$ 34,060,193         | \$ 1,582,772              |
| Long-term bond<br>anticipation notes | 1,044,412            | 7,018            | 21,000              | 1,030,430             | -                         |
| OPEB liability                       | 2,697,275            | 65,799           | -                   | 2,763,074             | -                         |
| Net pension liability                | 1,150,083            | -                | 335,859             | 814,224               | -                         |
| Total                                | <u>\$ 41,940,995</u> | <u>\$ 72,817</u> | <u>\$ 3,345,891</u> | <u>\$ 38,667,921</u>  | <u>\$ 1,582,772</u>       |

\*Bonds payable increased by \$206,977 in accrued accreted interest and decreased by a zero coupon bond payment of \$766,956, serial bond payments of \$2,397,812 and amortization of bond premium of \$31,241.

**Bond Anticipation Notes (“BANs”)**—In May 2018, the Authority authorized financing of \$3,996,167 with New York State Environmental Facilities Corporation maturing in May 2023. The purpose of the notes is to provide the Authority with funds to pay for improvements to the Greenfields Sewer District wastewater treatment plan process and collection system. Such financing was revised during 2020 to include \$478,765 in grant funding and \$4,511,363 in loan funding. During the year ended December 31, 2023, this was converted to long-term financing in the amount of \$3,230,346.

In November 2018, the Authority received authorization for financing of improvements to the Pinebrook Water System, in the amount of \$3,609,770 through the New York State Environmental Facilities Corporation. Such financing included \$2,033,705 in grant funding and \$1,576,065 in loan funding. During the year ended December 31, 2024, there were drawdowns of \$7,018 on the loan funding.

**Bonds Payable**—The Authority issues revenue bonds to finance the acquisition of systems and the cost of the capital renovations to those systems and to pay costs of issuance.

Debt service requirements to maturity as of December 31, 2024 are presented in the table below:

| Description  | Maturity | Interest Rate (%) | Balance 12/31/2024   |
|--|----------|-------------------|----------------------|
| 1998 Revenue Bonds (Zero Coupon) Series One                            | 2029     | 3.90-5.40         | \$ 1,649,620         |
| 2001 Service Agreement Revenue (Refunding) Bond Series 2001            | 2041     | 3.00-5.36         | 822,755              |
| 2009 Water Service Agreement Revenue Bond Series 2009                  | 2039     | 5.62-5.96         | 1,347,524            |
| 2011 Service Agreement Revenue Bond Series 2011                        | 2041     | 3.50-4.25         | 1,405,000            |
| New York State Environmental Facilities Corporation Bond Series 2016 B | 2044     | 0.55-3.35         | 3,022,761            |
| 2016 Service Agreement Revenue Bond Series 2016                        | 2046     | 1.50-3.25         | 1,265,000            |
| 2016 Service Agreement Revenue Refunding Bond Series 2016              | 2029     | 1.75-4.00         | 2,055,000            |
| New York State Environmental Facilities Corporation Bond Series 2018   | 2047     | N/A               | 2,987,100            |
| New York State Environmental Facilities Corporation Bond Series 2018A  | 2043     | N/A               | 316,540              |
| 2019 Revenue Bond Series   | 2049     | 1.80-5.00         | 1,195,000            |
| New York State Environmental Facilities Corporation Bond Series 2020B  | 2050     | 0.23-2.67         | 1,655,000            |
| New York State Environmental Facilities Corporation Bond Series 2023   | 2053     | 3.78-4.97         | 3,145,346            |
| New York State Environmental Facilities Corporation Bond Series 2023   | 2053     | N/A               | 3,780,432            |
| New York State Environmental Facilities Corporation Bond Series 2023   | 2053     | N/A               | 1,080,000            |
| Total bonds  |          |                   | 25,727,078           |
| Accreted interest recorded on zero coupon bonds                        |          |                   | 8,144,079            |
| Unamortized bond premium   |          |                   | 189,036              |
| Total bonds payable  |          |                   | 34,060,193           |
| Portion due within one year  |          |                   | (1,582,772)          |
| Net bonds payable due in more than one year                            |          |                   | <u>\$ 32,477,421</u> |

**Bond Covenants**—The Authority has agreed to maintain dedicated sources of revenues with respect to the projects financed in accordance with the State Act and in amounts such that the revenues of the Authority with respect to the financial projects shall be sufficient, together with all other funds available to the Authority for such purposes, to pay all costs of operating and maintaining the projects and to pay principal and interest requirements. The bonds payable are special obligations of the Authority, collateralized by the assets of the Authority and to be amortized solely from the revenues of the Authority.

The Authority has pledged its revenues, subject to the right to pay operating expenses, its interest in its Service Agreement with Dutchess County, its interest in cash and investments held by the Bond Trustee and any other property subsequently pledged, for payment of the bonds.

In addition to pledging its revenues and other rights as described above, the Authority made certain covenants including that it will fix, charge and collect water and sewer rates together with other Authority revenues in amounts sufficient to provide for operating expenses as included in the Authority's budget. The Authority also pledges to maintain, in full force and effect, the service agreement with the County, as is further described in Note 15.

The Authority has refunded several of its earlier bond issuances. The proceeds from the new bonds were used to refund a portion of the Authority’s earlier bonds and pay the costs of issuance of the refunding bonds. The net proceeds of the refundings, after payment of underwriting and other issuance costs, were used to purchase state and local government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded debt. The escrowed funds have been used to make the required debt service payments such that no refunded debt is outstanding as of December 31, 2024.

### 13. 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 activities and business-type activities net investment in capital assets is presented below.

Governmental Activities:

|  |                   |                       |
|--|-------------------|-----------------------|
| Capital assets, net of accumulated depreciation/amortization |                   | \$ 468,655,230        |
| Other noncurrent asset, net of amortization                  |                   | 5,758,561             |
| Less related debt:   |                   |                       |
| Serial bonds—County  | \$ (304,587,566)  |                       |
| Unamortized bond premium—County                              | (11,039,408)      |                       |
| Deferred charge/gain on refunding, net                       | (10,505,722)      |                       |
| Serial bonds—DTASC   | (41,860,000)      |                       |
| Unamortized bond premium—DTASC                               | (3,096,080)       |                       |
| Leases   | (28,725,595)      |                       |
| SBITA  | (973,557)         |                       |
| Capital Projects Fund accounts payable                       | (13,824,535)      |                       |
| Serial bonds issued on behalf of Dutchess Community College  | 14,040,675        |                       |
| Unspent debt proceeds  | <u>47,058,056</u> | <u>(353,513,732)</u>  |
| Net investment in capital assets                             |                   | <u>\$ 120,900,059</u> |

Business-type Activities:

|   |                |                      |
|---|----------------|----------------------|
| Capital assets, net of accumulated depreciation/amortization  |                | \$ 34,756,470        |
| Less related debt:  |                |                      |
| Serial bonds—Airport Fund and Transportation Fund             | \$ (2,322,434) |                      |
| Unamortized bond premium—Airport Fund and Transportation Fund | (200,368)      |                      |
| Lease liability—Airport Fund                                  | (35,300)       |                      |
| Lease liability—Dutchess County LDC                           | (570,292)      |                      |
| Unspent debt proceeds   | <u>417,929</u> | <u>(2,710,465)</u>   |
| Net investment in capital assets                              |                | <u>\$ 32,046,005</u> |

- **Restricted Net Position**—This category represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The total restricted component of net position is \$68,658,940, of which \$17,548,039 is restricted for debt service; \$15,793,352 for workers’ compensation; \$11,988,479 is restricted for housing trust; and \$23,329,070 for other restrictions, which represents capital projects, \$13,716,953; self-insurance, \$1,970,502; and miscellaneous special reserves, \$7,641,615.
- **Unrestricted Net Position**—This category represents net position of the County not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the County at December 31, 2024 is presented below.

- **Prepaid Items**—Represents amounts prepaid to the retirement system that are applicable to future accounting periods. The General Fund and Nonmajor Funds reported amounts of \$5,384,963 and \$250,245, respectively, at December 31, 2024.
- **Inventories**—Represents the portion of fund balance, \$177,323, comprised of inventory and is nonspendable in the General Fund because inventory is not an available spendable resource.

