COUNTY OF DUTCHESS, NEW YORK

Basic Financial Statements, Required Supplementary Information and Federal Awards Information for the Year Ended December 31, 2021 and Independent Auditors' Reports

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Certified Public Accountants

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, 2021 (with the Dutchess Community College for the fiscal year ended August 31, 2021), 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 referred to above 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, 2021, 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 7.9 percent of the assets and 5.7 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 60.6 percent, 7.4 percent, and 32.0 percent, respectively, of the assets, and 75.7 percent, 12.4 percent, and 11.9 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 nonmajor component units, and represent 87.2 percent and 12.8 percent, respectively, of the assets, and 64.1 percent and 35.9 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*, 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 our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The County's 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 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, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated September 13, 2022 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 the County's 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 13, 2022

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, 2021. 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.

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, 2021 by $199,207,474. This consists of $108,716,828 net investment in capital assets, $29,837,728 restricted for specific purposes, offset by an unrestricted net position of $(337,762,030).
- The County's primary government net position increased $34,304,805 during the year ended December 31, 2021. Governmental activities increased the County's net position by $34,438,707, while the net position of business-type activities decreased by $133,902.
- As of December 31, 2021, the County's governmental funds reported combined ending fund balances of $192,562,206, an increase of $58,853,288 in comparison with the prior year. This increase was primarily due to a significant increase in sales tax revenue and grants received to finance capital projects. This increase was partially offset by additional capital outlay during the year.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was $119,508,207, or 25.3 percent of total General Fund expenditures and transfers out. This total amount is available for spending at the County's discretion and constitutes approximately 75.3 percent of the General Fund's total fund balance of $158,767,100 at December 31, 2021.
- The County's governmental activities' serial bonds, excluding its blended component unit's serial bonds, increased by $35,717,919 during the current year as a result of serial bond issuances totaling $54,698,900, and scheduled principal payments of $18,980,981. The newly issued serial bonds mature in 2047 and carry an interest rate ranging from 2.0 to 5.0 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 30-90 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 91-102 of this report.

The Federal Awards Information section presents the County's Schedule of Expenditures of Federal Awards. This section can be found on pages 103-115 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 $(199,207,474) at the close of the most recent fiscal year, as compared to a net position of $(233,512,279), at the close of the fiscal year ended December 31, 2020.

Table 1—Condensed Statements of Net Position—Primary Government

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2021	2020	2021	2020	2021	2020
Current assets	$ 383,920,275	$ 288,058,182	$ 10,088,603	$ 9,950,421	$ 394,008,878	$ 298,008,603
Noncurrent assets	346,847,521	280,106,368	25,609,999	26,325,009	372,457,520	306,431,377
Total assets	730,767,796	568,164,550	35,698,602	36,275,430	766,466,398	604,439,980
Deferred outflows of resources	269,041,824	193,114,261	1,909,561	686,816	270,951,385	193,801,077
Current liabilities	151,842,375	109,451,466	832,257	1,158,120	152,674,632	110,609,586
Noncurrent liabilities	903,507,019	868,374,124	4,316,742	3,708,135	907,823,761	872,082,259
Total liabilities	1,055,349,394	977,825,590	5,148,999	4,866,255	1,060,498,393	982,691,845
Deferred inflows of resources	175,395,904	48,827,606	730,960	233,885	176,126,864	49,061,491
Net position:						
Net investment in capital assets	84,339,406	64,454,301	24,377,422	24,742,704	108,716,828	89,197,005
Restricted	29,837,728	33,779,289	-	-	29,837,728	33,779,289
Unrestricted	(345,112,812)	(363,607,975)	7,350,782	7,119,402	(337,762,030)	(356,488,573)
Total net position	$ (230,935,678)	$ (265,374,385)	$ 31,728,204	$ 31,862,106	$ (199,207,474)	$ (233,512,279)

The largest positive portion of the County's primary government net position, $108,716,828, reflects its net investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), net of accumulated depreciation, less any related outstanding debt that was used to acquire these assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that 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, $29,837,728, 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, $(337,762,030), 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 assets and are not expected to be repaid from current resources. These long-term liabilities including compensated absences, other postemployment benefits ("OPEB") obligations, claims payable, and net pension liability are funded annually within the funds.

Table 2, as presented below, shows the changes in net position for the years ended December 31, 2021 and December 31, 2020.

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,	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues	$ 174,568,994	$ 170,475,329	$ 15,581,842	$ 13,848,210	$ 190,150,836	$ 184,323,539
General revenues	374,986,755	322,489,815	238,416	240,273	375,225,171	322,730,088
Total revenues	549,555,749	492,965,144	15,820,258	14,088,483	565,376,007	507,053,627
Total expenses	513,052,231	543,493,881	18,018,971	16,926,099	531,071,202	560,419,980
Transfers	(2,064,811)	(1,079,665)	2,064,811	1,079,665	-	-
Change in net position	34,438,707	(51,608,402)	(133,902)	(1,757,951)	34,304,805	(53,366,353)
Net position—beginning	(265,374,385)	(213,765,983)	31,862,106	33,620,057	(233,512,279)	(180,145,926)
Net position—ending	$ (230,935,678)	$ (265,374,385)	$ 31,728,204	$ 31,862,106	$ (199,207,474)	$ (233,512,279)

Governmental activities—Governmental activities increased the County's net position by $34,438,707, primarily due to an increase in sales tax revenue.

A summary of sources of revenues for governmental activities for the years ended December 31, 2021 and 2020 is presented below.

Table 3—Summary of Sources of Revenues—Governmental Activities

	Year Ended December 31,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
Charges for services	$ 29,063,674	$ 23,180,574	$ 5,883,100	25.4
Operating grants and contributions	131,194,422	125,444,776	5,749,646	4.6
Capital grants and contributions	14,310,898	21,849,979	(7,539,081)	(34.5)
Property taxes and tax items	114,438,088	113,576,702	861,386	0.8
Non-property taxes	255,550,540	203,761,098	51,789,442	25.4
Tobacco settlement revenues	4,022,094	3,834,224	187,870	4.9
Other	976,033	1,317,791	(341,758)	(25.9)
Total revenues	$ 549,555,749	$ 492,965,144	$ 56,590,605	11.5

The most significant source of revenues is non-property taxes, which accounts for $255,550,540, or 46.5 percent of total governmental activities revenues for the year ended December 31, 2021, and $203,761,098, or 41.2 percent of total governmental activities revenues for the year ended December 31, 2020. The next largest source of revenues is operating grants and contributions, which comprises $131,194,422, or 23.9 percent, and $125,444,776, or 25.4 percent of total governmental activities revenues for the years ended December 31, 2021 and 2020, respectively. The third largest source of revenues is property taxes and tax items, which comprises $114,438,088, or 20.8 percent, and $113,576,702, or 23.0 percent of total governmental activities revenues for the years ended December 31, 2021 and 2020, respectively.

During the year ended December 31, 2021, total revenues increased by $56,590,605. Non-property taxes accounted for a $51,789,442 increase, resulting primarily from a significant increase in sales tax revenue. Charges for services and operating grants and contributions accounted for increases of $5,883,100 and $5,749,646, respectively, due to increases in departmental income and aid received through the American Rescue Plan Act. These increases were partially offset by a $7,539,081 decrease in capital grants and contributions, resulting primarily from decreased federal highway aid received for transportation capital projects.

A summary of program expenses of governmental activities for the years ended December 31, 2021 and 2020 is presented below in Table 4.

Table 4—Summary of Program Expenses—Governmental Activities

	Year Ended December 31,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
General government support	$ 115,089,750	$ 116,474,179	$ (1,384,429)	(1.2)
Education	21,378,695	31,437,970	(10,059,275)	(32.0)
Public safety	97,566,845	104,313,401	(6,746,556)	(6.5)
Health	71,533,124	72,778,755	(1,245,631)	(1.7)
Transportation	29,042,373	29,179,222	(136,849)	(0.5)
Economic assistance and opportunity	142,641,225	158,112,256	(15,471,031)	(9.8)
Culture and recreation	7,149,123	6,551,996	597,127	9.1
Home and community services	20,267,232	17,033,911	3,233,321	19.0
Interest and other fiscal charges	8,383,864	7,612,191	771,673	10.1
Total program expenses	$ 513,052,231	$ 543,493,881	$ (30,441,650)	(5.6)

The County's most significant expense items for governmental activities were economic assistance and opportunity of $142,641,225, or 27.8 percent of total governmental activities expenses, general government support of $115,089,750, or 22.4 percent of total governmental activities expenses, and public safety of $97,566,845, or 19.0 percent of total governmental activities expenses for the year ended December 31, 2021. Similarly, for the year ended December 31, 2020 the most significant expense items were economic assistance and opportunity of $158,112,256, or 29.1 percent of total governmental activities expenses, general government support of $116,474,179, or 21.4 percent of total governmental activities expenses, and public safety of $104,313,401, or 19.2 percent of total governmental activities expenses.

During the year ended December 31, 2021, expenses decreased mainly due to decreased allocable employee benefits expenses attributable to the County's net pension liability.

Business-type activities—Business-type activities decreased the County's net position by $133,902. The County's airport and transportation operations increased the business-type activities net position by $43,533 and $20,269, while the Local Development Corporation decreased the business-type activities net position by $197,704. For the year ended December 31, 2021, operating revenues increased 5.7 percent and operating expenses increased 6.6 percent.

A summary of operating revenues and operating expenses for the County's business-type activities for the years ended December 31, 2021 and 2020 is presented on the following page.

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

	Year Ended December 31,		Increase/(Decrease)	
	2021	2020	Dollar	Percent (%)
Operating revenues:				
Charges for services	$ 3,058,587	$ 2,606,153	$ 452,434	17.4
Operating grants and revenues	9,319,368	9,101,819	217,549	2.4
Other revenue	68,347	72,270	(3,923)	(5.4)
Total operating revenues	$ 12,446,302	$ 11,780,242	$ 666,060	5.7
Operating expenses:				
Personal services and employee benefits	$ 1,636,047	$ 1,580,068	$ 55,979	3.5
Depreciation	3,988,843	4,340,741	(351,898)	(8.1)
Contracted services	12,358,848	10,956,490	1,402,358	12.8
Total operating expenses	$ 17,983,738	$ 16,877,299	$ 1,106,439	6.6

The County's business-type activities operating revenues for the year ended December 31, 2021 increased 5.7 percent from the previous year, resulting primarily from increased charges for services related to mass transit usage.

Additionally, the most significant expense items for the year ended December 31, 2021 were contracted services, which accounted for $12,358,848, or 68.7 percent of total expenses, and depreciation expense of $3,988,843, or 22.2 percent of total expenses. Similarly, for the year ended December 31, 2020 the most significant expense items were contracted services, which accounted for $10,956,490, or 64.9 percent of total expenses, and depreciation expense of $4,340,741, or 25.7 percent of total expenses. Operating expenses increased 6.6 percent from the prior year ended December 31, 2020, due primarily to decreases in contracted services.

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, 2021, the County's governmental funds reported combined ending fund balances of $192,562,206, an increase of $58,853,288 in comparison with the prior year. The County had *unassigned fund balance* totaling $119,508,207, 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, $5,769,148; (2) restricted for particular purposes, $52,806,916; or (3) assigned for particular purposes, $14,477,935.

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 $119,508,207, while total fund balance increased to $158,767,100. The General Fund fund balance increased $62,582,016 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 25.3 percent of General Fund expenditures and transfers out, while total fund balance represents 33.6 percent of that same amount.

The fund balance in the Capital Projects Fund decreased $4,093,307 from the prior year, resulting in ending fund balance of $26,469,188 as of December 31, 2021. The decrease in the Capital Projects Fund is primarily due to a significant increase in capital outlay.

At December 31, 2021, the DTASC Fund reported restricted fund balance of $3,293,905 to be used for upcoming payments of principal and interest; and the remaining fund balance, $89,502, constitutes assigned fund balance which is available for spending towards DTASC activities. Total fund balance increased $7,159 during the year ended December 31, 2021.

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, 2021 totaled $18,946,588, which included $19,853,818 net investment in capital assets and an unrestricted net position deficit of $907,230. The Airport Fund net position increased $43,533 during the year ended December 31, 2021 primarily as a result of an increase in transfers in from the General Fund.

Net position of the Transportation Fund at December 31, 2021 totaled $9,787,082, which included $4,480,475 net investment in capital assets and unrestricted net position of $5,306,607. The Transportation Fund net position increased $20,269 as a result of operating revenues, nonoperating revenues, and transfers in exceeding transportation costs.

Net position of the Dutchess County Local Development Corporation at December 31, 2021 totaled $2,994,534, which included $43,129 net investment in capital assets and unrestricted net position of $2,951,405. The Dutchess County Local Development Corporation net position decreased $197,704 as a result of costs of operation exceeding operating and nonoperating revenues.

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, 2021 is presented in Table 6 below.

Table 6—General Fund Budget

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues and other financing sources	$ 459,761,521	$ 493,232,132	$ 535,182,180	$ 41,950,048
Expenditures and other financing uses	475,102,574	512,326,754	472,600,164	39,726,590
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	$ (15,341,053)	$ (19,094,622)	$ 62,582,016	$ 81,676,638

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 the majority of increases in revenues and expenditures from the original adopted budget to the final budget. Additionally, significant transfers and amendments to the budget included $23,336,754 supplemental appropriations, mainly within general government support, health, and home and community services to provide funding for ongoing activities.

Final budget compared to actual results—The General Fund had a favorable variance from the final budget of $81,676,638. The primary positive variances were realized from lower than expected institutional care and medicaid costs within economic assistance and opportunity and lower than expected costs of operating County health programs. Additionally, actual revenues and transfers in exceeded final budget by $39,187,840 due to more sales tax revenues than originally anticipated.

Capital Assets and Debt Administration

Capital assets—The County's investment in capital assets for its governmental activities and business-type activities as of December 31, 2021 amounted to $340,265,251 and $25,609,999, respectively (net of accumulated depreciation). This investment in capital assets includes land, right of way easements, construction in progress, infrastructure, buildings and building improvements and machinery and equipment. All depreciable capital assets were depreciated from acquisition date to the end of the current year as outlined in the County's capital asset policy.

Capital assets, net of depreciation, for the governmental activities and business-type activities at the years ended December 31, 2021 and 2020 are presented in Table 7 below.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	$ 14,603,453	$ 14,565,092	$ 3,385,364	$ 3,385,364	$ 17,988,817	$ 17,950,456
Right of way and easements	17,031,845	16,474,903	-	-	17,031,845	16,474,903
Construction in progress	97,791,367	32,882,082	974,045	805,304	98,765,412	33,687,386
Infrastructure	101,967,879	108,344,003	5,840,700	7,253,793	107,808,579	115,597,796
Buildings and improvements	70,986,485	77,105,165	11,308,725	12,040,916	82,295,210	89,146,081
Improvements other than buildings	3,687,757	3,732,079	31,273	35,182	3,719,030	3,767,261
Leased items	15,357,216	-	-	-	15,357,216	-
Machinery and equipment	18,839,249	20,146,202	4,069,892	2,804,450	22,909,141	22,950,652
Total	$ 340,265,251	$ 273,249,526	$ 25,609,999	$ 26,325,009	$ 365,875,250	$ 299,574,535

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 4 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 $2,257,947,714 as of December 31, 2021. At the end of 2021, the County's governmental activities outstanding bonded debt totaled $211,104,777 (excluding DTASC) and represents approximately 9.3% of the County's debt limit.

A summary of the County's long-term liabilities at December 31, 2021 and December 31, 2020 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,	
	2021	2020	2021	2020	2021	2020
Bonds payable	$ 275,908,187	$ 242,355,704	$ 1,232,577	$ 1,582,305	$ 277,140,764	$ 243,938,009
Capital leases	16,216,136	-	-	-	16,216,136	-
Compensated absences	10,322,529	10,396,428	69,289	63,730	10,391,818	10,460,158
Workers' compensation and general claims	31,982,447	29,236,114	-	-	31,982,447	29,236,114
Other postemployment benefits	568,605,295	460,330,788	3,012,945	1,552,947	571,618,240	461,883,735
Net pension liability	472,425	126,055,090	1,931	509,153	474,356	126,564,243
Total	$ 903,507,019	$ 868,374,124	$ 4,316,742	$ 3,708,135	$ 907,823,761	$ 872,082,259

Total outstanding long-term liabilities increased by $35,741,502 from prior year. Major factors that contributed to this increase include:

- Bonds payable increased in the governmental activities by $33,552,483 and decreased in the business-type activities by $349,728. During the year ended December 31, 2021, the County's primary government issued general improvement serial bonds in the amount of $54,808,900, partially offset by scheduled principal payments of $19,430,000.

- Reclassification and issuance of capital leases in governmental activities, resulting in lease liabilities totaling $16,216,136 at December 31, 2021.

- The net pension liability decreased in the governmental and business-type activities by $125,582,665 and $507,222, respectively. The liability is based on actuarial results related to the New York State retirement contribution programs.

