

COUNTY OF ONEIDA, NEW YORK

*Basic Financial Statements, Required
Supplementary Information and Supplementary
Information for the Year Ended December 31, 2025
and Independent Auditors' Reports*

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INDEPENDENT AUDITORS' REPORT

Honorable County Executive and County Legislature
County of Oneida, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Oneida, New York (the "County"), as of and for the year ended December 31, 2025 (with the Mohawk Valley Community College for the fiscal year ended August 31, 2025), and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2025, 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 State of America.

We did not audit the financial statements of the Oneida-Herkimer Solid Waste Management Authority ("OHSWMA") and the Mohawk Valley Community College ("MVCC"), which are shown as discretely presented component units. We did not audit the financial statements of the Upper Mohawk Valley Memorial Auditorium Authority ("UMVMAA"), which represents 18.5 percent and 6.4 percent of the assets and revenues, respectively, of the business-type activities. We did not audit the financial statements of the Oneida Tobacco Asset Securitization Corporation ("OTASC"), which represents 42.7 percent and 14.5 percent, respectively, of the assets and revenues of the total nonmajor governmental funds. 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 OHSWMA, MVCC, UMVMAA, and OTASC, is based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, 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 by us and other auditors. In our opinion, the Supplementary Information, as listed in the table of contents, 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 23, 2026 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Drescher & Malecki LLP

September 23, 2026

COUNTY OF ONEIDA, NEW YORK
Management's Discussion and Analysis
Year Ended December 31, 2025

As management of the County of Oneida, New York (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2025. We encourage the reader to consider the information contained in this analysis in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative. For comparative purposes, certain data from the prior year has been reclassified to conform with the current year presentation.

Financial Highlights

- The assets and deferred outflows of resources of the County's primary government exceeded total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$146,204,748 (*net position*). This consists of \$261,403,937 net investment in capital assets, \$16,204,128 restricted for specific purposes, partially offset by an unrestricted net position of \$(131,403,317).
- The primary government's total net position decreased by \$19,860,252 during the current fiscal year. Governmental activities and business-type activities decreased net position by \$11,268,328 and \$8,591,924, respectively.
- At December 31, 2025, the County's governmental funds reported combined ending fund balances of \$96,060,128, an increase of \$20,231,747 in comparison with the prior year.
- At the end of the current fiscal year, unrestricted fund balance (the total of committed, assigned, and unassigned fund balances) for the General Fund was \$69,578,687 or 13.7 percent of total General Fund expenditures and transfers out.
- The County's governmental activities' total bonded debt, excluding that of OTASC, increased by \$42,115,900 due to bond issuances of \$60,200,000, offset by scheduled principal payments in the amount of \$18,084,100. The County's business-type activities' total bonded debt and EFC notes payable decreased \$9,535,462 due to the County drawing down EFC notes in the amount of \$1,231,433, offset by scheduled principal payments in the amount of \$10,766,895.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) governmental-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support 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 differences reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to remove all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government support, education, public safety, health, transportation, economic assistance and opportunity, culture and recreation, and home and community services. The business-type activities of the County include the Sewer Fund, the Workers' Compensation Fund and the Upper Mohawk Valley Memorial Auditorium Authority ("UMVMAA").

The government-wide financial statements include, not only the County itself (known as the *primary government*), but also a legally separate college (Mohawk Valley Community College) and a legally separate authority (Oneida-Herkimer Solid Waste Management Authority) for which the County is financially accountable. Financial information for these 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 14-15 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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 seven individual governmental funds including the activities of its blended component unit, the Oneida Tobacco Asset Securitization Corporation (“OTASC”), as a governmental fund. General, Debt Service and Capital Projects 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, which are considered major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

Proprietary funds—Other than the blended component unit, UMVMAA, The County maintains two individual proprietary funds. Enterprise Funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its sewer operations and the operation of the workers’ compensation public entity risk pool.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the Sewer Fund and Workers’ Compensation Fund, which are considered major funds of the County.

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

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are not reflected in the government-wide financial statements because the resources of the funds are not available to support the County’s own programs. The County maintains one fiduciary fund, the Custodial Fund. The Custodial Fund reports resources held by the County in a custodial capacity for individuals, private organizations and other governments.