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. The table below presents restricted fund balances of the County as of December 31, 2024.

|                                  | General<br>Fund      | Capital<br>Projects<br>Fund | DTASC<br>Fund       | Total                 |
|----------------------------------|----------------------|-----------------------------|---------------------|-----------------------|
| Restricted for:                  |                      |                             |                     |                       |
| Workers' compensation            | \$ 15,793,352        | \$ -                        | \$ -                | \$ 15,793,352         |
| Self-insurance                   | 1,970,502            | -                           | -                   | 1,970,502             |
| Capital projects                 | 300,808              | 60,474,201                  | -                   | 60,775,009            |
| Debt service                     | 10,667,474           | -                           | 3,430,565           | 14,098,039            |
| Sheriff—Asset forfeiture         | 50,370               | -                           | -                   | 50,370                |
| Sheriff—DWI and traffic safety   | 129,640              | -                           | -                   | 129,640               |
| Aging and special needs programs | 117,161              | -                           | -                   | 117,161               |
| Veterans services                | 14,881               | -                           | -                   | 14,881                |
| Green initiatives                | 40,909               | -                           | -                   | 40,909                |
| Shared services                  | 2,445,044            | -                           | -                   | 2,445,044             |
| Housing trust                    | 11,988,479           | -                           | -                   | 11,988,479            |
| Opioid settlement                | 4,843,610            | -                           | -                   | 4,843,610             |
| Total restricted fund balance    | <u>\$ 48,362,230</u> | <u>\$ 60,474,201</u>        | <u>\$ 3,430,565</u> | <u>\$ 112,266,996</u> |

- **Restricted for Workers’ Compensation**—Represents reserves established within the General Fund which will be used to pay self-insured workers’ compensation claims and expenses in excess of claims and expenses paid from current appropriations.

- ***Restricted for Self Insurance***—Represents reserves established within the General Fund which will be used to pay claims, actions or judgments against the County that results from personal injuries, property damage and dental claims.
- ***Restricted for Capital Projects***—Represents reserves established within the General Fund and Capital Projects Fund which will be used to pay for the costs of future capital expenditures.
- ***Restricted for Debt Service***—Represents reserves which will be used for the reduction of future debt service requirements. Of this balance, \$4,500,000 was appropriated in the 2025 General Fund budget.
- ***Restricted for Sheriff—Asset Forfeiture***—Represents asset forfeiture revenue restricted to pay for equipment or other uses that will aid in drug enforcement activities, pursuant to state and federal laws.
- ***Restricted for Sheriff—DWI and Traffic Safety***—Represents STOP DWI fees restricted to pay for road safety programs and equipment to combat the use and abuse of drugs and alcohol which eventually results in reducing the incidents of driving while intoxicated.
- ***Restricted for Aging and Special Needs Programs***—Represents programs for the aging and special needs revenue restricted to pay for the operation and maintenance of those programs.
- ***Restricted for Veterans Services***—Represents reserves established within the General Fund which will be used to pay for the future costs associated with veteran services.
- ***Restricted for Green Initiatives***—Represents reserves established within the General Fund which will be used to pay for the future costs associated with green initiatives.
- ***Restricted for Shared Services***—Represents reserves established within the General Fund which will be used to pay for the future costs associated with the Dutchess County Municipal Consolidation & Shared Services Grant Program.
- ***Restricted for Housing Trust***—Represents reserves established within the General Fund which will be used to pay for the future costs associated with the Dutchess County Housing Trust Fund program.
- ***Restricted for Opioid Settlement***—Represents reserves established within the General Fund for specific public health measures to combat opioid abuse. Of this balance, \$247,008 was appropriated in the 2025 General Fund budget.

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. As of December 31, 2024, the County reported 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, 2024, the County reported the following fund balances assignments:

|                                | General<br>Fund      | DTASC<br>Fund     | Nonmajor<br>Governmental<br>Funds | Total                |
|--------------------------------|----------------------|-------------------|-----------------------------------|----------------------|
| Assigned for:                  |                      |                   |                                   |                      |
| Subsequent year's expenditures | \$ 23,425,000        | \$ -              | \$ 2,750,000                      | \$ 26,175,000        |
| Encumbrances                   | 10,678,681           | -                 | 74,897                            | 10,753,578           |
| Specific use                   | -                    | 104,876           | 4,389,046                         | 4,493,922            |
| Total assigned fund balance    | <u>\$ 34,103,681</u> | <u>\$ 104,876</u> | <u>\$ 7,213,943</u>               | <u>\$ 41,422,500</u> |

- **Assigned to Encumbrances**—Represents commitments related to unperformed contracts or purchase orders for goods or services.
- **Assigned to Subsequent Year's Expenditures**—Represents available fund balance being appropriated to meet expenditure requirements in the 2025 fiscal year.
- **Assigned to Specific Use**—Represents fund balance within the special revenue funds that is assigned for a specific purpose. The assignments' purpose relates to each fund's operations and represent the remaining amounts within funds that are not restricted or committed.

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.

#### 14. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short-term in nature and exist because of temporary advances or payments made on behalf of other funds. All interfund balances are expected to be collected/paid within the subsequent year. Interfund transfers are routine annual events for both the budget and accounting process and are necessary to present funds in their proper fund classification. The composition of interfund balances as of December 31, 2024 is shown in the table below.

| Fund                        | Interfund           |                     |
|-----------------------------|---------------------|---------------------|
|                             | Receivable          | Payable             |
| Governmental funds:         |                     |                     |
| General Fund                | \$ 3,969,997        | \$ 665,462          |
| Capital Projects Fund       | 1,851               | 1,566,104           |
| Nonmajor governmental funds | 8                   | 46,166              |
| Proprietary funds:          |                     |                     |
| Airport Fund                | 181,956             | 319,737             |
| Transportation Fund         | -                   | 1,556,343           |
| Total                       | <u>\$ 4,153,812</u> | <u>\$ 4,153,812</u> |

Transfers are used primarily to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute of budget required to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the fund making payments when due, and (3) move residual cash from closed capital projects.

The County made the following transfers during the year ended December 31, 2024:

| Transfers out:        | Transfers in:       |                       |                   |                     | Total                |
|-----------------------|---------------------|-----------------------|-------------------|---------------------|----------------------|
|                       | Governmental funds  |                       | Proprietary funds |                     |                      |
|                       | General Fund        | Capital Projects Fund | Airport Fund      | Transportation Fund |                      |
| Governmental funds:   |                     |                       |                   |                     |                      |
| General Fund          | \$ -                | \$ 1,137,642          | \$ 296,800        | \$ 5,312,128        | \$ 6,746,570         |
| Capital Projects Fund | <u>6,266,507</u>    | <u>-</u>              | <u>-</u>          | <u>-</u>            | <u>6,266,507</u>     |
| Total                 | <u>\$ 6,266,507</u> | <u>\$ 1,137,642</u>   | <u>\$ 296,800</u> | <u>\$ 5,312,128</u> | <u>\$ 13,013,077</u> |

## 15. RELATED PARTY TRANSACTIONS

The following schedule presents significant transactions between the primary government and its component units during the year ended December 31, 2024:

| Component Unit                                    | Amount               | Nature of Transaction          |
|---|----------------------|--------------------------------|
| Dutchess Tobacco Asset Securitization Corporation | \$ 11,028            | Administrative expenses        |
| Dutchess County LDC                               | 462,500              | Professional service contracts |
| Dutchess Community College                        | 17,123,656           | Operating and capital support  |
| Dutchess County Water and Wastewater Authority    | 3,837,403            | Net service fee                |
| Aggregated nonmajor component units               | <u>799,994</u>       | Charges for services           |
| Total   | <u>\$ 22,234,581</u> |                                |

The County provided economic support to the above component units based on contractual obligations between the parties (see Notes 18 and 19).

### Discretely Presented Component Units

#### i) Dutchess County Resource Recovery Agency:

The Agency is entitled to receive net service fees from Dutchess County based on a contractual formula, generally when revenues are insufficient to cover operating expenses and debt service requirements. These payments are subject to approval by resolution of the Dutchess County Legislature. These fees amounted to \$0 during 2024.

During 2024, the Agency participated in the health and dental insurance plan administered by Dutchess County and was charged \$91,542.

**ii) Dutchess County Water and Wastewater Authority:**

The Authority has entered into service agreements with Dutchess County for the Water District and Part County Sewer Districts to provide water and/or sewer services and receive a service fee from Dutchess County based on a contractual formula, generally when revenues are insufficient to cover certain operating expenses and debt service requirements. The Authority also receives payments from Dutchess County for the completion of certain consulting projects. Although these payments are subject to budgetary resolutions by the Dutchess County Legislature for approval, no approvals have been withheld by the Legislature. For the year ended 2024, the Authority recorded net revenues of \$3,837,403, having recorded a return of \$0 to the County during the year. Nothing was due to the County at year-end. Since the Authority is a component unit of Dutchess County, these transactions are also considered related party transactions.

**16. LABOR CONTRACTS**

The County’s employees operate under three collective bargaining units: the CSEA Local 1000 AFSCME/AFL-CIO (“CSEA”), the Dutchess County Sheriff’s Employees Association (“DCSEA”), and the Dutchess County Sheriff and Deputy Sheriff’s P.B.A., Inc, (“PBA”). The CSEA contract is negotiated through December 31, 2024. The DCSEA contract is negotiated through December 31, 2025. The PBA contract is negotiated through December 31, 2026.

**17. TAX ABATEMENTS**

The County is subject to tax abatements granted by the Dutchess County Industrial Development Agency (“DCIDA”). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the DCIDA 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 DCIDA, the County collected \$1,298,645 during 2024 in payments in lieu of taxes (“PILOT”), these collections were made in lieu of \$5,847,743 in property taxes, \$1,107,346 in sales and use taxes, and \$32,454 in solar taxes.