- Obligations for other postemployment benefits ("OPEB") increased in the governmental and business-type activities by $108,274,507 and $1,459,998, respectively. This obligation is a commitment the County has made to its employees pursuant to contract negotiations. As health costs have risen dramatically over the past several years, County management has attempted to address these costs as new contracts have been negotiated. Newer contracts require greater employee contributions and increased length of employment to qualify for retiree health benefits. The increase is also 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 11 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:

Year Ended December 31,	
2022 (budgeted)	$ 37,917,893
2021	31,770,864
2020	36,732,140

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:

Year Ended December 31,	
2022 (budgeted)	$ 16,389,817
2021	19,823,380
2020	18,689,114

The County has appropriated $4.2 million in fund balance to finance the 2022 budget within the General Fund. The unassigned fund balance is $119.5 million in the General Fund as of December 31, 2021.

The total tax levy for the 2022 budget is $99.8 million, resulting in a property tax rate of $2.85 per thousand of assessed value, which is 10.1% lower than $3.17 in 2021. The true value assessment for the County has increased from $33.17 billion for the 2021 budget to $35.01 billion for the 2022 budget; an increase of 5.55%.

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 manufacturing industry continues to grow and see new investments including Onsemi's $150 million clear room expansion, and the IBM investment in 50,000 square feet of manufacturing space. As a result, the County is investing $1.2 million to establish a mechatronics lab to help train the workforce to meet the demand from manufacturers. Aside from the $545 million expansion of Vassar Brothers Medical Center in Poughkeepsie, the nearby Westchester Medical Center's Mid-Hudson Regional Hospital established a Maria Fareri Children's Hospital pediatric center and announced this year they will establish a Behavioral Health Center of Excellence in Poughkeepsie as well, which is anticipated to further increase the economic growth of the County and the labor force within the healthcare industry. Amazon has demolished a long vacant site in the Town of East Fishkill and is constructing a 631,000 square foot facility and hiring up to 700 employees. Nearby, iPark's industrial complex has submitted application to the Town of East Fishkill for approvals on up to five new buildings totaling approximately 1.5 million square feet. Additionally, GAP Inc, is underway with a $50 million expansion at their expansive three-million square foot northeast logistics center in Fishkill.

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 26-percent between Q4 2018 and Q4 2021. The County's AWW is second only to Westchester County in the Mid-Hudson Region.

Wealth levels for Dutchess County residents remains high. In 2020, the Median Household Income (MHI) was $81,842; 15% higher than New York State's MHI.

The County continues to experience an influx of investors and home buyers. In June 2022, the year-over-year Median Sale Price of a home was up seven-percent.

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

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COUNTY OF DUTCHESS, NEW YORK
Statement of Net Position
December 31, 2021

	Primary Government			Total Major Discretely Presented Component Units	Aggregate Nonmajor Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total		
ASSETS					
Cash and cash equivalents	$ 127,943,874	$ 6,306,980	$ 134,250,854	$ 32,396,332	$ 3,439,365
Restricted cash and cash equivalents	94,696,033	8,363	94,704,396	22,746,544	1,737,771
Investments	5,988,887	-	5,988,887	-	-
Receivables (net of allowances):					
Taxes	38,927,043	-	38,927,043	-	-
Accounts receivable	6,322,029	638,085	6,960,114	9,319,464	446,260
Intergovernmental receivables	101,830,950	5,521,202	107,352,152	282,134	-
Internal balances	2,442,311	(2,442,311)	-	-	-
Prepaid items	5,638,495	56,284	5,694,779	1,203,519	21,529
Inventories	130,653	-	130,653	-	-
Noncurrent net pension asset	-	-	-	6,777,521	-
Other noncurrent assets	6,582,270	-	6,582,270	3,292,182	-
Capital assets, not being depreciated	129,426,665	4,359,409	133,786,074	8,821,762	-
Capital assets, net of accumulated depreciation	210,838,586	21,250,590	232,089,176	155,807,762	13,215
Total assets	730,767,796	35,698,602	766,466,398	240,647,220	5,658,140
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows—relating to pensions	108,453,084	441,070	108,894,154	13,560,828	283,019
Deferred outflows—relating to OPEB	160,103,895	1,468,491	161,572,386	21,527,666	-
Deferred charge on refunding	484,845	-	484,845	684,157	-
Total deferred outflows of resources	269,041,824	1,909,561	270,951,385	35,772,651	283,019
LIABILITIES					
Accounts payable	61,725,473	788,618	62,514,091	6,105,977	324,743
Retainages payable	3,237,086	-	3,237,086	-	-
Accrued liabilities	8,367,228	35,276	8,402,504	4,373,669	8,539
Intergovernmental payables	50,185,206	-	50,185,206	-	-
Unearned revenue	28,327,382	8,363	28,335,745	2,732,922	84
Noncurrent liabilities:					
Due within one year	25,690,393	212,982	25,903,375	4,138,430	-
Due in more than one year	877,816,626	4,103,760	881,920,386	188,870,397	1,739,059
Total liabilities	1,055,349,394	5,148,999	1,060,498,393	206,221,395	2,072,425
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows—relating to pensions	138,501,582	565,159	139,066,741	21,416,468	422,452
Deferred inflows—relating to OPEB	25,240,876	165,801	25,406,677	7,197,866	-
Deferred inflows—relating to NYS TAP payments	-	-	-	486,549	-
Deferred inflows—relating to capital	-	-	-	21,673,633	-
Deferred gain on refunding	11,653,446	-	11,653,446	-	-
Total deferred inflows of resources	175,395,904	730,960	176,126,864	50,774,516	422,452
NET POSITION					
Net investment in capital assets	84,339,406	24,377,422	108,716,828	87,644,508	13,215
Restricted for:					
Debt service	11,250,230	-	11,250,230	-	-
Workers' compensation	13,269,669	-	13,269,669	-	-
Other	5,317,829	-	5,317,829	22,063,683	-
Unrestricted	(345,112,812)	7,350,782	(337,762,030)	(90,284,231)	3,433,067
Total net position	$(230,935,678)	$ 31,728,204	$(199,207,474)	$ 19,423,960	$ 3,446,282

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, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Total Major Discretely Presented Component Units	Aggregate Nonmajor Discretely Presented Component Units
Primary government:									
Governmental activities:									
General government support	$115,089,750	$ 11,389,043	$ 7,223,827	$ 31,923	$ (96,444,957)	$ -	$ (96,444,957)	$ -	$ -
Education	21,378,695	-	-	1,453,023	(19,925,672)	-	(19,925,672)	-	-
Public safety	97,566,845	3,557,072	3,725,272	319,909	(89,964,592)	-	(89,964,592)	-	-
Health	71,533,124	1,129,844	36,638,355	-	(33,764,925)	-	(33,764,925)	-	-
Transportation	29,042,373	2,166,692	3,997,541	11,840,802	(11,037,338)	-	(11,037,338)	-	-
Economic assistance and opportunity	142,641,225	8,670,372	72,439,653	-	(61,531,200)	-	(61,531,200)	-	-
Culture and recreation	7,149,123	230,571	626,616	665,241	(5,626,695)	-	(5,626,695)	-	-
Home and community services	20,267,232	1,920,080	6,543,158	-	(11,803,994)	-	(11,803,994)	-	-
Interest and other fiscal charges	8,383,864	-	-	-	(8,383,864)	-	(8,383,864)	-	-
Total governmental activities	513,052,231	29,063,674	131,194,422	14,310,898	(338,483,237)	-	(338,483,237)	-	-
Business-type activities:									
Airport	3,609,321	1,094,367	17,944	1,770,741	-	(726,269)	(726,269)	-	-
Transportation	13,311,252	1,067,664	9,301,424	1,433,146	-	(1,509,018)	(1,509,018)	-	-
Local Development Corporation	1,098,398	896,556	-	-	-	(201,842)	(201,842)	-	-
Total business-type activities	18,018,971	3,058,587	9,319,368	3,203,887	-	(2,437,129)	(2,437,129)	-	-
Total primary government	$531,071,202	$ 32,122,261	$140,513,790	$ 17,514,785	(338,483,237)	(2,437,129)	(340,920,366)	-	-
Component units:									
Dutchess Community College	$ 84,636,467	$ 59,519,231	$ 16,314,904	$ -				(8,802,332)	-
Resource Recovery Agency	15,113,574	15,581,394	-	-				467,820	-
Water and Wastewater Authority	12,667,978	8,024,338	-	3,194,756				(1,448,884)	-
Nonmajor component units	1,510,750	1,330,834	404,162	-				-	224,246
Total component units	$113,928,769	$ 84,455,797	$ 16,719,066	$ 3,194,756				(9,783,396)	224,246
General revenues:									
Property taxes, levied for general purpose					95,457,107	-	95,457,107	-	-
Property taxes, levied for debt service					18,980,981	-	18,980,981	-	-
Sales and use taxes					250,439,927	-	250,439,927	-	-
Other taxes					5,110,613	-	5,110,613	-	-
Use of money and property					976,033	170,069	1,146,102	2,973,151	4,304
Tobacco settlement revenues					4,022,094	-	4,022,094	-	-
Miscellaneous					-	68,347	68,347	-	11,905
Payments from primary government					-	-	-	20,445,180	302,744
Transfers					(2,064,811)	2,064,811	-	-	-
Total general revenues and transfers					372,921,944	2,303,227	375,225,171	23,418,331	318,953
Change in net position					34,438,707	(133,902)	34,304,805	13,634,935	543,199
Net position—beginning					(265,374,385)	31,862,106	(233,512,279)	5,789,025	2,903,083
Net position—ending					$ (230,935,678)	$31,728,204	$(199,207,474)	$ 19,423,960	$ 3,446,282

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

COUNTY OF DUTCHESS, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2021

	General	Capital Projects	DTASC	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 123,629,162	$ -	$ 89,502	$ 4,225,210	$ 127,943,874
Restricted cash and cash equivalents	56,274,563	35,125,765	3,293,905	1,800	94,696,033
Investments	5,988,887	-	-	-	5,988,887
Receivables (net of allowances):					
Taxes	38,927,043	-	-	-	38,927,043
Accounts receivable	6,315,426	-	-	6,603	6,322,029
Due from other funds	7,357,300	-	-	-	7,357,300
Intergovernmental receivables	56,873,024	11,266,880	-	1,616,169	69,756,073
Prepaid items	5,385,079	-	-	253,416	5,638,495
Inventories	130,653	-	-	-	130,653
Total assets	$ 300,881,137	$ 46,392,645	$ 3,383,407	$ 6,103,198	$ 356,760,387
LIABILITIES					
Accounts payable	$ 44,859,107	$ 14,999,680	$ -	$ 1,866,686	$ 61,725,473
Accrued liabilities	5,614,189	11,776	-	289,213	5,915,178
Due to other funds	-	4,912,001	-	2,988	4,914,989
Intergovernmental payables	50,185,206	-	-	-	50,185,206
Unearned revenue	28,325,582	-	-	1,800	28,327,382
Total liabilities	128,984,084	19,923,457	-	2,160,687	151,068,228
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue—property taxes	13,129,953	-	-	-	13,129,953
Total deferred inflows of resources	13,129,953	-	-	-	13,129,953
FUND BALANCES					
Nonspendable	5,515,732	-	-	253,416	5,769,148
Restricted	23,043,823	26,469,188	3,293,905	-	52,806,916
Assigned	10,699,338	-	89,502	3,689,095	14,477,935
Unassigned	119,508,207	-	-	-	119,508,207
Total fund balances	158,767,100	26,469,188	3,383,407	3,942,511	192,562,206
Total liabilities, deferred inflows of resources and fund balances	$ 300,881,137	$ 46,392,645	$ 3,383,407	$ 6,103,198	$ 356,760,387

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, 2021

Amounts reported for governmental activities in the statement of net position (page 16) are different because:		
Total fund balances—governmental funds (page 18)		$ 192,562,206
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is $742,412,241 and the accumulated depreciation is $402,146,990.		340,265,251
Other noncurrent assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		6,582,270
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.		13,129,953
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.		32,074,877
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 charge on refunding—County	$ 484,845	
Deferred gain on refunding—County	(339,561)	
Deferred gain on refunding—DTASC	(11,313,885)	(11,168,601)
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	$ 15,115,835	
Deferred outflows related to experience, changes in assumptions, and investment earnings	93,337,249	
Deferred inflows related to pension plans	(138,501,582)	(30,048,498)
Deferred outflows and inflows of resources related to other postemployment benefits ("OPEB") obligation are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	$ 11,763,062	
Deferred outflows relating to experience and changes in assumptions	148,340,833	
Deferred inflows relating to OPEB liability	(25,240,876)	134,863,019
Net accrued interest expense for general obligation bonds of $2,245,182 and DTASC bonds of $206,868 are not reported in the funds.		(2,452,050)
To recognize retainages payable on outstanding capital projects not recorded in the fund statements.		(3,237,086)
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	$ (211,104,777)	
Unamortized bond premiums—County	(7,793,758)	
DTASC bonds	(45,915,000)	
Unamortized bond premiums—DTASC	(3,395,998)	
DTASC subordinate turbo CABs	(7,698,654)	
Capital leases	(16,216,136)	
Compensated absences	(10,322,529)	
Workers' compensation and general claims	(31,982,447)	
OPEB obligation	(568,605,295)	
Net pension liability	(472,425)	(903,507,019)
Net position of governmental activities		$(230,935,678)

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, 2021

	General	Capital Projects	DTASC	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Real property taxes	$ 103,842,828	$ -	$ -	$ 11,854,682	$ 115,697,510
Sales and use taxes	250,439,927	-	-	-	250,439,927
Other taxes	5,110,613	-	-	-	5,110,613
Departmental income	24,966,987	-	-	2,100,486	27,067,473
Use of money and property	886,775	78,999	1,558	8,701	976,033
Miscellaneous	12,620,824	-	3,822,094	129,224	16,572,142
Grants and aid	128,067,161	14,310,898	-	4,789,626	147,167,685
Total revenues	525,935,115	14,389,897	3,823,652	18,882,719	563,031,383
EXPENDITURES					
Current:					
General government support	86,581,787	-	57,243	-	86,639,030
Education	20,051,351	-	-	-	20,051,351
Public safety	59,173,979	-	-	215,778	59,389,757
Health	60,627,705	-	-	-	60,627,705
Transportation	3,118,172	-	-	9,303,987	12,422,159
Economic assistance and opportunity	124,938,112	-	-	1,652,554	126,590,666
Culture and recreation	2,465,681	-	-	-	2,465,681
Home and community services	15,513,411	-	-	2,978,971	18,492,382
Employee benefits	61,557,229	-	-	4,488,103	66,045,332
Debt service:					
Principal	20,005,178	-	1,285,000	-	21,290,178
Interest and other fiscal charges	6,245,262	-	2,474,250	-	8,719,512
Capital outlay	7,549,526	74,238,385	-	-	81,787,911
Total expenditures	467,827,393	74,238,385	3,816,493	18,639,393	564,521,664
Excess (deficiency) of revenues over expenditures	58,107,722	(59,848,488)	7,159	243,326	(1,490,281)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,697,539	2,593,866	-	114,094	4,405,499
Transfers out	(4,772,771)	(1,697,539)	-	-	(6,470,310)
Serial bonds issued	-	54,698,900	-	-	54,698,900
Premium on serial bonds	-	159,954	-	-	159,954
Capital leases issued	7,549,526	-	-	-	7,549,526
Total other financing sources (uses)	4,474,294	55,755,181	-	114,094	60,343,569
Net change in fund balances	62,582,016	(4,093,307)	7,159	357,420	58,853,288
Fund balances—beginning	96,185,084	30,562,495	3,376,248	3,585,091	133,708,918
Fund balances—ending	$ 158,767,100	$ 26,469,188	$ 3,383,407	$ 3,942,511	$ 192,562,206

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, 2021

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)		$ 58,853,288
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 expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital asset additions, net	$ 80,726,600	
Depreciation expense	(25,214,140)	55,512,460
In the statement of activities, the cost of other noncurrent assets is allocated and amortized over their estimated useful lives.		(274,572)
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	$ (1,259,422)	
Change in long-term receivable—grants and aid	(1,662,360)	
Change in long-term receivable—DTASC	200,000	(2,721,782)
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.		143,121
Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:		
Direct pension contributions	$ 19,768,777	
Cost of benefits earned net of employee contributions	(136,574,424)	(116,805,647)
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.		66,021,791
In the statement of activities, interest expense and retainages payable are recognized as they accrue, regardless of when they are paid.		(377,511)
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	$(54,698,900)	
Repayment of serial bonds—County	18,980,981	
Premium on serial bonds issued—County	(159,954)	
Amortization of bond premiums—County	1,446,799	
Repayment of serial bonds—DTASC	1,285,000	
Amortization of bond premiums—DTASC	95,042	
Accreted interest on DTASC bonds	(501,451)	
Capital leases issued	(7,549,526)	
Repayment of capital leases	1,024,197	
Reclassification of capital leases	(470,353)	
Change in compensated absences	73,899	
Change in workers' compensation and general claims	(2,746,333)	
Change in OPEB obligation	(108,274,507)	
Change in net pension liability	125,582,665	(25,912,441)
Change in net position of governmental activities		$ 34,438,707

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, 2021

	Business-type Activities			
	Airport	Transportation	Dutchess County LDC	Total Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	$ 699,672	$ 2,844,723	$ 2,762,585	$ 6,306,980
Restricted cash and cash equivalents	8,363	-	-	8,363
Receivables	330,075	135,053	172,957	638,085
Intergovernmental receivables	2,597,873	2,923,329	-	5,521,202
Prepaid items	17,531	2,532	36,221	56,284
Total current assets	3,653,514	5,905,637	2,971,763	12,530,914
Noncurrent assets:				
Capital assets, not being depreciated:				
Land	3,136,399	248,965	-	3,385,364
Construction in progress	800,141	173,904	-	974,045
Capital assets, net of accumulated depreciation:				
Infrastructure	4,775,395	1,065,305	-	5,840,700
Buildings and building improvements	9,846,917	1,461,808	-	11,308,725
Improvements other than buildings	-	31,273	-	31,273
Machinery and equipment	2,230,095	1,796,668	43,129	4,069,892
Total noncurrent assets	20,788,947	4,777,923	43,129	25,609,999
Total assets	24,442,461	10,683,560	3,014,892	38,140,913
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows—relating to pensions	356,694	84,376	-	441,070
Deferred outflows—relating to OPEB	1,468,491	-	-	1,468,491
Total deferred outflows of resources	1,825,185	84,376	-	1,909,561
LIABILITIES				
Current liabilities:				
Accounts payable	253,686	514,574	20,358	788,618
Accrued liabilities	30,719	4,557	-	35,276
Due to other funds	2,404,829	37,482	-	2,442,311
Unearned revenue	8,363	-	-	8,363
Current portion of long-term debt	157,503	55,479	-	212,982
Total current liabilities	2,855,100	612,092	20,358	3,487,550
Noncurrent liabilities:				
Bonds payable	718,362	168,215	-	886,577
Premium on bonds	62,104	74,378	-	136,482
Compensated absences	53,964	11,861	-	65,825
OPEB obligation	3,012,945	-	-	3,012,945
Net pension liability	1,539	392	-	1,931
Total noncurrent liabilities	3,848,914	254,846	-	4,103,760
Total liabilities	6,704,014	866,938	20,358	7,591,310
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows—relating to pensions	451,243	113,916	-	565,159
Deferred inflows—relating to OPEB	165,801	-	-	165,801
Total deferred inflows of resources	617,044	113,916	-	730,960
NET POSITION				
Net investment in capital assets	19,853,818	4,480,475	43,129	24,377,422
Unrestricted	(907,230)	5,306,607	2,951,405	7,350,782
Total net position	$ 18,946,588	$ 9,787,082	$ 2,994,534	$ 31,728,204

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, 2021

	Business-type Activities			
	Airport	Transportation	Dutchess County LDC	Total Enterprise Funds
Operating revenues:				
Charges for services	$ 1,094,367	$ 1,067,664	$ 896,556	$ 3,058,587
Operating grants and revenues	17,944	9,301,424	-	9,319,368
Other	5,315	63,032	-	68,347
Total operating revenues	1,117,626	10,432,120	896,556	12,446,302
Operating expenses:				
Personal services	402,559	98,063	475,208	975,830
Employee benefits	526,421	31,181	102,615	660,217
Depreciation	1,971,008	1,999,605	18,230	3,988,843
Contracted services	675,430	11,181,073	502,345	12,358,848
Total operating expenses	3,575,418	13,309,922	1,098,398	17,983,738
Operating (loss)	(2,457,792)	(2,877,802)	(201,842)	(5,537,436)
Nonoperating revenues (expenses):				
State and Federal aid	1,770,741	1,433,146	-	3,203,887
Interest income	165,284	647	4,138	170,069
Interest expense	(33,903)	(1,330)	-	(35,233)
Total nonoperating revenues (expenses)	1,902,122	1,432,463	4,138	3,338,723
(Loss) before transfers	(555,670)	(1,445,339)	(197,704)	(2,198,713)
Transfers in	599,203	1,465,608	-	2,064,811
Change in net position	43,533	20,269	(197,704)	(133,902)
Net position—beginning	18,903,055	9,766,813	3,192,238	31,862,106
Net position—ending	$ 18,946,588	$ 9,787,082	$ 2,994,534	$ 31,728,204

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, 2021

	Business-type Activities			
	Airport	Transportation	Dutchess County LDC	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from services provided	$ 1,109,347	$ 1,071,221	$ 723,699	$ 2,904,267
Receipts from operating grants and revenue	47,944	9,718,657	-	9,766,601
Receipts from other operating revenue	5,315	63,032	-	68,347
Payments to employees	(696,957)	(128,603)	(578,115)	(1,403,675)
Payments to suppliers of contracted services	(611,936)	(11,533,883)	(511,438)	(12,657,257)
Net cash used for operating activities	(146,287)	(809,576)	(365,854)	(1,321,717)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers and loans to and from other funds, net	596,326	1,361,241	-	1,957,567
Net cash provided by noncapital financing activities	596,326	1,361,241	-	1,957,567
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions to noncurrent assets	1,704,681	1,435,095	-	3,139,776
Acquisition of capital assets	(1,820,698)	(1,492,346)	(1,025)	(3,314,069)
Proceeds from issuance of debt	110,000	-	-	110,000
Premium from issuance of debt	1,197	-	-	1,197
Principal payments on bonds	(310,930)	(138,089)	-	(449,019)
Interest payments	(39,201)	(10,484)	-	(49,685)
Net cash used for capital and related financing activities	(354,951)	(205,824)	(1,025)	(561,800)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income earned	165,284	647	4,138	170,069
Net cash provided by investing activities	165,284	647	4,138	170,069
Increase (decrease) in cash and cash equivalents	260,372	346,488	(362,741)	244,119
Cash and cash equivalents—beginning	447,663	2,498,235	3,125,326	6,071,224
Cash and cash equivalents—ending	$ 708,035	$ 2,844,723	$ 2,762,585	$ 6,315,343

(continued)

COUNTY OF DUTCHESS, NEW YORK
Statement of Cash Flows—Proprietary Funds
Year Ended December 31, 2021

(concluded)

	Business-type Activities			
	Airport	Transportation	Dutchess County LDC	Total Enterprise Funds
Reconciliation of operating (loss) to net cash used for operating activities:				
Operating (loss)	$ (2,457,792)	$ (2,877,802)	$ (201,842)	$ (5,537,436)
Adjustments to reconcile operating (loss) to net cash used for operating activities:				
Depreciation expense	1,971,008	1,999,605	18,230	3,988,843
Decrease (increase) in receivables	43,156	420,789	(172,857)	291,088
(Increase) in other assets	(1,465)	(306)	(12,024)	(13,795)
(Increase) in deferred outflows of resources	(1,201,887)	(20,858)	-	(1,222,745)
Increase (decrease) in accounts payable	64,960	(352,503)	2,639	(284,904)
Increase in unearned revenue	1,823	-	-	1,823
Increase in compensated absences	1,595	3,963	-	5,558
(Decrease) in net pension liability	(413,084)	(94,138)	-	(507,222)
Increase in OPEB obligation	1,459,998	-	-	1,459,998
Increase in deferred inflows of resources	385,401	111,674	-	497,075
Total adjustments	2,311,505	2,068,226	(164,012)	4,215,719
Net cash used for operating activities	$ (146,287)	$ (809,576)	$ (365,854)	$ (1,321,717)

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, 2021

	Private Purpose Trust Fund	Custodial Fund
ASSETS		
Restricted cash and cash equivalents	$ 5,852	$ 6,792,324
Receivables	-	1,171,291
Total assets	5,852	7,963,615
LIABILITIES		
Accounts payable and other liabilities	-	4,786,651
Total liabilities	-	4,786,651
NET POSITION		
Restricted for:		
Cemetery plots	5,852	-
Organizations and other governments	-	3,176,964
Total net position	$ 5,852	$ 3,176,964

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, 2021

	Private Purpose Trust Fund	Custodial Fund
ADDITIONS		
Funds received on behalf of others	$ -	$ 2,576,006
Total additions	-	2,576,006
DEDUCTIONS		
Funds distributed on behalf of others	-	3,349,841
Total deductions	-	3,349,841
Change in fiduciary net position	-	(773,835)
Net position—beginning	5,852	3,950,799
Net position—ending	$ 5,852	$ 3,176,964

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, 2021

	Dutchess Community College (August 31, 2021)	Dutchess County Resource Recovery Agency	Dutchess County Water and Wastewater Authority	Total Major Discretely Presented Component Units
ASSETS				
Cash and cash equivalents	$ 27,837,270	$ 1,248,449	$ 3,310,613	$ 32,396,332
Restricted cash and investments	16,769,907	2,724,858	3,251,779	22,746,544
Receivables (net of allowances)	5,351,280	1,021,984	2,946,200	9,319,464
Intergovernmental receivables	-	-	282,134	282,134
Prepaid items	1,088,108	27,391	88,020	1,203,519
Other assets	1,614,545	1,677,637	-	3,292,182
Net pension asset	6,777,521	-	-	6,777,521
Capital assets, not being depreciated	1,563,515	-	7,258,247	8,821,762
Capital assets, net of accumulated depreciation	84,788,684	11,053,798	59,965,280	155,807,762
Total assets	145,790,830	17,754,117	77,102,273	240,647,220
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows—relating to pensions	12,205,886	74,232	1,280,710	13,560,828
Deferred outflows—relating to OPEB	21,527,666	-	-	21,527,666
Deferred charge on refunding	-	150,667	533,490	684,157
Total deferred outflows of resources	33,733,552	224,899	1,814,200	35,772,651
LIABILITIES				
Accounts payable	4,909,532	370,691	825,754	6,105,977
Accrued liabilities	3,198,747	558,098	616,824	4,373,669
Unearned revenues	2,732,922	-	-	2,732,922
Noncurrent liabilities:				
Due within one year	1,035,966	1,165,000	1,937,464	4,138,430
Due in more than one year	141,254,350	7,654,287	39,961,760	188,870,397
Total noncurrent liabilities	142,290,316	8,819,287	41,899,224	193,008,827
Total liabilities	153,131,517	9,748,076	43,341,802	206,221,395
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows—relating to pensions	19,824,213	65,089	1,527,166	21,416,468
Deferred inflows—relating to OPEB	7,197,866	-	-	7,197,866
Deferred inflows—relating to NYS TAP payment	486,549	-	-	486,549
Deferred inflows—relating to capital	-	-	21,673,633	21,673,633
Total deferred inflows of resources	27,508,628	65,089	23,200,799	50,774,516
NET POSITION				
Net investment in capital assets	63,814,935	6,111,435	17,718,138	87,644,508
Restricted	17,254,126	1,559,858	3,249,699	22,063,683
Unrestricted	(82,184,824)	494,558	(8,593,965)	(90,284,231)
Total net position	$ (1,115,763)	$ 8,165,851	$ 12,373,872	$ 19,423,960

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, 2021

	Dutchess Community College (August 31, 2021)	Dutchess County Resource Recovery Agency	Dutchess County Water and Wastewater Authority	Total Major Discretely Presented Component Units
Program expenses:				
Disposal fees	$ -	$ 3,403,054	$ -	$ 3,403,054
Service fees	-	8,985,774	-	8,985,774
Administrative expenses	9,944,056	667,115	2,051,212	12,662,383
Interest expenses	27,764	267,476	1,315,056	1,610,296
Depreciation and amortization	2,342,030	1,790,155	1,824,290	5,956,475
Instruction	29,521,481	-	-	29,521,481
Academic support	3,297,873	-	-	3,297,873
Libraries	1,050,643	-	-	1,050,643
Student services	11,162,423	-	-	11,162,423
General institution	11,840,411	-	-	11,840,411
Operation and maintenance of plant	6,045,178	-	5,004,729	11,049,907
Student aid	5,592,930	-	-	5,592,930
Other	3,811,678	-	2,472,691	6,284,369
Total program expenses	84,636,467	15,113,574	12,667,978	112,418,019
Program revenues:				
Charges for services:				
Tipping fees	-	12,519,177	-	12,519,177
Energy sales	-	2,418,616	-	2,418,616
Other charges for services	8,567,340	558,350	7,325,634	16,451,324
Student tuition and fees	17,353,502	-	-	17,353,502
Grants and contracts	22,727,154	-	-	22,727,154
Other	10,871,235	85,251	698,704	11,655,190
Operating grants and contributions	16,314,904	-	-	16,314,904
Capital grants and contributions	-	-	3,194,756	3,194,756
Total program revenues	75,834,135	15,581,394	11,219,094	102,634,623
Net (expense) revenue and changes in net position	(8,802,332)	467,820	(1,448,884)	(9,783,396)
General revenues:				
Use of money and property	2,848,338	1,046	123,767	2,973,151
Payments from primary government	16,787,898	-	3,657,282	20,445,180
Total general revenues	19,636,236	1,046	3,781,049	23,418,331
Change in net position	10,833,904	468,866	2,332,165	13,634,935
Net position—beginning	(11,949,667)	7,696,985	10,041,707	5,789,025
Net position—ending	$ (1,115,763)	$ 8,165,851	$ 12,373,872	$ 19,423,960

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

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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 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 real 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 source of revenue for the Capital Projects Fund include serial bonds, 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 capital 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.

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, 2021, the County reported $6,582,270 related to other assets.

Capital Assets—Capital assets, which include property, plant, equipment, 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.

Land, right of way and easements, and construction in progress are not depreciated. The other capital assets of the primary government are depreciated 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

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, 2021, the County's primary government has three items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide financial statements 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. The third item is a deferred charge on refunding which the County reports within its governmental activities. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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, 2021, the primary government of the County has four 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 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 third item represents the effects of the change in the County's proportion of the collective OPEB liability and difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability. 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 Assumption—Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's 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 31st, prior to the year of collection and attached as an enforceable lien on January 1st. On March 1st, 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 31st or August 31st, 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 2021 is $33,165,258,432. The effective tax rate on this value is $3.17 per thousand. The constitutional tax limit is 1.5% of the 5-year average of the equalized assessment. The 2021 levy represents approximately 18.6% 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, 2021, the primary government reported unearned revenues within the General Fund, County Road Fund and Airport Fund of $28,325,582, $1,800, and $8,363, respectively. These funds received overpayments and cash in advance but have not performed the services and therefore recognize a liability. Included within unearned revenues at December 31, 2021, the County reported $22,624,681 within the General Fund for unspent American Rescue Plan Act ("ARPA") federal funds.

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, 2021 total $1,348,406,121.

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, 2021 totaled $10,322,529 and $69,289, respectively, and are reported in the government-wide financial statements and proprietary fund financial statements.

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 in 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 and operating grants. 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 income. 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 6.

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 7.

Workers' Compensation and General Claims—Estimated costs associated with workers' compensation and general claims and judgments for both reported and unreported events totaled $31,982,447 at December 31, 2021. 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 9.

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, 2021, the County implemented GASB Statements No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; No. 91, *Conduit Debt Obligations*; No. 93, *Replacement of Interbank Offered Rates*; No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32*; and No. 98, *The Annual Comprehensive Financial Report.* GASB Statement No. 89 enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. GASB Statement No. 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. GASB Statement No. 93 addresses those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate ("IBOR"). GASB Statement No. 97 increases the consistency and comparability related to the reporting of fiduciary units, mitigates costs associated with the reporting of certain defined contribution plans and enhances the relevance, consistency and comparability of the accounting and reporting for Internal Revenue Code Section 457 deferred compensation plans. GASB Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR, which replaces the acronym for comprehensive annual financial report. The implementation of GASB Statements No. 89, 91, 93, 97 and 98 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. 87, *Leases*; and No. 99, *Omnibus 2022*, effective for the year ending December 31, 2022, No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending December 31, 2023, and No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*, effective for the year ending December 31, 2024. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 87, 94, 96, 99, 100, and 101 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 1st, the County Executive submits a tentative budget to the County Legislature for the fiscal year commencing the following January 1st. 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 21st, 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. 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, 2021 are as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Petty cash (uncollateralized)	$ 20,665	$ 700	$ -	$ 21,365
Deposits	219,325,337	6,314,643	6,798,176	232,438,156
Money market funds	2,405	-	-	2,405
Discount notes	3,291,500	-	-	3,291,500
U.S. Treasury notes	5,988,887	-	-	5,988,887
Total	$ 228,628,794	$ 6,315,343	$ 6,798,176	$ 241,742,313

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at December 31, 2021 as follows:

	Bank Balance	Carrying Amount
FDIC insured	$ 2,102,715	$ 2,105,341
Uninsured:		
Collateral held by pledging bank's agent in the County's name	237,125,050	230,332,815
Total	$ 239,227,765	$ 232,438,156

Restricted Cash and Cash Equivalents—Restricted cash of the County consists of cash reported within the Capital Projects Fund in the amount of $35,125,765, and cash restricted for future debt service within both the General Fund and DTASC Fund of $4,456,325 and $3,293,905, respectively. Also included within restricted cash is General Fund (including self-insurance) balances subject to externally enforceable legal purpose restrictions, totaling $18,587,498, unearned revenues of $24,465,660, intergovernmental payables of $8,084,514 related to overpayments, and cash reported within the County's workers' compensation self-insured program in excess of the related restricted fund balance, totaling $680,566. The County also reports restricted cash relating to unearned revenues within the County's nonmajor County Road Fund and the Airport Fund in the amount of $1,800 and $8,363, respectively. Lastly, the County reports restricted cash held on behalf of others in the amount of $6,798,176 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, 2021, 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 and Fair Value Measurements—At December 31, 2021, the County has investments in securities of $5,988,887, 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, 2021 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, 2021, the College reports $27,837,270 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, 2021, none of the College's bank balance of $23,009,119 was exposed to custodial credit risk as $504,692 and $22,504,427 were insured by FDIC insurance and collateralized, respectively.