**18. COMMITMENTS**

**Encumbrances**—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Open encumbrances are reported as an assignment of fund balance since such commitments will be honored through budget appropriations in the subsequent year.

The County considers encumbrances to be significant for amounts that are encumbered in excess of \$1,000,000. As of December 31, 2024, the County reported the following significant encumbrances:

| <u>Fund</u>  | <u>Description</u>   | <u>Amount</u> |
|--------------|--|---------------|
| General Fund | Opioid Settlement— Contract agency and rehabilitation services | \$ 3,000,000  |

Additionally, the County had the following outstanding construction projects in progress as of December 31, 2024, as evidenced by contractual commitments:

| Project                            | Encumbrances<br>Outstanding |
|------------------------------------|-----------------------------|
| Capital Projects Fund:             |                             |
| Transportation                     | \$ 3,441,449                |
| County roads and bridges           | 1,395,047                   |
| Parks and recreation               | 12,336                      |
| Building and building improvements | 13,939,702                  |
| Communications improvements        | 5,755,953                   |
| Community services                 | 238,778                     |
| Total                              | <u>\$ 24,783,265</u>        |

***Dutchess Utility Corridor Contract***—In 2006, the County entered into the Dutchess Utility Corridor Contract with Dutchess County Water and Wastewater Authority. The contract requires Dutchess County to provide \$10,375,000 to the Authority to pay for certain project costs. The County, in exchange, will receive the rights to utilize 50% of the capacity of the new system and be paid a service fee by the Authority for its usage of the line in conjunction with their operations. As of December 31, 2024, the County has provided \$5,758,561 to the Authority which is reflected as “Other Assets” in the Statement of Net Position. The project is being amortized on a straight-line basis over the next 40 years, with amortization expense of \$274,571 in 2024.

***Economic Support for Component Units***—The County is responsible to pay economic support to the Dutchess County Resource Recovery Agency and the Dutchess County Water and Wastewater Authority based on contracted formulas when revenues at these component units are insufficient to cover their operating expenses and debt service requirements. During the year ended December 31, 2024, the County’s portion of these costs was \$3,837,403.

The County is required by New York State Education Law to pay to Dutchess Community College a portion of the college’s operating costs for nonresident students. This amount is determined based on the rate reported by the State of New York.

**i) Dutchess County Resource Recovery Agency**

***Solid Waste Disposal Service Agreement***—The Agency and Dutchess County entered into a solid waste disposal service agreement dated December 1, 1984, the most recent amendment being dated January 7, 2016. The County agreed to deliver at least 140,000 tons per year of solid waste to the plant and to pay net service fees to the Agency amounting to the excess of payments for debt service and reserves, fees to the contractor and accrued expenses over tipping fees, energy and other revenues. It is the Agency’s obligation to process and to provide for disposal of the solid waste. The terms of the agreement were extended during 2007 to remain in effect through July 1, 2027.

***Operations Service Agreement***—The Agency has entered into an operations service agreement with a commercial corporation wherein the corporation has agreed to operate the resource recovery plant and the Agency is required to provide the plant with a guaranteed amount of solid waste, provide an ash landfill, and pay fees to the corporation.

The Agency’s current operating permit allows for up to 164,000 tons to be processed at the plant. However the Agency is required to supply the 140,000 tons, or pay the corporation \$68.25 a ton

for each ton of solid waste below that amount which is not delivered to the plant, adjusted based upon changes in labor and material price indexes. During 2024, the Agency caused to have delivered 144,003 tons.

***Power Sales Agreement***—The Agency and a commercial corporation have entered into a power sales agreement dated November 1, 1984. The Agency agrees to sell all electricity produced by the plant in excess of its own requirements to the corporation at a price based on tariffs filed with the New York State Public Service Commission. The power sales agreement expired effective January 14, 2020. The Agency and the commercial corporation have continued to operate under the terms of the expired agreement.

***Transportation of Ash Residue and Non-processable Waste***—The Agency has a contract with Royal Carting for the transportation and disposal of ash residue. The latest contract extension period is through December 31, 2024 with four additional annual options to extend at the Agency's option, and includes disposal at any of five landfills.

## 19. CONTINGENCIES

***Grants***—The County receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions, specified in the grant agreements and is subject to audit. Any disallowed expenditure resulting from such audits could become a liability of the governmental funds. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

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

***Workers' Compensation Self-Insurance Program***—The County is self-insured against obligations with respect to workers' compensation law as a member of a County-wide self-insurance Workers' Compensation Plan (the "Plan"). Plan members currently include one city, nine towns, three villages, Dutchess Community College, Dutchess County Resource Recovery Agency and Dutchess County. The County is the predominant participant in the workers' compensation risk pool and, therefore, the activity of the Plan is recorded in the County's General Fund. The entities participate in this program based on estimates of the amounts needed to pay prior and current year claims and to establish appropriate reserves. Management estimates calculated as of December 31, 2024 indicate a liability of \$29,648,181.

### Discretely Presented Component Units

#### i) Dutchess Community College

***Litigation***—The College is a defendant in several lawsuits. While the outcome of these lawsuits or other proceedings against the College cannot be predicted with certainty, the College does not expect that these matters will have a material adverse effect on its financial position.

***State and Federal Grant Programs and State Aid***—The College participates in various State and Federal grant programs. These programs are subject to program compliance audits by the grantors or their representative. The audits of these programs are an ongoing process and many have not yet been conducted or completed. Accordingly, the College's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the College

anticipates such amounts, if any, will not be material. The College's Federal compliance audit under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"), is performed in conjunction with the audit of the College and is included in the College's report.

The College is subject to audits of State aid by New York State. The amount of aid previously paid to the College which may be disallowed cannot be determined at this time, although the College anticipates such amounts, if any, to be immaterial.

**ii) Dutchess County Resource Recovery Agency**

***Economic Dependency***—The Agency is entitled to receive net service fees from Dutchess County based on a contractual formula, generally when revenues are insufficient to cover operating expenses and debt service requirements. These payments are subject to approval by resolution of the Dutchess County Legislature.

***Operating Permits***—The Agency is required to maintain operating permits for its small power production and solid waste management facility. The NYSDEC Part 360 Operating permit expires in April 2025. The Title V Air Control permit was renewed and expires March 2027. The renewal term is 5 years.

***Operations Service Agreement***—The Agency employs an independent engineer to prepare an annual report summarizing waste processed, utility usage, supplemental compensation, and other items relating to revenues and expenses of the Operator. The Agency records a receivable and expense accrual covering the amounts shown to be due to and due from the Operator. The Agency and the current Operator have agreed upon and accepted the 2023 annual reconciliation.

**iii) Dutchess County Water and Wastewater Authority**

***Litigation***—The Authority is subject to various litigation and claims arising out of the course of its operations. While the results of the lawsuits cannot be predicted with certainty, management does not believe these matters will have an adverse effect on the Authority's overall financial position.

The Authority assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Such risks are covered by the purchase of commercial insurance. Workers compensation coverage is provided through a retrospective policy, wherein premiums are recorded based on the ultimate cost of the experience to date of workers in similar occupations. Judgments and claims 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. The Authority has purchased insurance with limits as follows: cyber insurance coverage of \$1,000,000 per claim and a \$3,000,000 aggregate, umbrella liability of \$10,000,000 per occurrence and a \$20,000,000 aggregate, business auto coverage of \$1,000,000, general liability of \$1,000,000 per claim and aggregate coverage of \$3,000,000, blanket property of \$72,126,387, and workers' compensation of \$100,000/\$500,000.

***System Acquisitions***—In 2019, the Authority authorized a memorandum of understanding to manage a Village's water and sewer systems with the expectation of acquiring the systems upon completion of certain improvements. The closing date is dependent on the timeline for the construction and completion of the new infrastructure, at which time the Authority will acquire the water and sewer systems and issue debt. The Authority acquired the water and sewer systems and issued corresponding debt as of December 5, 2023 and December 25, 2023, respectively.

## 20. SUBSEQUENT EVENTS

On April 10, 2025, the County issued \$12,000,000 in public improvement serial bonds with an interest rate of 4.00 percent for various construction projects and equipment purchases. The bonds have varying maturity dates of April 2026 through 2045.

Management has evaluated subsequent events through September 22, 2025, which is the date the financial statements are available for issuance, and have determined, except as disclosed above regarding the bond issuance, there are no subsequent events that require disclosure under generally accepted accounting principles.