Restricted Investments—Investments consist of certificates of deposit with initial maturities of greater than three months. At August 31, 2021, the College reports $16,769,907 of investments at fair value in accordance with GASB.

The College was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate risk or credit risk.

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.

As of December 31, 2021, 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, 2021, the Agency had additional cash and cash equivalents and investments of $5,405,150 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, 2021:

Bank balance	$ 2,500,449
U.S. Government money market	3,154,701
Total custodial credit risk Category 2	$ 5,655,150

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 1st bond principal and interest payments, amounted to $1,359,756 at December 31, 2021, 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, 2021 are summarized as follows:

Current restricted assets	
Series 2017	$ 1,359,756
Energy revenues and debt service funds	1,365,102
Total current restricted assets	$ 2,724,858
Noncurrent restricted assets	
Series 2017	$ 1,677,637
Total noncurrent restricted cash and investments	1,677,637
Total restricted cash and investments	$ 4,402,495

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, 2021:

Cash in banks	$ 3,310,613
Investments:	
Money market funds	$ 1,166,553
U.S. Treasury bills and notes	2,083,183
Total investments*	$ 3,249,736

*At December 31, 2021, 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, 2021 balance held by EFC related to the 2020 Pinebrook 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, 2021.

Construction reserve funds	$ 37
Debt service sinking funds	6
Debt service reserve funds	1,006,223
Held by EFC	2,043
Current restricted funds	1,008,309
Noncurrent debt service reserve funds	2,243,470
Total restricted funds	$ 3,251,779

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, 2021, the IDA and the SWCD recorded $2,916,854 and $522,511 in cash and cash equivalents, respectively. The IDA also reports restricted cash in the amount of $1,737,771 related to a deposit for the Cricket Valley Energy Center IDA project.

3. RECEIVABLES

Major revenues accrued by the County at December 31, 2021 consisted of the following:

Taxes Receivable—Represents amounts due from County taxpayers that remain unpaid. At December 31, 2021, the County recorded $38,927,043 related to taxes receivable. These amounts are reported net of an allowance for uncollectible taxes provision of $10,551,490.

Accounts Receivable—Represents amounts due from various sources. The County's accounts receivable at December 31, 2021 are presented on the following page.

Governmental funds:	
General Fund	$ 7,739,652
Less: allowance for doubtful accounts	(1,424,226)
Nonmajor governmental funds	6,603
Total governmental funds	$ 6,322,029
Proprietary funds:	
Airport Fund	$ 330,075
Transportation Fund	135,053
Dutchess County LDC	172,957
Total proprietary funds	$ 638,085
Fiduciary funds:	
Custodial Fund	$ 1,171,291

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, 2021 are presented below.

Governmental funds:		
General Fund:		
Due from state and federal	$ 56,140,345	
Other	732,679	$ 56,873,024
Capital Projects Fund:		
Due from state and federal		11,266,880
Nonmajor governmental funds:		
Due from state and federal		1,616,169
Total governmental funds		$ 69,756,073
Proprietary funds:		
Airport Fund:		
Due from state and federal		$ 2,597,873
Transportation Fund:		
Due from state and federal		2,923,329
Total proprietary funds		$ 5,521,202

Discretely Presented Component Units

i) Dutchess Community College

Significant receivables include amounts due from grants, 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, 2021, the College reported total accounts receivable of $5,351,280, which is reported net of an allowance for uncollectible accounts of $1,924,700.

ii) Dutchess County Resource Recovery Agency

The Agency records accounts receivable of $1,021,984, 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 $2,946,200 and $282,134 recorded within receivables and intergovernmental receivables, respectively, at December 31, 2021. The Authority has an agreement with Dutchess County that provides for collection of outstanding user fess 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, 2021, the IDA and SWCD records accounts receivable of $279,842 and $166,418, respectively.

4. CAPITAL ASSETS

Governmental activities—Capital asset activity for the primary government's governmental activities for the year ended December 31, 2021 was as follows:

	Balance 1/1/2021	Increases and Reclassifications	Decreases	Balance 12/31/2021
Capital assets, not being depreciated:				
Land	$ 14,565,092	$ 38,361	$ -	$ 14,603,453
Right of way and easements	16,474,903	556,942	-	17,031,845
Construction in progress	32,882,082	75,193,854	10,284,569	97,791,367
Total capital assets, not being depreciated	63,922,077	75,789,157	10,284,569	129,426,665
Capital assets, being depreciated:				
Infrastructure	293,917,790	6,803,363	-	300,721,153
Buildings and building improvements	204,459,913	421,739	-	204,881,652
Improvements other than buildings	11,470,103	201,189	-	11,671,292
Leased items	-	16,769,980	-	16,769,980
Machinery and equipment	76,752,321	2,529,006	339,828	78,941,499
Total capital assets, being depreciated	586,600,127	26,725,277	339,828	612,985,576
Less accumulated depreciation for:				
Infrastructure	185,573,787	13,179,487	-	198,753,274
Buildings and building improvements	127,354,748	6,540,419	-	133,895,167
Improvements other than buildings	7,738,024	245,511	-	7,983,535
Leased items	-	1,412,764	-	1,412,764
Machinery and equipment	56,606,119	3,835,959	339,828	60,102,250
Total accumulated depreciation	377,272,678	25,214,140	339,828	402,146,990
Total capital assets, being depreciated, net	209,327,449	1,511,137	-	210,838,586
Governmental activities capital assets, net	$ 273,249,526	$ 77,300,294	$ 10,284,569	$ 340,265,251

During the year ended December 31, 2021, the County performed a review of lease agreements and reclassified certain leases previously reported as operating leases to capital leases. As a result of this reclassification, the County capitalized the book value of those leased items, $9,220,454 during the current year. More information regarding the County's capital leases is included in Note 10.

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

General government support	$ 7,358,075
Public safety	2,212,214
Health	678,916
Transportation	11,056,529
Economic assistance and opportunity	435,162
Culture and recreation	3,455,468
Home and community services	17,776
Total governmental activities	$ 25,214,140

Business-type activities—Capital asset activity for the primary government's business-type activities (enterprise funds) for the year ended December 31, 2021 was as follows:

	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021
Capital assets, not being depreciated:				
Land	$ 3,385,364	$ -	$ -	$ 3,385,364
Construction in progress	805,304	3,272,810	3,104,069	974,045
Total capital assets, not being depreciated	4,190,668	3,272,810	3,104,069	4,359,409
Capital assets, being depreciated:				
Infrastructure	33,891,116	81,321	-	33,972,437
Buildings and building improvements	23,621,409	-	-	23,621,409
Improvements other than buildings	39,091	-	-	39,091
Machinery and equipment	22,724,820	3,023,771	-	25,748,591
Total capital assets, being depreciated	80,276,436	3,105,092	-	83,381,528
Less accumulated depreciation for:				
Infrastructure	26,637,323	1,494,414	-	28,131,737
Buildings and building improvements	11,580,493	732,191	-	12,312,684
Improvements other than buildings	3,909	3,909	-	7,818
Machinery and equipment	19,920,370	1,758,329	-	21,678,699
Total accumulated depreciation	58,142,095	3,988,843	-	62,130,938
Total capital assets, being depreciated, net	22,134,341	(883,751)	-	21,250,590
Business-type activities capital assets, net	$ 26,325,009	$ 2,389,059	$ 3,104,069	$ 25,609,999

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

Airport	$ 1,971,008
Transportation	1,999,605
Dutchess County LDC	18,230
Total business-type activities	$ 3,988,843

Discretely Presented Component Units

i) Dutchess Community College

Capital asset activity for the Dutchess Community College for the year ended August 31, 2021 is presented below:

	Balance 9/1/2020	Increases	Decreases	Balance 8/31/2021
Capital assets, not being depreciated:				
Land	$ 1,151,144	$ -	$ -	$ 1,151,144
Construction in progress	9,988,161	-	9,575,790	412,371
Total capital assets, not being depreciated	11,139,305	-	9,575,790	1,563,515
Capital assets, being depreciated:				
Building and improvements	91,309,827	13,189,785	120,000	104,619,612
Furniture and equipment	12,886,197	2,422,521	92,477	15,216,241
Total capital assets, being depreciated	104,196,024	15,612,306	212,477	119,595,853
Less: Accumulated depreciation	56,489,419	2,342,030	171,476	58,659,973
Total capital assets, being depreciated, net	47,706,605	13,270,276	41,001	60,935,880
Total capital assets, net	$ 58,845,910	$ 13,270,276	$ 9,616,791	$ 62,499,395

In addition to the College's capital assets, its component units, the Association and Foundation reported net capital assets, being depreciated of $23,852,804 and $0, respectively.

Assets under capital lease agreements at August 31, 2021 are as follows:

Cost basis	$ 5,227,174
Accumulated depreciation	(4,017,574)
Total	$ 1,209,600

Depreciation expense for the year ended August 31, 2021 was $2,342,030.

ii) Dutchess County Resource Recovery Agency

Capital asset activity for the Dutchess County Resource Recovery Agency for the year ended December 31, 2021 is presented below:

	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021
Capital assets, being depreciated:				
Property	$ 517,591	$ -	$ -	$ 517,591
Plant	63,847,539	-	-	63,847,539
Equipment	61,487	-	-	61,487
Total capital assets, being depreciated	64,426,617	-	-	64,426,617
Less: Accumulated depreciation	51,582,664	1,790,155	-	53,372,819
Total capital assets, net	$ 12,843,953	$ (1,790,155)	$ -	$ 11,053,798

Depreciation expense for the year ended December 31, 2021 was $1,790,155.

iii) Dutchess County Water and Wastewater Authority

Capital asset activity for the Dutchess County Water and Wastewater Authority for the year ended December 31, 2021 is presented below:

	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021
Capital assets, not being depreciated:				
Land	$ 955,608	$ -	$ -	$ 955,608
Construction in progress	4,222,466	3,796,352	1,716,179	6,302,639
Total capital assets, not being depreciated	5,178,074	3,796,352	1,716,179	7,258,247
Capital assets, being depreciated:				
Improvements	587,572	566	-	588,138
Buildings	24,609,319	798	-	24,610,117
Water system	57,406,265	-	636,728	58,042,993
Machinery and equipment	11,846,034	55,059	1,079,451	12,980,544
Sewage collection system	1,899,058	285	-	1,899,343
Total capital assets, being depreciated	96,348,248	56,708	1,716,179	98,121,135
Less: Accumulated depreciation	35,704,395	2,451,460	-	38,155,855
Total capital assets, being depreciated, net	60,643,853	(2,394,752)	1,716,179	59,965,280
Total capital assets, net	$ 65,821,927	$ 1,401,600	$ 3,432,358	$ 67,223,527

For the year ended December 31, 2021, depreciation was recorded in the amount of $2,451,460, less amortization of deferred revenues associated with the Central Dutchess Water Transmission Line of $627,170; which was put into service in 2007. The effects of these factors resulted in $1,824,290 in depreciation expense.

5. ACCRUED LIABILITIES

Accrued liabilities reported by governmental and proprietary funds at December 31, 2021, were as follows:

	Governmental Funds			
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Salaries and employee benefits	$ 5,511,109	$ 11,776	$ 289,213	$ 5,812,098
Other	103,080	-	-	103,080
Total accrued liabilities	$ 5,614,189	$ 11,776	$ 289,213	$ 5,915,178

	Proprietary Funds		
	Airport	Transportation	Total
Salaries and employee benefits	$ 19,735	$ 3,996	$ 23,731
Other	10,984	561	11,545
Total accrued liabilities	$ 30,719	$ 4,557	$ 35,276

6. 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 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 Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions—At December 31, 2021, the County reported the following liabilities for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2021. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total net pension liabilities to the measurement date. The County's proportion of the net pension liabilities were 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, 2021	
Net pension liability	$ 472,425	$ 1,931
County's portion of the Plan's total net pension liability	0.4744702%	0.0019360%

For the year ended December 31, 2021, the County recognized pension expense of $10,918,319 and $44,552 for governmental activities and business-type activities, respectively. At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown on the following page.

	ERS			
	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Differences between expected and actual experiences	$ 5,769,597	$ 23,543	$ -	$ -
Changes of assumptions	86,863,840	354,458	1,638,278	6,685
Net difference between projected and actual earnings on pension plan investments	-	-	135,708,468	553,761
Changes in proportion and differences between the County's contributions and proportionate share of contributions	703,812	2,872	1,154,836	4,713
County contributions subsequent to the measurement date	15,115,835	60,197	-	-
Total	$ 108,453,084	$ 441,070	$ 138,501,582	$ 565,159

County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	
Year Ending December 31,	Governmental Activities	Business-type Activities
2022	$ (8,275,227)	$ (33,767)
2023	(3,023,085)	(12,335)
2024	(7,492,392)	(30,573)
2025	(26,373,629)	(107,611)

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

	ERS
Measurement date	March 31, 2021
Actuarial valuation date	April 1, 2020
Interest rate	5.9%
Salary scale	4.4%
Decrement tables	April 1, 2015 - March 31, 2020
Inflation date	2.7%
Cost-of-living adjustment	1.4%

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-2020. The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

	ERS	
	Target Allocation	Long-Term Expected Real Rate of Return
Measurement date	March 31, 2021	
Asset class:		
Domestic equities	32.0 %	4.1 %
International equities	15.0	6.3
Private equity	10.0	6.8
Real estate	9.0	5.0
Opportunistic portfolio/Absolute return strategies	3.0	4.5
Credit	4.0	3.6
Real assets	3.0	6.0
Fixed income	23.0	0.0
Cash	1.0	0.5
Total	100 %	

Discount Rate—The discount rate used to calculate the total pension liabilities 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 on the following page presents the County's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the County's proportionate share of the net pension liability would be if they were calculated using a discount rate that is one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Governmental activities:			
Employer's proportionate share of the net pension liability/(asset)	$ 131,127,081	$ 472,425	$ (120,021,745)
Business-type activities:			
Employer's proportionate share of the net pension liability/(asset)	$ 535,067	$ 1,931	$ (489,752)

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

	(Dollars in Thousands) ERS
Valuation date	April 1, 2020
Employers' total pension liability	$ 220,680,157
Plan fiduciary net position	220,580,583
Employers' net pension liability	$ 99,574
System fiduciary net position as a percentage of total pension liability	100.0%

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 NYSSTR Comprehensive Annual Financial Report which can be found on TRS' website at www.nystrs.org.

Plan members who joined the TRS before July 27, 1976, are not required to make contributions. Those joining after July 27, 1976 are required to contribute 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 Liabilities/(Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At August 31, 2021, 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, 2021 for ERS and June 30, 2021 for TRS. The total pension liability/(asset) used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2020 for ERS and June 30, 2020 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.

	TRS	ERS
Measurement date	June 30, 2021	March 31, 2021
Net pension liability/(asset)	$ (6,777,521)	$ 40,968
The College's portion of the Plan's total net pension liability/(asset)	0.039111%	0.041120%

For the year ended August 31, 2021, the College recognized pension expense of $711,948 and $1,717,594 for TRS and ERS, respectively. At August 31, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown below:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experiences of economic and demographic assumptions	$ 934,209	$ 500,331	$ 35,212	$ -
Changes in assumptions	2,229,268	7,532,704	394,771	142,069
Net difference between projected and actual earnings on pension plan investments	-	-	7,093,377	11,768,438
Changes in proportion and differences between the College's contributions and proportionate share of contributions	105,237	61,033	290,200	100,146
College contributions subsequent to the measurement date	105,439	737,665	-	-
Total	$ 3,374,153	$ 8,831,733	$ 7,813,560	$ 12,010,653

The College's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2022. 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 on the following page.

Year Ending August 31,	TRS	ERS
2022	$ (963,670)	$ (717,615)
2023	(1,084,240)	(262,157)
2024	(1,338,115)	(649,729)
2025	(1,725,724)	(2,287,084)
2026	327,578	-
Thereafter	239,325	-

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, 2021	March 31, 2021
Actuarial valuation date	June 30, 2020	April 1, 2020
Interest rate	6.95%	5.9%
Salary scale	1.95%-5.18%	4.4%
Decrement tables	July 1, 2015 - June 30, 2020	April 1, 2015 - March 31, 2020
Inflation rate	2.4%	2.5%
Cost-of-living adjustment	1.3%	1.4%

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 MP2020, applied on a generational basis. The actuarial assumptions used in the June 30, 2020 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.

	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS	TRS	ERS
Measurement date			June 30, 2021	March 31, 2021
Asset class:				
Domestic equities	33.0 %	32.0 %	6.8 %	4.1 %
International equities	16.0	15.0	7.6	6.3
Global equities	4.0	0.0	7.1	0.0
Private equity	8.0	10.0	10.0	6.8
Real estate	11.0	9.0	6.5	5.0
Opportunistic portfolio/Absolute return	0.0	3.0	0.0	4.5
Credit	0.0	4.0	0.0	3.6
Domestic fixed income	16.0	0.0	1.3	0.0
Global fixed income	2.0	0.0	0.8	0.0
High-yield fixed income	1.0	0.0	3.8	0.0
Opportunistic portfolio	0.0	0.0	0.0	4.7
Private debt	1.0	0.0	5.9	0.0
Real assets	0.0	3.0	0.0	6.0
Bonds and mortgages	7.0	0.0	3.3	0.0
Fixed income	0.0	23.0	0.0	0.0
Cash equivalents	1.0	1.0	(0.2)	0.5
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. 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% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension (asset)	$ (711,202)	$ (6,777,521)	$ (11,875,822)

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension liability/(asset)	$ 11,371,147	$ 40,968	$ (10,408,109)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liabilities of the employers as of the valuation dates, were as follows:

	(Dollars in Thousands)		
	TRS	ERS	Total
Valuation date	June 30, 2020	April 1, 2020	
Employers' total pension liability	$ 130,819,415	$ 220,680,157	$ 351,499,572
Plan fiduciary net position	148,148,457	220,580,583	368,729,040
Employers' net pension liability/(asset)	$ (17,329,042)	$ 99,574	$ (17,229,468)
System fiduciary net position as a percentage of total pension liability/(asset	113.2%	100.0%	104.9%

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 Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2021, the Agency reported a liability of $212 for its proportionate share of the net pension liability. At March 31, 2021, the Agency's proportion was 0.0002134 percent of the ERS liability.

For the year ended December 31, 2021, the Agency recognized pension expense of $16,460. At December 31, 2021, the Authority reported deferred outflows of resources and inflows of resources related to pensions as shown below.

	Deferred Outflows of Resources	Deferred Inflows of Resources
	ERS	
Differences between expected and actual experiences	$ 2,595	$ -
Changes in assumptions	39,070	737
Net difference between projected and actual earnings on pension plan investments	-	61,040
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	17,495	3,312
Agency contributions subsequent to the measurement date	15,072	-
Total	$ 74,232	$ 65,089

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, 2022. 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
2022	$ 3,405
2023	2,353
2024	(1,009)
2025	(10,678)

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.

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)—ERS	$ 58,979	$ 212	$ (53,984)

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 Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2021, the Authority reported a liability of $5,225 for its proportionate share of the net pension liability. At March 31, 2021, the Authority's proportion was 0.0052473 percent of the ERS liability.

For the year ended December 31, 2021, the Authority recognized pension expense of $161,476.

At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	ERS	
Differences between expected and actual experiences	$ 63,811	$ -
Changes in assumptions	960,699	18,119
Net difference between projected and actual earnings on pension plan investments	-	1,500,912
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	66,862	8,135
Authority contributions subsequent to the measurement date	189,338	-
Total	$ 1,280,710	$ 1,527,166

Deferred outflows 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, 2022. 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
2022	$ (59,593)
2023	(15,837)
2024	(72,364)
2025	(288,000)

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% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)—ERS	$ 1,450,243	$ 5,225	$ (1,327,420)

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, 2021, the SWCD reported a net pension liability of $1,288, deferred outflows of resources in the amount of $283,019, and deferred inflows of resources in the amount of $422,452.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart below represents the Authority's proportionate share of the net pension liability/(asset) 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% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)—ERS	$ 357,607	$ 1,288	$ (327,320)

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.

7. 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 (enterprise fund). 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 expenditure as premiums are paid within the governmental funds.

Employees Covered by Benefit Terms—As of the January 1, 2021 valuation date, the following employees were covered by the benefit terms:

Active employees	1,553
Inactive employees or beneficiaries currently receiving benefit payments	1,026
Total	2,579

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 $568,605,295 and $3,012,945, respectively, was measured as of January 1, 2021, and was determined by an actuarial valuation as of that same date.

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, 2021 actuarial valuation, the entry age normal actuarial cost method, over a level percent of pay was used. The single discount rate changed from 2.74% effective January 1, 2020 to 2.12% effective January 1, 2021. The salary scale assumed to increase at 3.5% per year. The RPH-2014 Total Dataset Mortality Tables, adjusted for mortality improvements with scale MP-2020 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 August 2020 report. In order to estimate the change in the cost of healthcare, the actuaries healthcare cost trend rate used is 6.5%.

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 Activities	Business-type Activities
Balances at December 31, 2020	$ 460,330,788	$ 1,552,947
Changes for the year:		
Service cost	16,095,499	55,702
Interest	12,914,614	44,055
Differences between expected and actual experience	29,128,279	154,346
Changes in assumptions and other inputs	60,311,968	1,211,640
Benefit payments	(10,175,853)	(5,745)
Net changes	108,274,507	1,459,998
Balances at December 31, 2021	$ 568,605,295	$ 3,012,945

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 following table presents the effect of 1% change in the discount rate assumption would have on the total OPEB liability:

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Governmental activities:			
Total OPEB liability	$ 687,439,990	$ 568,605,295	$ 476,310,199
Business-type activities:			
Total OPEB liability	$ 3,642,630	$ 3,012,945	$ 2,523,889

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 (6.5%) healthcare cost trend rates.

	1% Decrease (5.5%)	Healthcare Cost Trend Rates (6.5%)	1% Increase (7.5%)
Governmental activities:			
Total OPEB liability	$ 459,052,644	$ 568,605,295	$ 715,553,369
Business-type activities:			
Total OPEB liability	$ 2,432,444	$ 3,012,945	$ 3,791,598

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 expenditure as premiums are paid within the governmental funds. For the year ended December 31, 2021, the County's governmental and business-type activities recognized OPEB expense of $54,019,956 and $321,964, 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 collective total OPEB liability. The table below presents the County's deferred outflows of resources and deferred inflows of resources at December 31, 2021.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Differences between expected and actual experience	$ 26,319,297	$ 136,111	$ -	$ -
Changes in assumptions and other inputs	122,021,536	1,267,552	25,240,876	165,801
Benefit payments subsequent to the measurement date	11,763,062	64,828	-	-
Total	$ 160,103,895	$ 1,468,491	$ 25,240,876	$ 165,801

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, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Governmental Activities	Business-type Activities
2022	$ 24,980,849	$ 251,200
2023	24,980,849	251,200
2024	23,528,372	236,595
2025	28,756,996	289,172
2026 and thereafter	20,852,891	209,695

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, 2021 was $1,853,000.

Employees Covered by Benefit Terms—At September 1, 2020, the number of employees covered by the College's OPEB plan:

Active employees	373
Inactive employees or beneficiaries currently receiving benefit payments	250
Total	623

Total OPEB Liability

The College's total OPEB liability of $117,189,701 was measured as of September 1, 2020 and was determined by an actuarial valuation as of that same date.

Actuarial Methods and Assumptions—The total OPEB liability in the September 1, 2020 actuarial valuation was determined using an inflation rate of 2.50%, a payroll growth rate of 2.00%, and a discount rate of 2.20%, 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 RP-2014 Mortality Table, sex distinct, with generational mortality adjusted to 2006 using the MP-2014 and projected forward with scale MP-2021.

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
Balance at August 31, 2020	$ 96,041,800
Changes for the year:	
Service cost	3,717,886
Interest	2,932,085
Differences between expected and actual experience	1,422,545
Changes of assumptions	15,147,925
Benefit payments	(2,072,540)
Net changes	21,147,901
Balance at August 31, 2021	$ 117,189,701

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% Decrease (1.20%)	Current Discount Rate (2.20%)	1% Increase (3.20%)
Total OPEB liability	$ 140,934,098	$ 117,189,701	$ 98,541,441

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% Decrease (4.0%)	Current Healthcare Trend Rate (5.0%)	1% Increase (6.0%)
Total OPEB liability	$ 96,440,360	$ 117,189,701	$ 144,664,908

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 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, 2021, the recognized OPEB expense was $7,686,658.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—At August 31, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,168,972	$ 1,652,328
Changes of assumptions	18,159,170	5,545,538
Benefit payments subsequent to the measurement date	2,199,524	-
Total	$ 21,527,666	$ 7,197,866

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, 2022. 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 August 31,	
2022	$ 1,038,687
2023	2,003,485
2024	3,016,568
2025	4,271,756
2026 and thereafter	1,801,780

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, 2021, the Agency had 1 active employee and 5 retired employees covered by benefit terms.

Total OPEB Liability

The Agency's total OPEB liability of $233,945 was determined by an actuarial valuation as of December 31, 2021.

Actuarial Methods and Assumptions—The total OPEB liability in the December 31, 2021 actuarial valuation was determined using an inflation rate of 3.0%, a discount rate of 2.25%, and healthcare cost trend rates ranging from 5.9% to 3.0%, reduced incrementally to an ultimate rate of 4.3% 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 RP-2000 Mortality Table for Males and Females projected 18 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 OPEB Liability
Balance at December 31, 2020	$ 245,325
Changes for the year:	
Service cost	82,323
Interest	9,341
Change of benefit terms	(82,499)
Changes of assumptions	12,249
Benefit payments	(32,794)
Net changes	(11,380)
Balance at December 31, 2021	$ 233,945

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% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB liability	$ 251,871	$ 233,945	$ 217,822

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% Decrease (4.9%/2.0%)	Current Healthcare Trend Rate (5.9%/3.0%)	1% Increase (6.9%/4.0%)
Total OPEB liability	$ 216,959	$ 233,945	$ 252,487

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, 2021, the Authority had 26 active employees, 8 retired employees, and 1 terminated employee covered by benefit terms.

Total OPEB Liability

The Authority's total OPEB liability of $3,957,002 was determined by an actuarial valuation using the Alternate Measurement Method as of December 31, 2021.

Actuarial Methods and Assumptions—The total OPEB liability in the December 31, 2021 actuarial valuation was determined using an inflation rate of 2.50%, a discount rate of 2.06%, and healthcare cost trend rates ranging from 4.90% to 3.00%, reduced incrementally to an ultimate rate of 4.30% 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 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 OPEB Liability
Balance at December 31, 2020	$ 3,892,637
Changes for the year:	
Service cost	139,938
Interest	84,845
Change of benefit terms	(134,563)
Changes of assumptions	35,411
Benefit payments	(61,266)
Net changes	64,365
Balance at December 31, 2021	$ 3,957,002

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% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB liability	$ 4,626,992	$ 3,957,002	$ 3,424,895

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 4.9% to 3.0%, while the ultimate healthcare cost trend rate is 4.3%.

	1% Decrease (3.9%/3.3%)	Current Healthcare Trend Rate (4.9%/4.3%)	1% Increase (5.9%/5.3%)
Total OPEB liability	$ 3,329,063	$ 3,957,002	$ 4,761,650

8. 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, 2021, the market value, as reported by the New York State Deferred Compensation Plan, of the plan assets totaled $236,879,266.

9. 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 Plan maintains insurance coverage for claims in excess of $1,100,000. 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, 2021.

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 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 Ended December 31,	Liability, Beginning of Year	Claims and Adjustments	Claim Payments and Adjustments	Liability, End of Year
2021	$ 28,236,114	$ 5,538,321	$ 2,791,988	$ 30,982,447
2020	28,515,544	3,890,921	4,170,351	28,236,114

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, 2021.

10. LEASES

Operating Leases—The County leases buildings, equipment and office space under non-cancelable operating leases. Total costs for such leases were $2,169,632 and $49,163 for governmental activities and business-type activities, respectively, for the year ended December 31, 2021.

Future minimum lease payments at December 31, 2021 are presented below:

Year Ending December 31,	Governmental Activities	Business-type Activities	Total
2022	$ 1,899,453	$ 40,850	$ 1,940,303
2023	1,818,317	37,933	1,856,250
2024 and thereafter	11,657,665	113,797	11,771,462
Total	$ 15,375,435	$ 192,580	$ 15,568,015

Capital Leases—The County leases buildings and office space under non-cancelable lease agreements. During the year ended December 31, 2021, the County reclassified a portion of their operating leases to capital leases. Total minimum lease payments at December 31, 2021 are $18,988,845, of which $2,772,709 represents imputed interest costs. A $16,216,136 long-term liability has been recorded within the County's governmental activities. The assets acquired through the capital leases are presented below:

	Governmental Activities
Assets:	
Buildings and office space	$ 16,769,980
Less: accumulated depreciation	(1,412,764)
Total	$ 15,357,216

Payments on the leases commenced in 2019, 2020 and 2021, and are due monthly. Total payments range between $17,000 and $90,000, with the final payments due ranging from April 30, 2022 to March 31, 2036. The interest rates range from 2.36% to 3.91%. The obligation's under the leases can be summarized in the table below.

Year Ending December 31,	Governmental Activities
2022	$ 1,620,686
2023	1,620,686
2024	1,895,523
2025	1,941,675
2026	1,951,968
2027-2031	6,826,010
2032-2036	3,132,297
Total minimum lease payments	18,988,845
Less: amount representing imputed interest	(2,772,709)
Present value of minimum lease payments	$ 16,216,136

Discretely Presented Component Units:

i) Dutchess Community College

Capital Lease—The College entered into a capital lease to finance the construction of energy saving improvements and equipment. The lease financed $3,148,000 for these improvements during 2007 with a final maturity of May 29, 2023. The interest rate on the lease is 4.42% with monthly principal and interest payments of $24,942. The future minimum payments required under the lease as of August 31, 2021 are presented below:

Year Ending August 31,	Principal	Interest
2022	$ 282,748	$ 15,515
2023	220,399	3,268
Total	$ 503,147	$ 18,783

Operating Leases—The College leases buildings and equipment for use in its operations under operating lease agreements which expire at various times through August 2035. The agreements require the following minimum future annual lease payments as of August 31, 2021:

Year Ending August 31,	
2022	$ 1,031,849
2023	935,425
2024	780,204
2025	870,207
2026	891,957
Thereafter	10,798,980
Total	$ 15,308,622

Rent expense for the year ended August 31, 2021 was $1,087,834.

11. LONG-TERM LIABILITIES

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

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

The County's outstanding long-term liabilities include bonds payable, capital leases, 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, 2021 is presented below.

	Balance 1/1/2021	Increases/ Reclassifications	Decreases	Balance 12/31/2021	Due Within One Year
Governmental activities:					
Bonds payable:					
Serial bonds	$ 175,386,858	$ 54,698,900	$ 18,980,981	$ 211,104,777	$ 13,161,354
Premiums on serial bonds	9,080,603	159,954	1,446,799	7,793,758	790,548
DTASC tobacco settlement bonds	47,200,000	-	1,285,000	45,915,000	4,855,000
Premium on DTASC bonds	3,491,040	-	95,042	3,395,998	359,089
DTASC subordinate turbo CABs	7,197,203	501,451	-	7,698,654	-
Total bonds payable	242,355,704	55,360,305	21,807,822	275,908,187	19,165,991
Capital leases	-	17,240,333	1,024,197	16,216,136	1,148,276
Compensated absences	10,396,428	437,482	511,381	10,322,529	516,126
Workers' compensation and general claims	29,236,114	5,538,321	2,791,988	31,982,447	4,860,000
OPEB obligation	460,330,788	118,450,360	10,175,853	568,605,295	-
Net pension liability*	126,055,090	-	125,582,665	472,425	-
Total governmental activities	$ 868,374,124	$ 197,026,801	$ 161,893,906	$ 903,507,019	$ 25,690,393
Business-type activities:					
Bonds payable:					
Airport bonds	$ 1,068,742	$ 110,000	$ 310,930	$ 867,812	$ 149,450
Transportation bonds	354,400	-	138,089	216,311	48,096
Premiums on serial bonds	159,163	1,197	11,906	148,454	11,972
Total bonds payable	1,582,305	111,197	460,925	1,232,577	209,518
Compensated absences	63,730	7,388	1,829	69,289	3,464
OPEB obligation	1,552,947	1,465,743	5,745	3,012,945	-
Net pension liability*	509,153	-	507,222	1,931	-
Total business-type activities	$ 3,708,135	$ 1,584,328	$ 975,721	$ 4,316,742	$ 212,982

*(Reductions to the net pension liability are shown net of additions.)

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 9.3% of its constitutional debt limit as of December 31, 2021.

On April 1, 2021, the County issued $54,808,900 in public improvement serial bonds for various capital improvements and equipment purchases. Series 2021 bonds of $54,808,900 were issued at a premium of $161,151, carry an interest rate of 2.00 to 5.00 percent, and have maturities ranging from April of 2039 to 2047.