\* \* \* \* \*

## REQUIRED SUPPLEMENTARY INFORMATION

**COUNTY OF DUTCHESS, 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, |                       |                        |                       |                       |                       |                       |                       |                       |                       |
|---|-------------------------|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2024                    | 2023                  | 2022                   | 2021                  | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  |
| Measurement date  | March 31, 2024          | March 31, 2023        | March 31, 2022         | March 31, 2021        | March 31, 2020        | March 31, 2019        | March 31, 2018        | March 31, 2017        | March 31, 2016        | March 31, 2015        |
| Plan fiduciary net position as a percentage of the total pension liability                                | 93.9%                   | 90.8%                 | 103.7%                 | 100.0%                | 86.4%                 | 96.3%                 | 98.2%                 | 94.7%                 | 90.7%                 | 97.9%                 |
| <b>Governmental activities:</b>   |                         |                       |                        |                       |                       |                       |                       |                       |                       |                       |
| County's proportion of the net pension liability/(asset)  | 0.4818796%              | 0.4381361%            | 0.4429927%             | 0.4744702%            | 0.4760286%            | 0.4553470%            | 0.4550870%            | 0.4602844%            | 0.4285410%            | 0.4315423%            |
| County's proportionate share of the net pension liability/(asset)   | <u>\$ 70,952,016</u>    | <u>\$ 93,954,093</u>  | <u>\$ (36,212,757)</u> | <u>\$ 472,425</u>     | <u>\$ 126,055,090</u> | <u>\$ 32,351,118</u>  | <u>\$ 14,687,677</u>  | <u>\$ 43,249,327</u>  | <u>\$ 68,782,035</u>  | <u>\$ 14,578,554</u>  |
| County's covered payroll  | <u>\$ 179,457,439</u>   | <u>\$ 165,408,007</u> | <u>\$ 124,454,507</u>  | <u>\$ 127,322,279</u> | <u>\$ 129,568,196</u> | <u>\$ 125,225,222</u> | <u>\$ 120,835,233</u> | <u>\$ 116,780,725</u> | <u>\$ 112,421,243</u> | <u>\$ 106,956,864</u> |
| County's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll  | 39.5%                   | 56.8%                 | (29.1%)                | 0.4%                  | 97.3%                 | 25.8%                 | 12.2%                 | 37.0%                 | 61.2%                 | 13.6%                 |
| <b>Business-type activities:</b>  |                         |                       |                        |                       |                       |                       |                       |                       |                       |                       |
| County's proportion of the net pension liability/(asset)  | 0.0246420%              | 0.0226610%            | 0.0165830%             | 0.0019360%            | 0.0019230%            | 0.0018060%            | 0.0016680%            | 0.0020920%            | 0.0022695%            | 0.0024813%            |
| County's proportionate share of the net pension liability/(asset)   | <u>\$ 3,628,404</u>     | <u>\$ 4,859,449</u>   | <u>\$ (1,355,663)</u>  | <u>\$ 1,931</u>       | <u>\$ 509,153</u>     | <u>\$ 128,319</u>     | <u>\$ 53,841</u>      | <u>\$ 196,573</u>     | <u>\$ 333,416</u>     | <u>\$ 83,823</u>      |
| County's covered payroll  | <u>\$ 9,105,580</u>     | <u>\$ 6,595,665</u>   | <u>\$ 514,155</u>      | <u>\$ 515,409</u>     | <u>\$ 510,288</u>     | <u>\$ 465,842</u>     | <u>\$ 528,666</u>     | <u>\$ 568,778</u>     | <u>\$ 601,284</u>     | <u>\$ 653,156</u>     |
| County's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll  | 39.8%                   | 73.7%                 | (263.7%)               | 0.4%                  | 99.8%                 | 27.5%                 | 10.2%                 | 34.6%                 | 55.5%                 | 12.8%                 |
| <b>Discretely presented component units:</b>  |                         |                       |                        |                       |                       |                       |                       |                       |                       |                       |
| <b>Dutchess Community College (the "College"):</b>  |                         |                       |                        |                       |                       |                       |                       |                       |                       |                       |
|   | Year Ended August 31,   |                       |                        |                       |                       |                       |                       |                       |                       |                       |
|   | 2024                    | 2023                  | 2022                   | 2021                  | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  |
| College's proportion of the net pension liability/(asset)   | 0.044704%               | 0.040342%             | 0.037478%              | 0.0411200%            | 0.0425790%            | 0.0428470%            | 0.0421960%            | 0.0435610%            | 0.0398490%            | 0.0404747%            |
| College's proportionate share of the net pension liability/(asset)  | <u>\$ 6,582,298</u>     | <u>\$ 8,650,887</u>   | <u>\$ (3,063,659)</u>  | <u>\$ 40,968</u>      | <u>\$ 11,275,272</u>  | <u>\$ 3,035,807</u>   | <u>\$ 1,361,853</u>   | <u>\$ 4,093,109</u>   | <u>\$ 6,395,803</u>   | <u>\$ 1,367,334</u>   |
| College's covered payroll   | <u>\$ 13,202,177</u>    | <u>\$ 12,789,798</u>  | <u>\$ 10,672,354</u>   | <u>\$ 11,067,588</u>  | <u>\$ 11,745,423</u>  | <u>\$ 12,045,553</u>  | <u>\$ 11,240,160</u>  | <u>\$ 10,785,934</u>  | <u>\$ 9,969,544</u>   | <u>\$ 9,576,118</u>   |
| College's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll | 49.9%                   | 67.6%                 | (28.7%)                | 0.4%                  | 96.0%                 | 25.2%                 | 12.1%                 | 37.9%                 | 64.2%                 | 14.3%                 |

(continued)

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

(concluded)

|   | Year Ended December 31, |              |              |              |              |              |              |              |              |              |
|---|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2024                    | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
| <b>Dutchess County Resource Recovery Agency (the "Agency"):</b>   |                         |              |              |              |              |              |              |              |              |              |
| Agency's proportion of the net pension liability/(asset)  | 0.0001251%              | 0.0001446%   | 0.0001984%   | 0.0002134%   | 0.0002420%   | 0.0002562%   | 0.0002656%   | 0.0002419%   | 0.0004802%   | 0.0005205%   |
| Agency's proportionate share of the net pension liability/(asset)   | \$ 18,425               | \$ 31,019    | \$ (16,216)  | \$ 212       | \$ 64,086    | \$ 18,149    | \$ 8,572     | \$ 22,726    | \$ 77,066    | \$ 17,583    |
| Agency's covered payroll  | \$ 89,606               | \$ 87,841    | \$ 116,089   | \$ 112,568   | \$ 109,699   | \$ 106,504   | \$ 110,214   | \$ 154,959   | \$ 209,503   | \$ 282,986   |
| Agency's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll    | 20.6%                   | 35.3%        | (14.0%)      | 0.2%         | 58.4%        | 17.0%        | 7.8%         | 14.7%        | 36.8%        | 6.2%         |
| <b>Dutchess County Water and Wastewater Authority (the "Authority"):</b>                                    |                         |              |              |              |              |              |              |              |              |              |
| Authority's proportion of the net pension liability/(asset)   | 0.00552990%             | 0.00536320%  | 0.00564530%  | 0.0052473%   | 0.0053375%   | 0.0050525%   | 0.0049234%   | 0.0045858%   | 0.0044523%   | 0.0044387%   |
| Authority's proportionate share of the net pension liability/(asset)  | \$ 814,224              | \$ 1,150,083 | \$ (461,483) | \$ 5,225     | \$ 1,413,389 | \$ 357,983   | \$ 158,901   | \$ 430,892   | \$ 714,613   | \$ 149,950   |
| Authority's covered payroll   | \$ 2,124,124            | \$ 1,955,555 | \$ 1,789,451 | \$ 1,631,928 | \$ 1,621,287 | \$ 1,524,688 | \$ 1,571,999 | \$ 1,457,392 | \$ 1,353,385 | \$ 1,310,369 |
| Authority's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll | 38.3%                   | 58.8%        | (25.8%)      | 0.3%         | 87.2%        | 23.5%        | 10.1%        | 29.6%        | 52.8%        | 11.4%        |
| <b>Dutchess County Soil and Water Conservation District (the "SWCD"):</b>                                   |                         |              |              |              |              |              |              |              |              |              |
| SWCD's proportion of the net pension liability/(asset)  | 0.0012032%              | 0.0012532%   | 0.0012118%   | 0.0012939%   | 0.0014083%   | 0.1436200%   | 0.0014702%   | 0.0014946%   | n/a          | n/a          |
| SWCD's proportionate share of the net pension liability/(asset)   | \$ 177,158              | \$ 268,741   | \$ (99,059)  | \$ 1,288     | \$ 372,934   | \$ 101,762   | \$ 47,451    | \$ 140,438   | n/a          | n/a          |
| SWCD's covered payroll  | \$ 288,074              | \$ 276,974   | \$ 244,490   | \$ 247,274   | \$ 264,660   | \$ 277,932   | \$ 279,336   | \$ 238,756   | n/a          | n/a          |
| SWCD's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll      | 61.5%                   | 97.0%        | (40.5%)      | 0.5%         | 140.9%       | 36.6%        | 17.0%        | 58.8%        | n/a          | n/a          |

\*Information prior to the year ended December 31, 2017 as to the SWCD is not available.

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

|  | Year Ended December 31, |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|--|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2024                    | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                |
| <b>Governmental activities:</b>                                      |                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Contractually required contributions                                 | \$ 20,418,736           | \$ 17,260,995       | \$ 15,835,468       | \$ 19,768,777       | \$ 18,509,410       | \$ 18,019,579       | \$ 17,559,786       | \$ 17,759,949       | \$ 17,666,654       | \$ 18,538,858       |
| Contributions in relation to the contractually required contribution | <u>(20,418,736)</u>     | <u>(17,260,995)</u> | <u>(15,835,468)</u> | <u>(19,768,777)</u> | <u>(18,509,410)</u> | <u>(18,019,579)</u> | <u>(17,559,786)</u> | <u>(17,759,949)</u> | <u>(17,666,654)</u> | <u>(18,538,858)</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   | \$ 146,365,646          | \$ 139,552,104      | \$ 133,383,774      | \$ 124,048,035      | \$ 129,494,778      | \$ 130,101,901      | \$ 123,984,193      | \$ 120,664,775      | \$ 116,343,200      | \$ 111,314,366      |
| Contributions as a percentage of covered payroll                     | 14.0%                   | 12.4%               | 11.9%               | 15.9%               | 14.3%               | 13.9%               | 14.2%               | 14.7%               | 15.2%               | 16.7%               |
| <b>Business-type activities:</b>                                     |                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Contractually required contributions                                 | \$ 779,390              | \$ 451,670          | \$ 65,478           | \$ 78,491           | \$ 72,011           | \$ 67,973           | \$ 71,477           | \$ 81,606           | \$ 92,861           | \$ 114,874          |
| Contributions in relation to the contractually required contribution | <u>(779,390)</u>        | <u>(451,670)</u>    | <u>(65,478)</u>     | <u>(78,491)</u>     | <u>(72,011)</u>     | <u>(67,973)</u>     | <u>(71,477)</u>     | <u>(81,606)</u>     | <u>(92,861)</u>     | <u>(114,874)</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   | \$ 7,484,971            | \$ 7,217,847        | \$ 4,993,363        | \$ 500,622          | \$ 522,808          | \$ 516,037          | \$ 454,480          | \$ 550,675          | \$ 565,023          | \$ 640,032          |
| Contributions as a percentage of covered payroll                     | 10.4%                   | 6.3%                | 1.3%                | 15.7%               | 13.8%               | 13.2%               | 15.7%               | 14.8%               | 16.4%               | 17.9%               |
| <b>Discretely presented component units:</b>                         |                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Dutchess Community College (the "College"):</b>                   |                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|  | Year Ended August 31,   |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|  | 2024                    | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                |
| Contractually required contributions                                 | \$ 1,895,406            | \$ 1,579,566        | \$ 1,167,035        | \$ 1,726,125        | \$ 1,633,690        | \$ 1,682,461        | \$ 1,590,774        | \$ 1,650,757        | \$ 1,676,786        | \$ 1,897,221        |
| Contributions in relation to the contractually required contribution | <u>(1,895,406)</u>      | <u>(1,579,566)</u>  | <u>(1,167,035)</u>  | <u>(1,726,125)</u>  | <u>(1,633,690)</u>  | <u>(1,682,461)</u>  | <u>(1,590,774)</u>  | <u>(1,650,757)</u>  | <u>(1,676,786)</u>  | <u>(1,897,221)</u>  |
| Contribution deficiency (excess)                                     | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         |
| College's covered payroll  | \$ 13,202,177           | \$ 12,789,798       | \$ 10,672,354       | \$ 11,067,588       | \$ 11,745,423       | \$ 12,045,553       | \$ 11,240,160       | \$ 11,035,124       | \$ 10,202,724       | \$ 9,961,962        |
| Contributions as a percentage of covered payroll                     | 14.4%                   | 12.4%               | 10.9%               | 15.6%               | 13.9%               | 14.0%               | 14.2%               | 15.0%               | 16.4%               | 19.0%               |

(continued)

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

(concluded)

|   | Year Ended December 31, |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|---|-------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | 2024                    | 2023             | 2022             | 2021             | 2020             | 2019             | 2018             | 2017             | 2016             | 2015             |
| <b>Dutchess County Resource Recovery Agency (the "Agency"):</b>           |                         |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Contractually required contributions                                      | \$ 12,908               | \$ 14,869        | \$ 20,096        | \$ 17,408        | \$ 16,580        | \$ 17,159        | \$ 26,030        | \$ 41,623        | \$ 62,345        | \$ 56,026        |
| Contributions in relation to the contractually required contribution      | <u>(12,908)</u>         | <u>(14,869)</u>  | <u>(20,096)</u>  | <u>(17,408)</u>  | <u>(16,580)</u>  | <u>(17,159)</u>  | <u>(26,030)</u>  | <u>(41,623)</u>  | <u>(62,345)</u>  | <u>(56,026)</u>  |
| Contribution deficiency (excess)  | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| Agency's covered payroll  | \$ 92,882               | \$ 87,841        | \$ 116,089       | \$ 112,568       | \$ 109,699       | \$ 106,504       | \$ 110,214       | \$ 154,959       | \$ 209,503       | \$ 282,986       |
| Contributions as a percentage of covered payroll                          | 13.9%                   | 16.9%            | 17.3%            | 15.5%            | 15.1%            | 16.1%            | 23.6%            | 26.9%            | 29.8%            | 19.8%            |
| <b>Dutchess County Water and Wastewater Authority (the "Authority"):</b>  |                         |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Contractually required contributions                                      | \$ 241,355              | \$ 184,406       | \$ 252,450       | \$ 231,654       | \$ 233,896       | \$ 223,011       | \$ 242,033       | \$ 226,072       | \$ 261,541       | \$ 256,914       |
| Contributions in relation to the contractually required contribution      | <u>(241,355)</u>        | <u>(184,406)</u> | <u>(252,450)</u> | <u>(231,654)</u> | <u>(233,896)</u> | <u>(223,011)</u> | <u>(242,033)</u> | <u>(226,072)</u> | <u>(261,541)</u> | <u>(256,914)</u> |
| Contribution deficiency (excess)  | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| Authority's covered payroll   | \$ 2,124,124            | \$ 1,955,555     | \$ 1,789,451     | \$ 1,631,928     | \$ 1,621,287     | \$ 1,524,688     | \$ 1,571,999     | \$ 1,457,392     | \$ 1,353,385     | \$ 1,310,369     |
| Contributions as a percentage of covered payroll                          | 11.4%                   | 9.4%             | 14.1%            | 14.2%            | 14.4%            | 14.6%            | 15.4%            | 15.5%            | 19.3%            | 19.6%            |
| <b>Dutchess County Soil and Water Conservation District (the "SWCD"):</b> |                         |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Contractually required contributions                                      | \$ 46,341               | \$ 37,149        | \$ 29,411        | \$ 40,522        | \$ 37,337        | \$ 36,928        | \$ 36,650        | \$ 34,627        | n/a              | n/a              |
| Contributions in relation to the contractually required contribution      | <u>(46,341)</u>         | <u>(37,149)</u>  | <u>(29,411)</u>  | <u>(40,522)</u>  | <u>(37,337)</u>  | <u>(36,928)</u>  | <u>(36,650)</u>  | <u>(34,627)</u>  | n/a              | n/a              |
| Contribution deficiency (excess)  | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | n/a              | n/a              |
| SWCD's covered payroll  | \$ 288,074              | \$ 276,974       | \$ 244,490       | \$ 247,274       | \$ 264,660       | \$ 277,932       | \$ 279,336       | \$ 238,756       | n/a              | n/a              |
| Contributions as a percentage of covered payroll                          | 16.1%                   | 13.4%            | 12.0%            | 16.4%            | 14.1%            | 13.3%            | 13.1%            | 14.5%            | n/a              | n/a              |

\*Information prior to the year ended December 31, 2017 as to the SWCD is not available.