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, 2021 is shown below:

Description	Maturity Date	Interest Rate (%)	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021
Governmental activities:						
2009 Refunding Series B	2021	3.00-4.00	$ 405,000	$ -	$ 405,000	$ -
2011 Refunding	2022	2.00-5.00	242,902	-	134,400	108,502
2012 Public Improvement	2032	2.00-4.00	3,614,000	-	3,614,000	-
2013 Public Improvement	2033	2.00-4.13	2,040,000	-	2,040,000	-
2014 Public Improvement	2034	2.13-5.00	10,289,000	-	848,000	9,441,000
2015 Public Improvement	2035	2.00-5.00	12,800,000	-	1,180,000	11,620,000
2015 Refunding	2027	2.00-5.00	5,117,026	-	1,200,030	3,916,996
2016 Public Improvement	2028	3.00-4.00	6,415,000	-	1,625,000	4,790,000
2017 Public Improvement	2037	2.00-3.00	4,010,000	-	290,000	3,720,000
2018 Public Improvement Series A	2038	3.00-3.25	12,122,000	-	1,307,000	10,815,000
2018 Public Improvement Series B	2048	3.25-4.00	38,940,000	-	865,000	38,075,000
2019 Public Improvement Series A	2039	3.00-5.00	13,111,500	-	1,248,500	11,863,000
2019 Public Improvement Series B	2048	3.00-5.00	19,910,000	-	425,000	19,485,000
2019 Refunding	2031	2.00-5.00	8,730,430	-	1,408,051	7,322,379
2020 Public Improvement	2040	2.00	37,640,000	-	2,391,000	35,249,000
2021 Public Improvement Series A	2039	2.00-5.00	-	14,698,900	-	14,698,900
2021 Public Improvement Series B	2047	2.00-5.00	-	40,000,000	-	40,000,000
Total governmental activities			$ 175,386,858	$ 54,698,900	$ 18,980,981	$ 211,104,777
Business-type activities:						
2011 Refunding—Airport	2022	2.00-5.00	$ 92,099	$ -	$ 45,600	$ 46,499
2012 Public Improvement—Transportation	2032	2.00-4.00	6,000	-	6,000	-
2013 Public Improvement—Airport	2033	2.00-4.13	150,000	-	150,000	-
2014 Public Improvement—Airport	2034	2.13-5.00	6,000	-	2,000	4,000
2015 Refunding—Airport	2035	2.00-5.00	85,046	-	50,800	34,246
2015 Refunding—Transportation	2027	2.00-5.00	142,927	-	19,170	123,757
2017 Public Improvement—Transportation	2037	2.00-3.00	40,000	-	20,000	20,000
2018 Public Improvement—Transportation	2038	3.00-3.25	78,000	-	78,000	-
2019 Public Improvement Series A—Airport	2039	3.00-5.00	608,500	-	31,500	577,000
2019 Refunding—Airport	2031	2.00-5.00	37,096	-	7,030	30,066
2019 Refunding—Transportation	2031	2.00-5.00	87,474	-	14,919	72,555
2020 Public Improvement—Airport	2040	2.00	90,000	-	24,000	66,000
2021 Public Improvement—Airport	2047	2.00-5.00	-	110,000	-	110,000
Total business-type activities			$ 1,423,142	$ 110,000	$ 449,019	$ 1,084,123

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 2003 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, 2021 are presented as follows:

Description	Year of Maturity	Yield	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021	Amounts Due Within One Year*
Tobacco Settlement Bonds:							
Series 2016	2035	various	$ 47,200,000	$ -	$ 1,285,000	$ 45,915,000	$ 4,855,000
Plus: Bond premium			3,491,040	-	95,042	3,395,998	359,089
Net Tobacco Settlement Bonds			$ 50,691,040	$ -	$ 1,380,042	$ 49,310,998	$ 5,214,089

*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, 2021 follows:

	Interest Rate	Original Principal	Balance 1/1/2021	Annual Net Interest Accretion	Reductions	Balance 12/31/2021
Subordinate Turbo CABs	6.00%-7.85%	$ 2,604,375	$ 7,197,203	$ 501,451	$ -	$ 7,698,654

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, 2021, 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 June 1, 2055.

Amortization of Bond Premiums—During the year ended December 31, 2021, the County issued serial bonds which included a bond premium of $161,151. 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, 2021 was $7,793,758 and $148,454 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, 2021 was $3,395,998.

Capital Leases—The County entered into long-term capital leases for various buildings and office space. The outstanding balance at December 31, 2021 was $16,216,136. Refer to Note 10 for additional information related to the County's leases.

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, 2021 for governmental and business-type activities are $10,322,529 and $69,289, respectively, of which $516,126 and $3,464 is expected to become due within one year, respectively.

Workers' Compensation and General Claims—As explained in Note 9, the County is self-insured. Liabilities are established for workers' compensation and general claims in accordance with GASB requirements. At December 31, 2021, the County reported $30,982,447 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. The proprietary funds have no loss contingency liability other than workers' compensation, which is only recognized when invoiced from the County.

OPEB Obligation—As explained in Note 7, 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 $568,605,295 and $3,012,945 at December 31, 2021 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. The net pension liability is estimated to be $472,425 and $1,931 in the governmental and business-type activities, respectively. Refer to Note 6 for additional information related to the County's net pension liability.

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

	Governmental Activities				
Year Ending December 31,	Serial Bonds	Premiums on Serial Bonds	DTASC Tobacco Settlement Bonds	Premium on DTASC Bonds	DTASC Subordinate Turbo CABs
2022	$ 13,161,354	$ 790,548	$ 4,855,000	$ 359,089	$ -
2023	12,598,504	790,541	2,120,000	156,801	-
2024	12,348,853	571,597	2,245,000	166,046	-
2025	12,028,218	571,597	2,395,000	177,141	-
2026	11,186,006	571,597	2,550,000	188,605	-
2027-2031	48,863,176	2,392,983	15,210,000	1,124,973	-
2032-2036	39,705,557	1,536,993	16,540,000	1,223,343	-
2037-2041	29,408,109	567,902	-	-	-
Thereafter	31,805,000	-	-	-	7,698,654
Total	$ 211,104,777	$ 7,793,758	$ 45,915,000	$ 3,395,998	$ 7,698,654

(continued)

	Governmental Activities					
Year Ending December 31,	Capital Leases	Compensated Absences	Workers' Compensation and General Claims	OPEB Obligation	Net Pension Liability	Total
2022	$ 1,148,276	$ 516,126	$ 4,860,000	$ -	$ -	$ 25,690,393
2023	1,186,615	-	-	-	-	16,852,461
2024	1,505,335	-	-	-	-	16,836,831
2025	1,603,126	-	-	-	-	16,775,082
2026	1,667,607	-	-	-	-	16,163,815
2027-2031	6,104,471	-	-	-	-	73,695,603
2032-2036	3,000,706	-	-	-	-	62,006,599
2037-2041	-	-	-	-	-	29,976,011
Thereafter	-	9,806,403	27,122,447	568,605,295	472,425	645,510,224
Total	$ 16,216,136	$ 10,322,529	$ 31,982,447	$ 568,605,295	$ 472,425	$ 903,507,019

(concluded)

Year Ending December 31,	Business-type Activities: Airport Bonds	Transportation Bonds	Premiums on Serial Bonds	Compensated Absences	OPEB Obligation	Net Pension Liability	Total
2022	$ 149,450	$ 48,096	$ 11,972	$ 3,464	$ -	$ -	$ 212,982
2023	71,047	40,449	11,972	-	-	-	123,468
2024	45,206	40,941	11,972	-	-	-	98,119
2025	47,342	34,439	11,972	-	-	-	93,753
2026	39,108	29,886	11,972	-	-	-	80,966
2027-2031	199,324	22,500	59,671	-	-	-	281,495
2032-2036	199,443	-	19,120	-	-	-	218,563
2037-2041	116,892	-	9,803	-	-	-	126,695
Thereafter	-	-	-	65,825	3,012,945	1,931	3,080,701
Total	$ 867,812	$ 216,311	$ 148,454	$ 69,289	$ 3,012,945	$ 1,931	$ 4,316,742

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

Year Ending December 31,	Bonds Payable: Governmental Activities: County	Governmental Activities: DTASC	Business-type Activities	Capital Leases: Governmental Activities
2022	$ 6,494,834	$ 2,290,050	$ 38,343	$ 472,411
2023	5,441,437	2,080,800	30,188	434,071
2024	5,047,280	1,949,850	26,558	390,189
2025	4,680,645	1,810,650	23,080	338,548
2026	4,323,344	1,663,150	19,575	284,360
2027-2031	17,272,343	6,120,750	66,420	721,539
2032-2036	11,270,788	1,781,000	30,999	131,591
2037-2041	6,776,615	-	5,204	-
Thereafter	3,529,875	-	-	-
Total	$ 64,837,161	$ 17,696,250	$ 240,367	$ 2,772,709

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, 2021:

	Balance 9/1/2020	Additions	Reductions	Balance 8/31/2021	Due Within One Year
Capital lease obligations	$ 773,692	$ -	$ 270,545	$ 503,147	$ 282,748
Compensated absences	2,781,401	-	259,018	2,522,383	-
OPEB obligation	96,041,800	21,147,901	-	117,189,701	-
Net pension liability	12,451,506	-	12,410,538	40,968	-
Total long-term liabilities	$ 112,048,399	$ 21,147,901	$ 12,940,101	$ 120,256,199	$ 282,748

Capital Leases—As explained in Note 10, the College entered into an installment purchase agreement for equipment. At August 31, 2021, the future minimum lease obligation is $503,147.

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, 2021 for the College is $2,522,383.

OPEB Obligation—As explained in Note 7, 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 $117,189,701 at August 31, 2021.

Net Pension Liability—The College reported a liability, $40,968, for its proportionate share of the net pension liability for the Teachers Retirement System and Employee Retirement System. Refer to Note 6 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 $22,034,117, of which $753,218 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, 2021 was $150,667. Additionally, the Agency reports an unamortized premium at December 31, 2021 in the amount of $800,130.

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

Year Ending December 31,	Principal	Interest	Total
2022	$ 1,165,000	$ 360,125	$ 1,525,125
2023	1,220,000	300,500	1,520,500
2024	1,280,000	238,000	1,518,000
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	$ 7,785,000	$ 1,207,875	$ 8,992,875

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, 2021 these debt service reserves exceeded their funding requirements.

OPEB Obligation—As explained in Note 7, 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 $233,945 at December 31, 2021.

Net Pension Liability—As explained in Note 6, 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 $212.

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, 2021 is presented below:

	Balance 1/1/2021	Additions	Payments	Balance 12/31/2021	Due Within One Year
Bonds payable*	$ 37,079,209	$ 199,526	$ 2,607,320	$ 34,671,415	$ 1,937,464
Long-term bond anticipation notes	1,366,348	1,899,234	-	3,265,582	-
OPEB liability	3,892,637	64,365	-	3,957,002	-
Net pension liability	1,413,389	-	1,408,164	5,225	-
Total	$ 43,751,583	$ 2,163,125	$ 4,015,484	$ 41,899,224	$ 1,937,464

*Bonds payable increased by $199,526 in accrued accreted interest and decreased by a zero coupon bond payment of $523,645, serial bond payments of $2,052,434 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, 2021, there were drawdowns of $1,858,988 on the loan funding.

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, 2021, there were drawdowns of $40,246 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, 2021 are presented below.

Description	Maturity	Interest Rate (%)	Balance 12/31/2021
1998 Revenue Bonds (Zero Coupon) Series One	2029	3.90-5.40	$ 2,878,940
2001 Service Agreement Revenue (Refunding) Bond Series 2001	2041	3.00-5.36	1,063,410
2004 Water Service Agreement Revenue Bond Series 2004	2024	2.00-4.25	435,000
2004 Sewer Service Agreement Revenue Bond Series 2004	2024	2.00-4.25	450,000
2009 Water Service Agreement Revenue Bond Series 2009	2029	3.00-5.00	1,094,143
2009 Water Service Agreement Revenue Bond Series 2009	2039	5.62-5.96	253,381
Water Revolving Fund Revenue (Refunding) Bond Series 2011C	2023	0.54-3.17	65,000
2011 Service Agreement Revenue Bond Series 2011	2041	3.50-4.25	1,565,000
New York State Environmental Facilities Corporation Revenue Refunding Bond Series 2014B	2026	0.15-2.75	165,000
New York State Environmental Facilities Corporation Revenue Refunding Bond Series 2014B	2037	0.15-4.20	1,485,000
New York State Environmental Facilities Corporation Bond Series 2016	2025	4.36-4.96	500,000
New York State Environmental Facilities Corporation Bond Series 2016 B	2044	0.55-3.35	3,412,761
2016 Service Agreement Revenue Bond Series 2016	2046	1.50-3.25	1,385,000
2016 Service Agreement Revenue Refunding Bond Series 2016	2029	1.75-4.00	3,130,000
New York State Environmental Facilities Corporation Bond Series 2018	2047	N/A	3,520,200
New York State Environmental Facilities Corporation Bond Series 2018A	2043	N/A	366,520
2019 Revenue Bond Series	2049	1.80-5.00	1,270,000
New York State Environmental Facilities Corporation Bond Series 2020B	2050	0.23-2.67	1,820,687
Total bonds			24,860,042
Accreted interest recorded on zero coupon bonds			9,528,614
Unamortized bond premium			282,759
Total bonds payable			34,671,415
Portion due within one year			(1,937,464)
Net bonds payable due in more than one year			$ 32,733,951

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 13.

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, 2021.

12. NET POSITION AND FUND BALANCE

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

- ***Net Investment in Capital Assets***—This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation 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		$ 340,265,251
Other noncurrent asset, net of amortization		6,582,270
Less related debt:		
Serial bonds—County	$ (211,104,777)	
Unamortized bond premium—County	(7,793,758)	
Deferred charge/gain on refunding, net	(11,168,601)	
Serial bonds—DTASC	(45,915,000)	
Unamortized bond premium—DTASC	(3,395,998)	
Capital leases	(16,216,136)	
Serial bonds issued on behalf of Dutchess Community College	9,835,902	
Unspent debt proceeds	23,250,253	(262,508,115)
Net investment in capital assets		$ 84,339,406

Business-type Activities:		
Capital assets, net of accumulated depreciation		$ 25,609,999
Less related debt:		
Serial bonds—Airport Fund and Transportation Fund	$ (1,084,123)	
Unamortized bond premium—Airport Fund and Transportation Fund	(148,454)	(1,232,577)
Net investment in capital assets		$ 24,377,422

- ***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 $29,837,728, of which $11,250,230 is restricted for debt service; $13,269,669 for workers' compensation; and $5,317,829 for other restrictions, which represents capital projects, $787,969; self-insurance, $2,122,691; and miscellaneous special reserves, $2,407,169.

- ***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, 2021 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 $5,385,079 and $253,416, respectively, at December 31, 2021.

- ***Inventories***—Represents the portion of fund balance, $130,653, 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 following table presents restricted fund balances of the County as of December 31, 2021.

	General Fund	Capital Projects Fund	DTASC Fund	Total
Restricted for:				
Workers' compensation	$ 13,269,669	$ -	$ -	$ 13,269,669
Self-insurance	2,122,691	-	-	2,122,691
Capital projects	787,969	26,469,188	-	27,257,157
Debt service	4,456,325	-	3,293,905	7,750,230
Sheriff—Asset forfeiture	89,374	-	-	89,374
Sheriff—DWI and traffic safety	72,155	-	-	72,155
Aging and special needs programs	141,717	-	-	141,717
Veterans services	15,040	-	-	15,040
Green initiatives	3,085	-	-	3,085
Shared services	2,085,798	-	-	2,085,798
Total restricted fund balance	$ 23,043,823	$ 26,469,188	$ 3,293,905	$ 52,806,916

- ***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.

- ***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.

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, 2021, the County had no committed fund balance.

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

As of December 31, 2021, the County reported the following fund balances assignments:

	General Fund	DTASC Fund	Nonmajor Governmental Funds	Total
Assigned for:				
Encumbrances	$ 6,450,490	$ -	$ 32,409	$ 6,482,899
Subsequent year's expenditures	4,248,848	-	-	4,248,848
Specific use	-	89,502	3,656,686	3,746,188
Total assigned fund balance	$ 10,699,338	$ 89,502	$ 3,689,095	$ 14,477,935

- ***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 2022 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.

13. RELATED PARTY TRANSACTIONS

The following schedule presents significant transactions between the primary government and its component units during the year ended December 31, 2021:

Component Unit	Amount	Nature of Transaction
Dutchess Community College	$ 16,787,898	Operating and capital support
Dutchess County Water and Wastewater Authority	3,657,282	Net service fee
Aggregated nonmajor component units	302,744	Charges for services
Total	$ 20,747,924	

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

Discretely Presented Component Units

i) Dutchess County Resource Recovery Agency:

During 2021, the Agency participated in the health and dental insurance plan administered by Dutchess County and was charged $81,657.

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 2021, the Authority recorded net revenues of $3,657,282, 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.

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, 2021 is shown in the table on the following page.

Fund	Interfund Receivable	Interfund Payable
Governmental funds:		
General Fund	$ 7,357,300	$ -
Capital Projects Fund	-	4,912,001
Nonmajor governmental funds	-	2,988
Proprietary funds:		
Airport Fund	-	2,404,829
Transportation Fund	-	37,482
Total	$ 7,357,300	$ 7,357,300

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, 2021:

	Transfers in:					
	Governmental funds			Proprietary funds		
Transfers out:	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Airport Fund	Transportation Fund	Total
Governmental funds:						
General Fund	$ -	$ 2,593,866	$ 114,094	$ 599,203	$ 1,465,608	$ 4,772,771
Capital Projects Fund	1,697,539	-	-	-	-	1,697,539
Total	$ 1,697,539	$ 2,593,866	$ 114,094	$ 599,203	$ 1,465,608	$ 6,470,310

15. 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 was negotiated through December 31, 2020 and is currently in negotiations. The DCSEA contract is negotiated through December 31, 2021. The PBA contract is negotiated through December 31, 2023.

16. 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 $1,224,677 during 2021 in payments in lieu of taxes ("PILOT"), these collections were made in lieu of $6,016,273 in sales and use taxes and $3,520,054 in property taxes.

17. 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, 2021, the County reported no significant encumbrances, with the exception of outstanding contractual commitments, specific to the Capital Projects Fund. These commitments are reported as restricted fund balance within the fund financial statements.

The County had the following outstanding construction projects in progress as of December 31, 2021, as evidenced by contractual commitments.

Project	Encumbrances Outstanding
Capital Projects Fund:	
Transportation	$ 974,045
County roads and bridges	25,084,323
Parks and recreation	2,418,176
Building and building improvements	4,559,995
Communications improvements	386,090
Community services	3,510
Justice and transition center	62,262,513
Total	$ 95,688,652

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. During the year ended December 31, 2021, the County has provided $6,582,270 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 $274,572 in 2021.

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, 2021, the County's portion of these costs was $3,657,282.