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

**Discretely presented component unit:**

**Dutchess Community College (the "College"):**

|   | Year Ended August 31, |                     |                     |                       |                     |                       |                     |                     |                     |                       |
|---|-----------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|-----------------------|
|   | 2024                  | 2023                | 2022                | 2021                  | 2020                | 2019                  | 2018                | 2017                | 2016                | 2015                  |
| Measurement date  | June 30, 2024         | June 30, 2023       | June 30, 2022       | June 30, 2021         | June 30, 2020       | June 30, 2019         | June 30, 2018       | June 30, 2017       | June 30, 2016       | June 30, 2015         |
| Plan fiduciary net position as a percentage of the total pension liability/(asset)                        | 102.1%                | 99.2%               | 98.6%               | 113.2%                | 97.8%               | 102.2%                | 101.5%              | 100.7%              | 99.0%               | 110.5%                |
| College's proportion of the net pension liability/(asset)   | 0.0409820%            | 0.0392730%          | 0.0393330%          | 0.0391110%            | 0.0425670%          | 0.0413900%            | 0.0391440%          | 0.0363910%          | 0.0361260%          | 0.0320250%            |
| College's proportionate share of the net pension liability/(asset)  | <u>\$ (1,222,735)</u> | <u>\$ 449,119</u>   | <u>\$ 754,764</u>   | <u>\$ (6,777,521)</u> | <u>\$ 1,176,234</u> | <u>\$ (1,075,324)</u> | <u>\$ (707,829)</u> | <u>\$ (276,607)</u> | <u>\$ 386,919</u>   | <u>\$ (3,326,364)</u> |
| College's covered payroll   | <u>\$ 7,824,867</u>   | <u>\$ 7,253,362</u> | <u>\$ 6,968,010</u> | <u>\$ 6,638,353</u>   | <u>\$ 7,224,925</u> | <u>\$ 6,908,722</u>   | <u>\$ 6,376,142</u> | <u>\$ 5,766,757</u> | <u>\$ 5,574,525</u> | <u>\$ 4,810,570</u>   |
| College's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll | (15.6%)               | 6.2%                | 10.8%               | (102.1%)              | 16.3%               | (15.6%)               | (11.1%)             | (4.8%)              | 6.9%                | (69.2%)               |

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

**Discretely presented component unit:**

**Dutchess Community College (the "College"):**

|  | <b>Year Ended August 31,</b> |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|--|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|  | <b>2024</b>                  | <b>2023</b>      | <b>2022</b>      | <b>2021</b>      | <b>2020</b>      | <b>2019</b>      | <b>2018</b>      | <b>2017</b>      | <b>2016</b>      | <b>2015</b>      |
| Contractually required contributions                                 | \$ 763,707                   | \$ 746,371       | \$ 682,865       | \$ 632,635       | \$ 640,128       | \$ 733,706       | \$ 624,862       | \$ 675,864       | \$ 739,182       | \$ 843,293       |
| Contributions in relation to the contractually required contribution | <u>(763,707)</u>             | <u>(746,371)</u> | <u>(682,865)</u> | <u>(632,635)</u> | <u>(640,128)</u> | <u>(733,706)</u> | <u>(624,862)</u> | <u>(675,864)</u> | <u>(739,182)</u> | <u>(843,293)</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>                  | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| College's covered payroll  | \$ 7,824,867                 | \$ 7,253,362     | \$ 6,968,010     | \$ 6,638,353     | \$ 7,224,925     | \$ 6,908,722     | \$ 6,376,142     | \$ 5,769,740     | \$ 5,574,525     | \$ 4,810,570     |
| Contributions as a percentage of covered payroll                     | 9.8%                         | 10.3%            | 9.8%             | 9.5%             | 8.9%             | 10.6%            | 9.8%             | 11.7%            | 13.3%            | 17.5%            |

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

**Primary Government – Governmental Activities:**

|   | <u>2024</u>           | <u>2023</u>           | <u>2022</u>           | <u>2021</u>           | <u>2020</u>           | <u>2019</u>           | <u>2018</u>           |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total OPEB liability</b>   |                       |                       |                       |                       |                       |                       |                       |
| Service cost  | \$ 12,777,473         | \$ 23,657,682         | \$ 24,427,067         | \$ 16,095,499         | \$ 11,036,673         | \$ 13,990,061         | \$ 12,937,349         |
| Interest  | 15,232,944            | 12,723,434            | 12,447,598            | 12,914,614            | 14,624,914            | 14,453,082            | 14,242,764            |
| Differences between expected and actual experience                        | -                     | (107,567,419)         | -                     | 29,128,279            | -                     | 3,353,319             | -                     |
| Changes of assumptions or other inputs                                    | 33,431,711            | (114,674,927)         | 6,541,039             | 60,311,968            | 93,413,115            | (50,822,845)          | 23,150,690            |
| Change of benefit terms   | -                     | -                     | -                     | -                     | -                     | (32,777,750)          | -                     |
| Benefit payments  | <u>(10,852,542)</u>   | <u>(12,546,416)</u>   | <u>(11,763,062)</u>   | <u>(10,175,853)</u>   | <u>(8,824,971)</u>    | <u>(8,544,961)</u>    | <u>(7,512,046)</u>    |
| Net changes in total OPEB liability                                       | 50,589,586            | (198,407,646)         | 31,652,642            | 108,274,507           | 110,249,731           | (60,349,094)          | 42,818,757            |
| Total OPEB liability—beginning  | 401,850,291           | 600,257,937           | 568,605,295           | 460,330,788           | 350,081,057           | 410,430,151           | 367,611,394           |
| Total OPEB liability—ending   | <u>\$ 452,439,877</u> | <u>\$ 401,850,291</u> | <u>\$ 600,257,937</u> | <u>\$ 568,605,295</u> | <u>\$ 460,330,788</u> | <u>\$ 350,081,057</u> | <u>\$ 410,430,151</u> |
| <b>Plan fiduciary net position</b>  |                       |                       |                       |                       |                       |                       |                       |
| Contributions—employer  | \$ 10,852,542         | \$ 12,546,416         | \$ 11,763,062         | \$ 10,175,853         | \$ 8,824,971          | \$ 8,544,961          | \$ 7,512,046          |
| Benefit payments  | <u>(10,852,542)</u>   | <u>(12,546,416)</u>   | <u>(11,763,062)</u>   | <u>(10,175,853)</u>   | <u>(8,824,971)</u>    | <u>(8,544,961)</u>    | <u>(7,512,046)</u>    |
| Net change in plan fiduciary net position                                 | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Plan fiduciary net position—beginning                                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Plan fiduciary net position—ending  | <u>\$ -</u>           |
| <b>County's net OPEB liability—ending</b>                                 | <u>\$ 452,439,877</u> | <u>\$ 401,850,291</u> | <u>\$ 600,257,937</u> | <u>\$ 568,605,295</u> | <u>\$ 460,330,788</u> | <u>\$ 350,081,057</u> | <u>\$ 410,430,151</u> |
| Plan's fiduciary net position as a percentage of the total OPEB liability | 0.0%                  | 0.0%                  | 0.0%                  | 0.0%                  | 0.0%                  | 0.0%                  | 0.0%                  |
| Covered-employee payroll  | \$ 137,346,329        | \$ 138,672,828        | \$ 132,693,425        | \$ 129,274,307        | \$ 124,020,286        | \$ 124,030,926        | \$ 119,220,005        |
| County's net OPEB liability as a percentage of covered-employee payroll   | 329.4%                | 289.8%                | 452.4%                | 439.8%                | 371.2%                | 282.3%                | 344.3%                |

**Primary Government – Business-type Activities:**

|   | <u>2024</u>         | <u>2023</u>         | <u>2022</u>         | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total OPEB liability</b>   |                     |                     |                     |                     |                     |                     |                     |
| Service cost  | \$ 740,302          | \$ 755,697          | \$ 77,378           | \$ 55,702           | \$ 38,110           | \$ 50,088           | \$ 50,961           |
| Interest  | 111,370             | 79,301              | 64,827              | 44,055              | 48,717              | 56,759              | 56,103              |
| Differences between expected and actual experience                        | -                   | (546,855)           | -                   | 154,346             | -                   | 11,024              | -                   |
| Changes of assumptions or other inputs                                    | 60,802              | (805,094)           | 32,578              | 1,211,640           | 316,798             | (333,843)           | 91,191              |
| Change of benefit terms   | -                   | -                   | -                   | -                   | -                   | (216,188)           | -                   |
| Benefit payments  | <u>(64,828)</u>     | <u>(57,957)</u>     | <u>(64,828)</u>     | <u>(5,745)</u>      | <u>(1,560)</u>      | <u>(33,659)</u>     | <u>(29,590)</u>     |
| Net changes in total OPEB liability                                       | 847,646             | (574,908)           | 109,955             | 1,459,998           | 402,065             | (465,819)           | 168,665             |
| Total OPEB liability—beginning  | 2,547,992           | 3,122,900           | 3,012,945           | 1,552,947           | 1,150,882           | 1,616,701           | 1,448,036           |
| Total OPEB liability—ending   | <u>\$ 3,395,638</u> | <u>\$ 2,547,992</u> | <u>\$ 3,122,900</u> | <u>\$ 3,012,945</u> | <u>\$ 1,552,947</u> | <u>\$ 1,150,882</u> | <u>\$ 1,616,701</u> |
| <b>Plan fiduciary net position</b>  |                     |                     |                     |                     |                     |                     |                     |
| Contributions—employer  | \$ 64,828           | \$ 57,957           | \$ 64,828           | \$ 5,745            | \$ 1,560            | \$ 33,659           | \$ 29,590           |
| Benefit payments  | <u>(64,828)</u>     | <u>(57,957)</u>     | <u>(64,828)</u>     | <u>(5,745)</u>      | <u>(1,560)</u>      | <u>(33,659)</u>     | <u>(29,590)</u>     |
| Net change in plan fiduciary net position                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Plan fiduciary net position—beginning                                     | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Plan fiduciary net position—ending  | <u>\$ -</u>         |
| <b>County's net OPEB liability—ending</b>                                 | <u>\$ 3,395,638</u> | <u>\$ 2,547,992</u> | <u>\$ 3,122,900</u> | <u>\$ 3,012,945</u> | <u>\$ 1,552,947</u> | <u>\$ 1,150,882</u> | <u>\$ 1,616,701</u> |
| Plan's fiduciary net position as a percentage of the total OPEB liability | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%                |
| Covered-employee payroll  | \$ 1,030,808        | \$ 879,276          | \$ 690,350          | \$ 685,003          | \$ 418,388          | \$ 407,748          | \$ 469,612          |
| County's net OPEB liability as a percentage of covered-employee payroll   | 329.4%              | 289.8%              | 452.4%              | 439.8%              | 371.2%              | 282.3%              | 344.3%              |

(continued)

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

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

**A. Discretely presented component units:**

**i) Dutchess Community College (the "College"):**

|   | <u>2024</u>           | <u>2023</u>           | <u>2022</u>           | <u>2021</u>           | <u>2020</u>          | <u>2019</u>          | <u>2018</u>          |
|---|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| <b>Total OPEB liability</b>   |                       |                       |                       |                       |                      |                      |                      |
| Service cost  | \$ 3,617,002          | \$ 4,828,745          | \$ 4,974,248          | \$ 3,717,886          | \$ 3,295,076         | \$ 2,878,655         | \$ 3,672,802         |
| Interest  | 3,753,820             | 2,729,704             | 2,663,411             | 2,932,085             | 3,361,450            | 3,147,583            | 2,735,372            |
| Differences between expected and actual experience                        | -                     | (13,785,708)          | -                     | 1,422,545             | -                    | (3,361,632)          | -                    |
| Changes of assumptions  | (2,815,928)           | (14,484,555)          | 1,310,918             | 15,147,925            | 8,640,338            | (5,826,837)          | (9,978,090)          |
| Changes in benefit terms  | -                     | (67,822)              | -                     | -                     | -                    | -                    | -                    |
| Benefit payments  | (2,453,586)           | (2,422,417)           | (2,199,524)           | (2,072,540)           | (1,690,199)          | (2,397,410)          | (2,156,867)          |
| Net changes in total OPEB liability                                       | 2,101,308             | (23,202,053)          | 6,749,053             | 21,147,901            | 13,606,665           | (5,559,641)          | (5,726,783)          |
| Total OPEB liability—beginning  | <u>100,736,701</u>    | <u>123,938,754</u>    | <u>117,189,701</u>    | <u>96,041,800</u>     | <u>82,435,135</u>    | <u>87,994,776</u>    | <u>93,721,559</u>    |
| Total OPEB liability—ending   | <u>\$ 102,838,009</u> | <u>\$ 100,736,701</u> | <u>\$ 123,938,754</u> | <u>\$ 117,189,701</u> | <u>\$ 96,041,800</u> | <u>\$ 82,435,135</u> | <u>\$ 87,994,776</u> |
| <b>Plan fiduciary net position</b>  |                       |                       |                       |                       |                      |                      |                      |
| Contributions—employer  | \$ 2,453,586          | \$ 2,422,417          | \$ 2,199,524          | \$ 2,072,540          | \$ 1,690,199         | \$ 2,397,410         | \$ 2,156,867         |
| Benefit payments  | (2,453,586)           | (2,422,417)           | (2,199,524)           | (2,072,540)           | (1,690,199)          | (2,397,410)          | (2,156,867)          |
| Net change in plan fiduciary net position                                 | -                     | -                     | -                     | -                     | -                    | -                    | -                    |
| Plan fiduciary net position—beginning                                     | -                     | -                     | -                     | -                     | -                    | -                    | -                    |
| Plan fiduciary net position—ending  | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          |
| <b>College's net OPEB liability—ending</b>                                | <u>\$ 102,838,009</u> | <u>\$ 100,736,701</u> | <u>\$ 123,938,754</u> | <u>\$ 117,189,701</u> | <u>\$ 96,041,800</u> | <u>\$ 82,435,135</u> | <u>\$ 87,994,776</u> |
| Plan's fiduciary net position as a percentage of the total OPEB liability | 0.0%                  | 0.0%                  | 0.0%                  | 0.0%                  | 0.0%                 | 0.0%                 | 0.0%                 |
| Covered-employee payroll  | \$ 24,738,025         | \$ 22,748,095         | \$ 22,678,754         | \$ 26,069,038         | \$ 26,802,387        | \$ 26,802,387        | \$ 25,536,347        |
| College's net OPEB liability as a percentage of covered-employee payroll  | 415.7%                | 442.8%                | 546.5%                | 449.5%                | 358.3%               | 307.6%               | 344.6%               |

**ii) Dutchess County Resource Recovery Agency (the "Agency"):**

|   | <u>2024</u>       | <u>2023</u>       | <u>2022</u>       | <u>2021</u>       | <u>2020</u>       | <u>2019</u>       | <u>2018</u>       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Total OPEB liability</b>   |                   |                   |                   |                   |                   |                   |                   |
| Service cost  | \$ -              | \$ -              | \$ -              | \$ 82,323         | \$ 82,323         | \$ 82,323         | \$ 82,323         |
| Interest  | 8,549             | 8,218             | 4,875             | 9,341             | 9,064             | 7,967             | 11,610            |
| Changes of benefit terms  | -                 | -                 | -                 | (82,499)          | -                 | (43,499)          | (140,571)         |
| Changes of assumptions  | 230,020           | 36,406            | 53,559            | 12,249            | (40,004)          | (9,084)           | (36,153)          |
| Benefit payments  | (37,720)          | (32,140)          | (34,732)          | (32,794)          | (51,318)          | (57,265)          | (68,478)          |
| Net changes in total OPEB liability                                       | 200,849           | 12,484            | 23,702            | (11,380)          | 65                | (19,558)          | (151,269)         |
| Total OPEB liability—beginning  | <u>270,131</u>    | <u>257,647</u>    | <u>233,945</u>    | <u>245,325</u>    | <u>245,260</u>    | <u>264,818</u>    | <u>416,087</u>    |
| Total OPEB liability—ending   | <u>\$ 470,980</u> | <u>\$ 270,131</u> | <u>\$ 257,647</u> | <u>\$ 233,945</u> | <u>\$ 245,325</u> | <u>\$ 245,260</u> | <u>\$ 264,818</u> |
| <b>Plan fiduciary net position</b>  |                   |                   |                   |                   |                   |                   |                   |
| Contributions—employer  | \$ 37,720         | \$ 32,140         | \$ 34,732         | \$ 32,794         | \$ 51,318         | \$ 57,265         | \$ 68,478         |
| Benefit payments  | (37,720)          | (32,140)          | (34,732)          | (32,794)          | (51,318)          | (57,265)          | (68,478)          |
| Net change in plan fiduciary net position                                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Plan fiduciary net position—beginning                                     | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Plan fiduciary net position—ending  | <u>\$ -</u>       |
| <b>Agency's net OPEB liability—ending</b>                                 | <u>\$ 470,980</u> | <u>\$ 270,131</u> | <u>\$ 257,647</u> | <u>\$ 233,945</u> | <u>\$ 245,325</u> | <u>\$ 245,260</u> | <u>\$ 264,818</u> |
| Plan's fiduciary net position as a percentage of the total OPEB liability | 0.0%              | 0.0%              | 0.0%              | 0.0%              | 0.0%              | 0.0%              | 0.0%              |
| Covered-employee payroll  | \$ 89,442         | \$ 83,452         | \$ 83,452         | \$ 113,035        | \$ 109,699        | \$ 106,504        | \$ 108,653        |
| Agency's net OPEB liability as a percentage of covered-employee payroll   | 526.6%            | 323.7%            | 308.7%            | 207.0%            | 223.6%            | 230.3%            | 243.7%            |

(continued)

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

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

(concluded)