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.

18. 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.

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

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 employs an independent party 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 amounts shown to be due to and due from Operator. The Agency and the current Operator have agreed upon and accepted the 2021 annual reconciliation.

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 a ton for each ton of solid waste below that amount which is not delivered to the plan, adjusted based upon changes in labor and material price indexes. During 2021, the Agency caused to have delivered 152,640 tons, meeting its guarantees.

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, 2022 and includes disposal at any of three landfills.

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 February 2025. The Title V Air Control permit is in the process of renewal. 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 2021 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: umbrella coverage of $20,000,000, business automobile of $1,000,000, general liability of $3,000,000, property of $48,474,165, cyber insurance coverage of $1,000,000, 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 exception 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. This construction was still in progress at December 31, 2021. In 2020, the Authority entered into an operating agreement and lease with option to purchase for the Red Hook Acres Water System (aka Traditions at Red Hook Water), and a parallel operating agreement and lease with option to purchase for the Red Hook Acres Sewer Collection and Treatment System (aka Traditions at Red Hook Sewer.) The Authority commenced operations and management of the water and sewer systems on May 1, 2020.

19. SUBSEQUENT EVENTS

On March 24, 2022, the County issued $70,200,000 in public improvement serial bonds with interest rates ranging from 3.00 to 3.25 percent for various construction projects and equipment purchases. The bonds mature on March 15, 2048.

Management has evaluated subsequent events through September 13, 2022, 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.

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REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF DUTCHESS, NEW YORK

Schedule of the Local Government's Proportionate Share of the Net Pension Liability—Employees' Retirement System

Last Eight Fiscal Years*

	Year Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Plan fiduciary net position as a percentage of the total pension liability	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%
Governmental activities:								
County's proportion of the net pension liability	0.4744702%	0.4760286%	0.4553470%	0.4550870%	0.4602844%	0.4285410%	0.4315423%	0.4315423%
County's proportionate share of the net pension liability	$ 472,425	$ 126,055,090	$ 32,351,118	$ 14,687,677	$ 43,249,327	$ 68,782,035	$ 14,578,554	$ 19,500,790
County's covered payroll	$ 127,322,279	$ 129,568,196	$ 125,225,222	$ 120,835,233	$ 116,780,725	$ 112,421,243	$ 106,956,864	$ 104,474,311
County's proportionate share of the net pension liability as a percentage of its covered payroll	0.4%	97.3%	25.8%	12.2%	37.0%	61.2%	13.6%	18.7%
Business-type activities:								
County's proportion of the net pension liability	0.0019360%	0.0019230%	0.0018060%	0.0016680%	0.0020920%	0.0022695%	0.0024813%	0.0024813%
County's proportionate share of the net pension liability	$ 1,931	$ 509,153	$ 128,319	$ 53,841	$ 196,573	$ 333,416	$ 83,823	$ 112,125
County's covered payroll	$ 515,409	$ 510,288	$ 465,842	$ 528,666	$ 568,778	$ 601,284	$ 653,156	$ 643,338
County's proportionate share of the net pension liability as a percentage of its covered payroll	0.4%	99.8%	27.5%	10.2%	34.6%	55.5%	12.8%	17.4%
Discretely presented component units:								
Dutchess Community College (the "College"):								

	Year Ended August 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
College's proportion of the net pension liability	0.0411200%	0.0425790%	0.0428470%	0.0421960%	0.0435610%	0.0398490%	0.0404747%	n/a
College's proportionate share of the net pension liability	$ 40,968	$ 11,275,272	$ 3,035,807	$ 1,361,853	$ 4,093,109	$ 6,395,803	$ 1,367,334	n/a
College's covered payroll	$ 11,067,588	$ 11,745,423	$ 12,045,553	$ 11,240,160	$ 10,785,934	$ 9,969,544	$ 9,576,118	n/a
College's proportionate share of the net pension liability as a percentage of its covered payroll	0.4%	96.0%	25.2%	12.1%	37.9%	64.2%	14.3%	n/a

(continued)

*Information prior to the year ended December 31, 2014 (August 31, 2015 as to the College) is not available.

COUNTY OF DUTCHESS, NEW YORK
Schedule of the Local Government's Proportionate Share of the Net Pension Liability—Employees' Retirement System
Last Eight Fiscal Years*

(concluded)

	Year Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Dutchess County Resource Recovery Agency (the "Agency"):								
Agency's proportion of the net pension liability	0.0002134%	0.0002420%	0.0002562%	0.0002656%	0.0002419%	0.0004802%	0.0005205%	n/a
Agency's proportionate share of the net pension liability	$ 212	$ 64,086	$ 18,149	$ 8,572	$ 22,726	$ 77,066	$ 17,583	n/a
Agency's covered payroll	$ 112,568	$ 109,699	$ 106,504	$ 110,214	$ 154,959	$ 209,503	$ 282,986	n/a
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	0.2%	58.4%	17.0%	7.8%	14.7%	36.8%	6.2%	n/a
Dutchess County Water and Wastewater Authority (the "Authority"):								
Authority's proportion of the net pension liability	0.0052473%	0.0053375%	0.0050525%	0.0049234%	0.0045858%	0.0044523%	0.0044387%	n/a
Authority's proportionate share of the net pension liability	$ 5,225	$ 1,413,389	$ 357,983	$ 158,901	$ 430,892	$ 714,613	$ 149,950	n/a
Authority's covered payroll	$ 1,631,928	$ 1,621,287	$ 1,524,688	$ 1,571,999	$ 1,457,392	$ 1,353,385	$ 1,310,369	n/a
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	0.3%	87.2%	23.5%	10.1%	29.6%	52.8%	11.4%	n/a
Dutchess County Soil and Water Conservation District (the "SWCD"):								
SWCD's proportion of the net pension liability	0.0012939%	0.0014083%	0.1436200%	0.0014702%	0.0014946%	n/a	n/a	n/a
SWCD's proportionate share of the net pension liability	$ 1,288	$ 372,934	$ 101,762	$ 47,451	$ 140,438	n/a	n/a	n/a
SWCD's covered payroll	$ 247,274	$ 264,660	$ 277,932	$ 279,336	$ 238,756	n/a	n/a	n/a
SWCD's proportionate share of the net pension liability as a percentage of its covered payroll	0.5%	140.9%	36.6%	17.0%	58.8%	n/a	n/a	n/a

*Information prior to the year ended December 31, 2015 (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 Eight Fiscal Years*

	Year Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:								
Contractually required contributions	$ 19,768,777	$ 18,509,410	$ 18,019,579	$ 17,559,786	$ 17,759,949	$ 17,666,654	$ 18,538,858	$ 20,015,701
Contributions in relation to the contractually required contribution	(19,768,777)	(18,509,410)	(18,019,579)	(17,559,786)	(17,759,949)	(17,666,654)	(18,538,858)	(20,015,701)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County's covered payroll	$ 124,048,035	$ 129,494,778	$ 130,101,901	$ 123,984,193	$ 120,664,775	$ 116,343,200	$ 111,314,366	$ 106,341,809
Contributions as a percentage of covered payroll	15.9%	14.3%	13.9%	14.2%	14.7%	15.2%	16.7%	18.8%
Business-type activities:								
Contractually required contributions	$ 78,491	$ 72,011	$ 67,973	$ 71,477	$ 81,606	$ 92,861	$ 114,874	$ 127,959
Contributions in relation to the contractually required contribution	(78,491)	(72,011)	(67,973)	(71,477)	(81,606)	(92,861)	(114,874)	(127,959)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County's covered payroll	$ 500,622	$ 522,808	$ 516,037	$ 454,480	$ 550,675	$ 565,023	$ 640,032	$ 640,050
Contributions as a percentage of covered payroll	15.7%	13.8%	13.2%	15.7%	14.8%	16.4%	17.9%	20.0%
Discretely presented component units:								
Dutchess Community College (the "College"):								
	Year Ended August 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	$ 1,726,125	$ 1,633,690	$ 1,682,461	$ 1,590,774	$ 1,650,757	$ 1,676,786	$ 1,897,221	n/a
Contributions in relation to the contractually required contribution	(1,726,125)	(1,633,690)	(1,682,461)	(1,590,774)	(1,650,757)	(1,676,786)	(1,897,221)	n/a
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	n/a
College's covered payroll	$ 11,067,588	$ 11,745,423	$ 12,045,553	$ 11,240,160	$ 11,035,124	$ 10,202,724	$ 9,961,962	n/a
Contributions as a percentage of covered payroll	15.6%	13.9%	14.0%	14.2%	15.0%	16.4%	19.0%	n/a

(continued)

*Information prior to the year ended December 31, 2014 (August 31, 2015 as to the College) is not available.

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

(concluded)

	Year Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Dutchess County Resource Recovery Agency (the "Agency"):								
Contractually required contributions	$ 17,408	$ 16,580	$ 17,159	$ 26,030	$ 41,623	$ 62,345	$ 56,026	n/a
Contributions in relation to the contractually required contribution	(17,408)	(16,580)	(17,159)	(26,030)	(41,623)	(62,345)	(56,026)	n/a
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	n/a
Agency's covered payroll	$ 112,568	$ 109,699	$ 106,504	$ 110,214	$ 154,959	$ 209,503	$ 282,986	n/a
Contributions as a percentage of covered payroll	15.5%	15.1%	16.1%	23.6%	26.9%	29.8%	19.8%	n/a
Dutchess County Water and Wastewater Authority (the "Authority"):								
Contractually required contributions	$ 231,654	$ 233,896	$ 223,011	$ 242,033	$ 226,072	$ 261,541	$ 256,914	n/a
Contributions in relation to the contractually required contribution	(231,654)	(233,896)	(223,011)	(242,033)	(226,072)	(261,541)	(256,914)	n/a
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	n/a
Authority's covered payroll	$ 1,631,928	$ 1,621,287	$ 1,524,688	$ 1,571,999	$ 1,457,392	$ 1,353,385	$ 1,310,369	n/a
Contributions as a percentage of covered payroll	14.2%	14.4%	14.6%	15.4%	15.5%	19.3%	19.6%	n/a
Dutchess County Soil and Water Conservation District (the "SWCD"):								
Contractually required contributions	$ 40,522	$ 37,337	$ 36,928	$ 36,650	$ 34,627	n/a	n/a	n/a
Contributions in relation to the contractually required contribution	(40,522)	(37,337)	(36,928)	(36,650)	(34,627)	n/a	n/a	n/a
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	n/a	n/a	n/a
SWCD's covered payroll	$ 247,274	$ 264,660	$ 277,932	$ 279,336	$ 238,756	n/a	n/a	n/a
Contributions as a percentage of covered payroll	16.4%	14.1%	13.3%	13.1%	14.5%	n/a	n/a	n/a

*Information prior to the year ended December 31, 2015 (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 Seven Fiscal Years*

Discretely presented component unit:

Dutchess Community College (the "College"):

	Year Ended August 31,						
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Measurement date	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)	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%
College's proportion of the net pension liability/(asset)	0.0391110%	0.0425670%	0.0413900%	0.0391440%	0.0363910%	0.0361260%	0.0320250%
College's proportionate share of the net pension liability/(asset)	$ (6,777,521)	$ 1,176,234	$ (1,075,324)	$ (707,829)	$ (276,607)	$ 386,919	$ (3,326,364)
College's covered payroll	$ 6,638,353	$ 7,224,925	$ 6,908,722	$ 6,376,142	$ 5,766,757	$ 5,574,525	$ 4,810,570
College's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	(102.1%)	16.3%	(15.6%)	(11.1%)	(4.8%)	6.9%	(69.2%)

*Information prior to the year ended August 31, 2015 is not available.

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

Discretely presented component unit:

Dutchess Community College (the "College"):

	Year Ended August 31,						
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contributions	$ 632,635	$ 640,128	$ 733,706	$ 624,862	$ 675,864	$ 739,182	$ 843,293
Contributions in relation to the contractually required contribution	(632,635)	(640,128)	(733,706)	(624,862)	(675,864)	(739,182)	(843,293)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 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	9.5%	8.9%	10.6%	9.8%	11.7%	13.3%	17.5%

*Information prior to the year ended August 31, 2015 is not available.

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

Primary Government – Governmental Activities:

	2021	2020	2019	2018
Total OPEB liability				
Service cost	$ 16,095,499	$ 11,036,673	$ 13,990,061	$ 12,937,349
Interest	12,914,614	14,624,914	14,453,082	14,242,764
Differences between expected and actual experience	29,128,279	-	3,353,319	-
Changes of assumptions or other inputs	60,311,968	93,413,115	(50,822,845)	23,150,690
Change of benefit terms	-	-	(32,777,750)	-
Benefit payments	(10,175,853)	(8,824,971)	(8,544,961)	(7,512,046)
Net changes in total OPEB liability	108,274,507	110,249,731	(60,349,094)	42,818,757
Total OPEB liability—beginning	460,330,788	350,081,057	410,430,151	367,611,394
Total OPEB liability—ending	$ 568,605,295	$ 460,330,788	$ 350,081,057	$ 410,430,151
Plan fiduciary net position				
Contributions—employer	$ 10,175,853	$ 8,824,971	$ 8,544,961	$ 7,512,046
Benefit payments	(10,175,853)	(8,824,971)	(8,544,961)	(7,512,046)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-
Plan fiduciary net position—ending	$ -	$ -	$ -	$ -
County's net OPEB liability—ending	$ 568,605,295	$ 460,330,788	$ 350,081,057	$ 410,430,151
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	$ 129,274,307	$ 124,020,286	$ 124,030,926	$ 119,220,005
County's net OPEB liability as a percentage of covered-employee payroll	439.8%	371.2%	282.3%	344.3%

Primary Government – Business-type Activities:

Total OPEB liability				
Service cost	$ 55,702	$ 38,110	$ 50,088	$ 50,961
Interest	44,055	48,717	56,759	56,103
Differences between expected and actual experience	154,346	-	11,024	-
Changes of assumptions or other inputs	1,211,640	316,798	(333,843)	91,191
Change of benefit terms	-	-	(216,188)	-
Benefit payments	(5,745)	(1,560)	(33,659)	(29,590)
Net changes in total OPEB liability	1,459,998	402,065	(465,819)	168,665
Total OPEB liability—beginning	1,552,947	1,150,882	1,616,701	1,448,036
Total OPEB liability—ending	$ 3,012,945	$ 1,552,947	$ 1,150,882	$ 1,616,701
Plan fiduciary net position				
Contributions—employer	$ 5,745	$ 1,560	$ 33,659	$ 29,590
Benefit payments	(5,745)	(1,560)	(33,659)	(29,590)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-
Plan fiduciary net position—ending	$ -	$ -	$ -	$ -
County's net OPEB liability—ending	$ 3,012,945	$ 1,552,947	$ 1,150,882	$ 1,616,701
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	$ 685,003	$ 418,388	$ 407,748	$ 469,612
County's net OPEB liability as a percentage of covered-employee payroll	439.8%	371.2%	282.3%	344.3%

*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 Four Fiscal Years*

A. Discretely presented component units:

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

	2021	2020	2019	2018
Total OPEB liability				
Service cost	$ 3,717,886	$ 3,295,076	$ 2,878,655	$ 3,672,802
Interest	2,932,085	3,361,450	3,147,583	2,735,372
Differences between expected and actual experience	1,422,545	-	(3,361,632)	-
Changes of assumptions	15,147,925	8,640,338	(5,826,837)	(9,978,090)
Benefit payments	(2,072,540)	(1,690,199)	(2,397,410)	(2,156,867)
Net changes in total OPEB liability	21,147,901	13,606,665	(5,559,641)	(5,726,783)
Total OPEB liability—beginning	96,041,800	82,435,135	87,994,776	93,721,559
Total OPEB liability—ending	$ 117,189,701	$ 96,041,800	$ 82,435,135	$ 87,994,776
Plan fiduciary net position				
Contributions—employer	$ 2,072,540	$ 1,690,199	$ 2,397,410	$ 2,156,867
Benefit payments	(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	$ -	$ -	$ -	$ -
College's net OPEB liability—ending	$ 117,189,701	$ 96,041,800	$ 82,435,135	$ 87,994,776
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	$ 26,069,038	$ 26,802,387	$ 26,802,387	$ 25,536,347
College's net OPEB liability as a percentage of covered-employee payroll	449.5%	358.3%	307.6%	344.6%

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

Total OPEB liability				
Service cost	$ 82,323	$ 82,323	$ 82,323	$ 82,323
Interest	9,341	9,064	7,967	11,610
Changes of benefit terms	(82,499)	-	(43,499)	(140,571)
Changes of assumptions	12,249	(40,004)	(9,084)	(36,153)
Benefit payments	(32,794)	(51,318)	(57,265)	(68,478)
Net changes in total OPEB liability	(11,380)	65	(19,558)	(151,269)
Total OPEB liability—beginning	245,325	245,260	264,818	416,087
Total OPEB liability—ending	$ 233,945	$ 245,325	$ 245,260	$ 264,818
Plan fiduciary net position				
Contributions—employer	$ 32,794	$ 51,318	$ 57,265	$ 68,478
Benefit payments	(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	$ -	$ -	$ -	$ -
Agency's net OPEB liability—ending	$ 233,945	$ 245,325	$ 245,260	$ 264,818
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	$ 113,035	$ 109,699	$ 106,504	$ 108,653
Agency's net OPEB liability as a percentage of covered-employee payroll	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.