**iii) Dutchess County Water and Wastewater Authority (the "Authority"):**

|  | <u>2024</u>         | <u>2023</u>         | <u>2022</u>         | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total OPEB liability</b>  |                     |                     |                     |                     |                     |                     |                     |
| Service cost   | \$ 78,737           | \$ 75,392           | \$ 198,423          | \$ 139,938          | \$ 139,938          | \$ 100,078          | \$ 131,287          |
| Interest   | 102,438             | 99,749              | 84,827              | 84,845              | 86,348              | 109,127             | 70,031              |
| Economic/Demographic gains or losses                                       | 34,657              | 44,968              | (879,551)           | (134,563)           | 360,863             | 512,336             | (650,072)           |
| Changes of assumptions   | (60,548)            | 83,127              | (805,561)           | 35,411              | 322,193             | (163,705)           | 217,465             |
| Benefit payments   | (89,485)            | (85,465)            | (75,636)            | (61,266)            | (55,948)            | (45,501)            | (32,545)            |
| Net changes in total OPEB liability  | 65,799              | 217,771             | (1,477,498)         | 64,365              | 853,394             | 512,335             | (263,834)           |
| Total OPEB liability—beginning   | 2,697,275           | 2,479,504           | 3,957,002           | 3,892,637           | 3,039,243           | 2,526,908           | 2,790,742           |
| Total OPEB liability—ending  | <u>\$ 2,763,074</u> | <u>\$ 2,697,275</u> | <u>\$ 2,479,504</u> | <u>\$ 3,957,002</u> | <u>\$ 3,892,637</u> | <u>\$ 3,039,243</u> | <u>\$ 2,526,908</u> |
| <b>Plan fiduciary net position</b>   |                     |                     |                     |                     |                     |                     |                     |
| Contributions—employer   | \$ 89,485           | \$ 85,465           | \$ 75,636           | \$ 61,266           | \$ 55,948           | \$ 45,501           | \$ 32,545           |
| Benefit payments   | (89,485)            | (85,465)            | (75,636)            | (61,266)            | (55,948)            | (45,501)            | (32,545)            |
| Net change in plan fiduciary net position                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Plan fiduciary net position—beginning                                      | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Plan fiduciary net position—ending   | <u>\$ -</u>         |
| <b>Authority's net OPEB liability—ending</b>                               | <u>\$ 2,763,074</u> | <u>\$ 2,697,275</u> | <u>\$ 2,479,504</u> | <u>\$ 3,957,002</u> | <u>\$ 3,892,637</u> | <u>\$ 3,039,243</u> | <u>\$ 2,526,908</u> |
| Plan's fiduciary net position as a percentage of the total OPEB liability  | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%                |
| Covered-employee payroll   | \$ 2,815,455        | \$ 1,757,989        | \$ 1,871,380        | \$ 1,624,214        | \$ 1,605,613        | \$ 1,579,990        | \$ 1,477,947        |
| Authority's net OPEB liability as a percentage of covered-employee payroll | 98.1%               | 153.4%              | 132.5%              | 243.6%              | 242.4%              | 192.4%              | 171.0%              |

\*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 DUTCHESS, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—General Fund**  
**Year Ended December 31, 2024**

|   | <u>Budgeted Amounts</u> |                      | <u>Actual</u><br><u>Amounts</u> | <u>Variance with</u><br><u>Final Budget</u> |
|---|-------------------------|----------------------|---------------------------------|---|
|   | <u>Original</u>         | <u>Final</u>         |                                 |   |
| <b>REVENUES</b>                                   |                         |                      |                                 |   |
| Real property taxes                               | \$ 90,510,741           | \$ 94,323,076        | \$ 91,360,826                   | \$ (2,962,250)                              |
| Sales and use taxes (includes other taxes)        | 273,146,018             | 273,146,018          | 269,961,651                     | (3,184,367)                                 |
| Departmental income                               | 26,195,955              | 26,195,955           | 25,723,048                      | (472,907)                                   |
| Use of money and property                         | 6,100,176               | 6,100,176            | 11,532,095                      | 5,431,919                                   |
| Miscellaneous                                     | 4,510,129               | 4,510,129            | 13,671,494                      | 9,161,365                                   |
| Grants and aid                                    | <u>143,876,662</u>      | <u>153,253,867</u>   | <u>180,523,668</u>              | <u>27,269,801</u>                           |
| Total revenues                                    | <u>544,339,681</u>      | <u>557,529,221</u>   | <u>592,772,782</u>              | <u>35,243,561</u>                           |
| <b>EXPENDITURES</b>                               |                         |                      |                                 |   |
| Current:  |                         |                      |                                 |   |
| General government support                        | 108,503,647             | 109,936,421          | 103,164,710                     | 6,771,711                                   |
| Education   | 21,330,156              | 21,330,156           | 21,192,298                      | 137,858                                     |
| Public safety                                     | 70,177,217              | 72,688,195           | 68,093,544                      | 4,594,651                                   |
| Health  | 82,784,663              | 82,142,963           | 79,098,678                      | 3,044,285                                   |
| Transportation                                    | 3,387,576               | 3,446,713            | 3,445,766                       | 947   |
| Economic assistance and opportunity               | 167,098,860             | 171,234,018          | 164,270,803                     | 6,963,215                                   |
| Culture and recreation                            | 5,183,358               | 5,360,255            | 4,736,589                       | 623,666                                     |
| Home and community services                       | 11,961,778              | 15,220,323           | 14,921,492                      | 298,831                                     |
| Employee benefits                                 | 75,932,009              | 73,756,792           | 72,677,421                      | 1,079,371                                   |
| Debt service:                                     |                         |                      |                                 |   |
| Principal   | 15,826,074              | 19,300,286           | 19,300,285                      | 1   |
| Interest and other fiscal charges                 | <u>9,200,713</u>        | <u>10,288,505</u>    | <u>10,288,504</u>               | <u>1</u>                                    |
| Total expenditures                                | <u>571,386,051</u>      | <u>584,704,627</u>   | <u>561,190,090</u>              | <u>23,514,537</u>                           |
| Excess (deficiency) of revenues over expenditures | <u>(27,046,370)</u>     | <u>(27,175,406)</u>  | <u>31,582,692</u>               | <u>58,758,098</u>                           |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                         |                      |                                 |   |
| Transfers in                                      | 395,983                 | 395,983              | 6,266,507                       | 5,870,524                                   |
| Transfers out                                     | (2,843,180)             | (7,125,831)          | (6,746,570)                     | 379,261                                     |
| Leases issued                                     | -                       | 1,126,914            | 1,126,914                       | -   |
| SBITAs issued                                     | -                       | 712,794              | 712,794                         | -   |
| Total other financing sources (uses)              | <u>(2,447,197)</u>      | <u>(4,890,140)</u>   | <u>1,359,645</u>                | <u>6,249,785</u>                            |
| Net change in fund balances*                      | (29,493,567)            | (32,065,546)         | 32,942,337                      | 65,007,883                                  |
| Fund balances—beginning                           | <u>159,403,238</u>      | <u>159,403,238</u>   | <u>159,403,238</u>              | <u>-</u>                                    |
| Fund balances—ending                              | <u>\$129,909,671</u>    | <u>\$127,337,692</u> | <u>\$192,345,575</u>            | <u>\$ 65,007,883</u>                        |

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

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

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

---

**1. OPEB LIABILITY**

**Changes of Assumptions**—The rate used to discount future plan cash flows decreased from 3.72% to 3.26% based on a review of a 20-year high-quality tax-exempt municipal bond index as of the January 1, 2024 measurement date. The mortality assumption is based on the Pub-2010 Mortality Tables for employees and healthy annuitants, adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

**Discretely Presented Component Units:**

**i) Dutchess Community College**

**Changes of Assumptions**—Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

|               |             |             |
|---------------|-------------|-------------|
|               | <u>2024</u> | <u>2023</u> |
| Discount rate | 3.81%       | 3.64%       |

**ii) Dutchess County Resource Recovery Agency**

**Changes of Assumptions**—Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

|               |             |             |
|---------------|-------------|-------------|
|               | <u>2024</u> | <u>2023</u> |
| Discount rate | 3.95%       | 3.50%       |

No assets are accumulated in a Trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

**iii) Dutchess County Water and Wastewater Authority**

**Changes of Assumptions**—Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

|               |             |             |
|---------------|-------------|-------------|
|               | <u>2024</u> | <u>2023</u> |
| Discount rate | 3.90%       | 3.75%       |

No assets are accumulated in a Trust that meets the criteria in paragraph 4 of GASB Statement 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. The Capital Projects Fund is appropriated on a project-length basis; appropriations are approved through County Legislature resolution at the project’s inception and lapse upon termination of the project.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations between separate funds and departments 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.

Actual results of operations presented in accordance with GAAP and the County’s accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed or assigned fund balance. Significant encumbrances are disclosed in the notes to the financial statements. The General Fund original budget for the year ended December 31, 2024 included encumbrances from the prior year of \$10,416,834.

## DRESCHER & MALECKI LLP

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



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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the governmental activities, the business-type activities, the major discretely presented component units, the aggregate nonmajor discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dutchess, New York (the “County”) as of and for the year ended December 31, 2024 (with the Dutchess Community College (the “College”) for the fiscal year ended August 31, 2024), and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated September 22, 2025 (which report includes an emphasis of matter paragraph regarding a restatement for the implementation of GASB Statement No. 101, *Compensated Absences*). Our report includes a reference to other auditors who audited the financial statements of the Dutchess County Local Development Corporation, the Dutchess Community College, the Dutchess County Resource Recovery Agency, Dutchess County Water and Wastewater Authority, the Dutchess County Industrial Development Agency, and the Dutchess County Soil and Water Conservation District, as described in our report on the County’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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

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

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

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

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

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

### **Purpose of this Report**

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

*Drescher & Malecki LLP*

September 22, 2025