(concluded)

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

	2021	2020	2019	2018
Total OPEB liability				
Service cost	$ 139,938	$ 139,938	$ 100,078	$ 131,287
Interest	84,845	86,348	109,127	70,031
Changes of benefit terms	(134,563)	360,863	512,336	(650,072)
Changes of assumptions	35,411	322,193	(163,705)	217,465
Benefit payments	(61,266)	(55,948)	(45,501)	(32,545)
Net changes in total OPEB liability	64,365	853,394	512,335	(263,834)
Total OPEB liability—beginning	3,892,637	3,039,243	2,526,908	2,790,742
Total OPEB liability—ending	$ 3,957,002	$ 3,892,637	$ 3,039,243	$ 2,526,908
Plan fiduciary net position				
Contributions—employer	$ 61,266	$ 55,948	$ 45,501	$ 32,545
Benefit payments	(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	$ -	$ -	$ -	$ -
Authority's net OPEB liability—ending	$ 3,957,002	$ 3,892,637	$ 3,039,243	$ 2,526,908
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	$ 1,624,214	$ 1,605,613	$ 1,579,990	$ 1,477,947
Authority's net OPEB liability as a percentage of covered-employee payroll	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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Real property taxes	$ 101,655,417	$ 104,262,700	$ 103,842,828	$ (419,872)
Sales and use taxes (includes other taxes)	209,370,946	216,362,700	255,550,540	39,187,840
Departmental income	25,886,528	26,137,416	24,966,987	(1,170,429)
Use of money and property	1,090,455	1,037,930	886,775	(151,155)
Miscellaneous	3,609,353	4,639,279	12,620,824	7,981,545
Grants and aid	117,822,259	132,916,018	128,067,161	(4,848,857)
Total revenues	459,434,958	485,356,043	525,935,115	40,579,072
EXPENDITURES				
Current:				
General government support	78,965,340	87,880,057	86,581,787	1,298,270
Education	20,189,398	20,083,844	20,051,351	32,493
Public safety	60,460,211	62,687,860	59,173,979	3,513,881
Health	64,817,250	71,199,892	60,627,705	10,572,187
Transportation	3,081,921	3,118,995	3,118,172	823
Economic assistance and opportunity	148,819,072	144,904,416	124,938,112	19,966,304
Culture and recreation	2,684,376	2,732,476	2,465,681	266,795
Home and community services	7,863,717	15,903,112	15,513,411	389,701
Employee benefits	65,082,132	64,819,556	61,557,229	3,262,327
Debt service:				
Principal	15,225,678	20,090,282	20,005,178	85,104
Interest and other fiscal charges	6,233,585	6,272,974	6,245,262	27,712
Capital outlay	-	7,549,526	7,549,526	-
Total expenditures	473,422,680	507,242,990	467,827,393	39,415,597
Excess (deficiency) of revenues over expenditures	(13,987,722)	(21,886,947)	58,107,722	79,994,669
OTHER FINANCING SOURCES (USES)				
Transfers in	326,563	326,563	1,697,539	1,370,976
Transfers out	(1,679,894)	(5,083,764)	(4,772,771)	310,993
Capital leases issued	-	7,549,526	7,549,526	-
Total other financing sources (uses)	(1,353,331)	2,792,325	4,474,294	1,681,969
Net change in fund balances*	(15,341,053)	(19,094,622)	62,582,016	81,676,638
Fund balances—beginning	96,185,084	96,185,084	96,185,084	-
Fund balances—ending	$ 80,844,031	$ 77,090,462	$ 158,767,100	$ 81,676,638

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

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

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1. OPEB LIABILITY

Changes of Assumptions—The rate used to discount future plan cash flows decreased from 2.74% to 2.12% based on a review of a 20-year high-quality tax-exempt municipal bond index as of the January 1, 2021 measurement date. The mortality assumption was revised as of January 1, 2021 to the sex-distinct RPH-2014 Mortality Tables for employees and healthy annuitants, adjusted for mortality improvements with scale MP-2020 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:

	2021	2020
Discount Rate	2.20%	2.97%

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:

	2021	2020
Discount Rate	2.25%	3.00%

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:

	2021	2020
Discount Rate	2.06%	2.12%

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, 2021 included encumbrances from the prior year of $3,882,056.

FEDERAL AWARDS INFORMATION

COUNTY OF DUTCHESS, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal Grantor/ Pass-Through Grantor Program/Cluster Title (1a)	Assistance Listing Number (1b)	Pass-Through Identifying Number (1c)	Passed-Through to Subrecipients	Total Federal Expenditures (1d)
U.S. Department of Agriculture:				
Passed through NYS Office of Temporary and Disability Assistance:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	$ -	$ 2,392,572
Total SNAP Cluster			-	2,392,572
Total U.S. Department of Agriculture			-	2,392,572
U.S. Department of Housing and Urban Development:				
Direct Programs:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	2,018,762	2,018,762
Total CDBG - Entitlement Grants Cluster			2,018,762	2,018,762
Home Investment Partnerships Program	14.239	N/A	397,969	397,969
Continuum of Care Program	14.267	N/A	467,553	467,553
Total U.S. Department of Housing and Urban Development			2,884,284	2,884,284
U.S. Department of Justice:				
Direct Programs:				
State Criminal Alien Assistance Program	16.606	N/A	-	80,000
Crime Control	16.738	N/A	-	16,467
Harold Rogers Prescription Drug Monitoring Program	16.754	N/A	-	258,940
Passed through University of Notre Dame:				
National Instutitue of Justice Research, Evaluation, and Development	16.560	203575 DCM	-	2,604
Total U.S. Department of Justice			-	358,011
U.S. Department of Labor:				
Passed through NYS Department of Labor:				
WIOA Cluster:				
WIOA Adult Program	17.258	80060	482,196	482,196
WIOA Youth Activities	17.259	80060	535,940	535,940
WIOA Dislocated Workers Formula Grants	17.278	80060	486,969	486,969
Total WIOA Cluster			1,505,105	1,505,105
WIOA National Dislocated Worker Grants/WIA National Emergency Grant	17.277	N/A	-	204,124
Total U.S. Department of Labor			1,505,105	1,709,229
U.S. Department of Transportation:				
Direct Programs:				
Airport Improvement Program	20.106	N/A	-	1,780,976
Federal Transit Cluster:				
Formula Transit Formula Grants	20.507	N/A	-	5,395,451
Bus and Bus Facilities Formula Program	20.526	N/A	-	1,409,885
Total Federal Transit Cluster			-	6,805,336
Formula Grants for Rural Areas	20.509	N/A	-	117,000
Passed through NYS Department of Transportation:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	MPO C33462	-	123,677
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	8755.38	-	765,739
Highway Planning and Construction	20.205	8755.44	-	3,547,826
Highway Planning and Construction	20.205	8755.45	-	(1,127)
Highway Planning and Construction	20.205	8758.71	-	1,258,350
Highway Planning and Construction	20.205	C033462		10,565
Highway Planning and Construction	20.205	FHWA PL 2020-2021/C33462	-	151,038
Highway Planning and Construction	20.205	FHWA PL 2021-2022/C33462	-	360,941
*Total Highway Planning and Construction Cluster**			-	6,093,332

(continued)

COUNTY OF DUTCHESS, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal Grantor/ Pass-Through Grantor Program/Cluster Title (1a)	Assistance Listing Number (1b)	Pass-Through Identifying Number (1c)	Passed-Through to Subrecipients	Total Federal Expenditures (1d)
Passed through NYS Governor's Traffic Safety Committee and				
Stop DWI Foundation:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	HSG-PMT-2020-Dutchess Co TSB-00191	-	55,078
State and Community Highway Safety	20.600	PTS-2017-DCSO-00421-(014)	-	3,420
National Priority Safety Programs	20.616	HS1-2019-00109-014	-	34,364
National Priority Safety Programs	20.616	CPS-2020-Dutchess Co TSB-00015-(014)	-	11,578
National Priority Safety Programs	20.616	C002527	-	33,770
Total Highway Safety Cluster			-	138,210
Total U.S. Department of Transportation			-	15,058,531
U.S. Department of Treasury:				
Direct Program:				
Emergency Rental Assistance Program	21.023	N/A	-	62,022
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	5,949,517
Total U.S. Department of Treasury			-	6,011,539
U.S. Department of Education:				
Passed through NYS Department of Health:				
Special Education—Grants for Infants and Families	84.181	C031629GG	-	279,367
Total U.S. Department of Education			-	279,367
U.S. Department of Health and Human Services:				
Passed through National Association of County and City Health Officials:				
Medical Reserve Corps Small Grant Program	93.008	1600-14	-	10,000
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	2020-100303	-	45,000
Passed through Health Research Institute:				
Public Health Emergency Preparedness	93.069	001600-13/14	-	225,074
Injury Prevention and Control Research and State Community Based Programs	93.136	6147-01	-	70,111
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6922-01/6408-01	-	731,751
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	6294-01	-	75,022
Passed through NYS Office for the Aging:				
Special Programs for the Aging, Title III, Part D—Disease Prevention and Health Promotion Services	93.043	N/A	-	15,964
Aging Cluster:				
Special Programs for the Aging, Title III, Part B—Grants for Supportive Services and Senior Centers	93.044	N/A	-	306,007
Special Programs for the Aging, Title III, Part C—Nutrition Services	93.045	N/A	-	436,463
Nutrition Services Incentive Program	93.053	N/A	-	134,351
Total Aging Cluster			-	876,821
National Family Caregiver Support Title III, Part E	93.052	N/A	-	128,081
Medicare Enrollment Assistance Program	93.071	N/A	-	29,627
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	N/A	-	42,842
Passed through NYS Department of Health:				
Immunization Cooperative Agreements	93.268	C32513GG/T36094GG	-	461,540
Childrens Health Insurance Program	93.767	N/A	-	206,580
Medicaid Cluster:				
Medical Assistance Program	93.778	N/A	-	4,326,327
Total Medicaid Cluster			-	4,326,327
Comprehensive Addiction and Recovery Act of 2016	93.799	N/A	-	94,523
Maternal and Child Health Services Block Grant to the States	93.994	C32658GG	-	58,483
Maternal and Child Health Services Block Grant to the States	93.994	C308899GG	-	24,596

(continued)

COUNTY OF DUTCHESS, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

(concluded)

Federal Grantor/ Pass-Through Grantor Program/Cluster Title (1a)	Assistance Listing Number (1b)	Pass-Through Identifying Number (1c)	Passed-Through to Subrecipients	Total Federal Expenditures (1d)
Passed through NYS Office of Temporary and Disability Assistance:				
Temporary Assistance for Needy Families	93.558	N/A	515,867	10,799,652
Child Support Enforcement	93.563	N/A	-	2,621,303
Low-Income Home Energy Assistance Program	93.568	N/A	-	7,034,361
Passed through NYS Office of Children and Family Services:				
Guardianship Assistance	93.090	N/A	-	366,790
Promoting Safe and Stable Families	93.556	N/A	-	87,559
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	-	174,036
Foster Care, Title IV-E	93.658	N/A	-	3,272,505
Adoption Assistance	93.659	N/A	-	3,181,686
Social Services Block Grant	93.667	N/A	-	2,987,114
Chafee Foster Care Independence Program	93.674	N/A	-	52,616
Elder Abuse Prevention Interventions Program	93.747	N/A	-	3,453
Total U.S. Department of Health and Human Services			515,867	38,003,417
U.S. Department of Homeland Security:				
Passed through NYS Division of Homeland Security and Emergency Services:				
Disaster Grants - Public Assistance	97.036	4408 DR NY	-	1,006,992
Emergency Management Performance Grants	97.042	EMPG FY 20/C834905	-	114,515
Homeland Security Grant Program	97.067	SHSP FY17/T839579	-	43,839
Homeland Security Grant Program	97.067	SHSP FY21/C161610	-	283,749
Homeland Security Grant Program	97.067	WM19839594	-	48,756
Homeland Security Grant Program	97.067	C970292	-	122,465
Total U.S. Department of Homeland Security			-	1,620,316
Total Expenditures of Federal Awards (1e)			$ 4,905,256	$ 68,317,266

* Total *Highway Planning and Construction Cluster* includes direct program awards.

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

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COUNTY OF DUTCHESS, NEW YORK
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the County of Dutchess, New York (the "County") under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County. The following notes were identified on the Schedule:

(a) Includes all federal award programs of the County of Dutchess, New York. The federal expenditures of the Dutchess Community College, Dutchess County Resource Recovery Agency, Dutchess County Water and Wastewater Authority, Dutchess County Industrial Development Agency, Dutchess County Soil and Water Conservation District, and Dutchess County Local Development Corporation have not been included.

(b) Source: Assistance Listing Numbers ("ALN"), previously known as Catalog of Federal Domestic Assistance.

(c) Pass-through entity identifying numbers are presented where available.

(d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.

(e) A reconciliation to the financial statements is available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Negative amounts shown on the Schedule represent adjustments or credits made to correct expenditures of federal awards made in prior years. The County has not elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

3. AMOUNTS PROVIDED TO SUBRECIPIENTS

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

4. MATCHING COSTS

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

5. REVISION AND REISSUANCE OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND SINGLE AUDIT REPORT

This report is replacing the report previously issued on September 13, 2022. On the December 31, 2021 Schedule, the County did not report federal award expenditures under ALN 93.323, *Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)* or ALN 93.421, *Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health*. Subsequently, the County revised the Schedule to include these ALN's in the amounts of $731,751 and $45,000 for ALN 93.323 and ALN 93.421, respectively. Further, the Schedule of Findings and Questioned Costs has been revised to include ALN 93.323 as major program in the Summary of Auditors' Results section. In addition, on the December 31, 2021 Schedule, the County previously reported the following federal awards with the following revised total federal award expenditures:

ALN	Previously reported	Revised amount
21.027	$ 5,950,979	$ 5,949,517
93.043	18,030	15,964
93.044	302,631	306,007
93.045	457,736	436,463
97.036	1,005,531	1,006,992

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

Honorable County Executive and 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, 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, 2021 (with the Dutchess Community College for the fiscal year ended August 31, 2021), 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 13, 2022. Our report includes a reference to other auditors who audited the financial statements of the Dutchess County Local Development Corporation, 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, 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.

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 may exist that have not been identified.

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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Drescher & Malecki LLP

September 13, 2022

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Certified Public Accountants

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Dutchess, New York's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Dutchess County Local Development Corporation (the "Corporation"), Dutchess Community College (the "College"), Dutchess County Resource Recovery Agency (the "Agency"), Dutchess County Water and Wastewater Authority (the "Authority"), Dutchess County Industrial Development Agency (the "IDA"), and the Dutchess County Soil and Water Conservation District (the "SWCD"), which reported $0, $23,171,349, $0, $0, $0, and $0, respectively, in federal awards, which are not included in the County's schedule of expenditures of federal awards for the year ended December 31, 2021. Our compliance audit, described below, did not include the operations of the Corporation, College, Agency, Authority, IDA, or the SWCD, because other auditors were engaged to perform such audits in accordance with the Uniform Guidance, as applicable.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

As discussed in Note 5 to the Schedule of Expenditures of Federal Awards (the "Schedule"), this report is replacing the report previously dated September 13, 2022. On the December 31, 2021 Schedule, the County did not report federal award expenditures under ALN 93.323, *Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)* or ALN 93.421, *Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health*. Subsequently, the County revised the Schedule to include these ALN's in the amounts of $731,751 and $45,000 for ALN 93.323 and ALN 93.421, respectively. Further, the Schedule of Findings and Questioned Costs has been revised to include ALN 93.323 as major program in the Summary of Auditors' Results section. In addition, on the December 31, 2021 Schedule, the County previously reported the following federal awards with the following revised total federal award expenditures:

ALN	Previously reported	Revised amount
21.027	$ 5,950,979	$ 5,949,517
93.043	18,030	15,964
93.044	302,631	306,007
93.045	457,736	436,463
97.036	1,005,531	1,006,992

Report on Internal Control Over Compliance

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

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

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

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

Dreucher & Malecki LLP

September 13, 2022 (except as reported above in the Other Matters paragraph and disclosed in Note 5 to the Schedule of Expenditures of Federal Awards, for which the date is December 2, 2022)

COUNTY OF DUTCHESS, NEW YORK
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Section I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued: *(which report includes a reference to other auditors)		Unmodified*
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	✓ No
Significant deficiency(ies) identified?	____ Yes	✓ None reported
Noncompliance material to the financial statements noted?	____ Yes	✓ No

Federal Awards:

Internal control over major federal programs:		
Material weakness(es) identified?	____ Yes	✓ No
Significant deficiency(ies) identified?	____ Yes	✓ None reported
Type of auditors' report issued on compliance for major federal programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	✓ No

Identification of major federal programs:

ALN(s)	Name of Federal Program or Cluster
10.561	SNAP Cluster
17.258/17.259/17.278	WIOA Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.563	Child Support Enforcement
93.658	Foster Care, Title IV-E
93.659	Adoption Assistance

Dollar threshold used to distinguish between Type A and Type B programs?		$ 2,049,518
Auditee qualified as low-risk auditee?	✓ Yes	____ No

Section II. FINANCIAL STATEMENT FINDINGS

No findings noted.

Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted.

COUNTY OF DUTCHESS, NEW YORK
Summary Schedule of Prior Year Audit Findings
Year Ended December 31, 2021
(Follow-Up on December 31, 2020 Findings)

No findings were reported.

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