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

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-76 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the County’s net pension liability/(asset), the changes in the County’s other postemployment benefits (“OPEB”) obligation, and the County’s budgetary comparison schedule for the General Fund. Required Supplementary Information and the related notes to the Required Supplementary Information can be found on pages 77-87 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the Required Supplementary Information on pages 88-89.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County's primary government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$146,204,748 at the close of the most recent fiscal year, as compared to \$166,065,000 at the close of the fiscal year ended December 31, 2024.

Table 1—Condensed Statements of Net Position—Primary Government

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2025	2024	2025	2024	2025	2024
Current assets	\$ 258,267,807	\$ 260,481,775	\$ 56,704,443	\$ 57,654,714	\$ 314,972,250	\$ 318,136,489
Noncurrent assets	448,707,060	439,742,573	362,213,503	380,854,493	810,920,563	820,597,066
Total assets	706,974,867	700,224,348	418,917,946	438,509,207	1,125,892,813	1,138,733,555
Deferred outflows of resources	50,666,652	62,787,762	1,671,050	2,037,448	52,337,702	64,825,210
Current liabilities	109,437,570	129,804,476	17,932,815	18,845,470	127,370,385	148,649,946
Noncurrent liabilities	469,266,690	439,408,478	338,206,306	348,564,200	807,472,996	787,972,678
Total liabilities	578,704,260	569,212,954	356,139,121	367,409,670	934,843,381	936,622,624
Deferred inflows of resources	95,024,961	98,618,530	2,157,425	2,252,611	97,182,386	100,871,141
Net position:						
Net investment in						
capital assets	211,289,523	204,938,795	50,114,414	50,476,441	261,403,937	255,415,236
Restricted	8,764,485	8,803,912	7,439,643	7,213,604	16,204,128	16,017,516
Unrestricted	(136,141,710)	(118,562,081)	4,738,393	13,194,329	(131,403,317)	(105,367,752)
Total net position	\$ 83,912,298	\$ 95,180,626	\$ 62,292,450	\$ 70,884,374	\$ 146,204,748	\$ 166,065,000

The largest portion of the County's net position, \$261,403,937, reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment, right-to-use lease assets) net of any accumulated depreciation/amortization and less related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$16,204,128, represents resources subject to external restrictions on how they may be used and are reported as restricted net position. The remaining category of total net position, \$(131,403,317), is considered to be unrestricted net position. The deficit is the result of having long-term commitments including bonds payable, other postemployment benefits and the net pension liability that are greater than currently available resources. Payments for these liabilities will be budgeted in the year actual payment is made.

Table 2, as presented on the following page, shows the changes in net position for the years ended December 31, 2025 and December 31, 2024.

Table 2—Condensed Statements 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,	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues	\$ 254,425,218	\$ 245,272,902	\$ 42,623,105	\$ 41,892,014	\$ 297,048,323	\$ 287,164,916
General revenues	287,069,054	284,968,236	2,072,489	2,012,973	289,141,543	286,981,209
Total revenues	541,494,272	530,241,138	44,695,594	43,904,987	586,189,866	574,146,125
Total expenses	552,762,600	534,344,303	53,287,518	55,655,172	606,050,118	589,999,475
Change in net position	(11,268,328)	(4,103,165)	(8,591,924)	(11,750,185)	(19,860,252)	(15,853,350)
Net position—beginning	95,180,626	99,283,791	70,884,374	82,634,559	166,065,000	181,918,350
Net position—ending	\$ 83,912,298	\$ 95,180,626	\$ 62,292,450	\$ 70,884,374	\$ 146,204,748	\$ 166,065,000

Governmental activities—Governmental activities decreased the County’s net position by \$11,268,328 for the year ended December 31, 2025. This is primarily due to significant bond issuances and increases in allocable employee benefits expense.

A summary of revenues for governmental activities for the years ended December 31, 2025 and 2024 is presented in Table 3 below.

Table 3—Summary of Sources of Revenues—Governmental Activities

	Year Ended December 31,		Increase/(Decrease)	
	2025	2024	Dollars	Percent (%)
Charges for services	\$ 66,515,640	\$ 57,947,951	\$ 8,567,689	14.8
Operating grants and contributions	170,437,336	165,520,789	4,916,547	3.0
Capital grants and contributions	17,472,242	21,804,162	(4,331,920)	(19.9)
Property taxes and tax items	68,994,362	69,340,669	(346,307)	(0.5)
Non-property taxes	203,613,274	201,530,687	2,082,587	1.0
Use of money and property	7,113,845	8,761,902	(1,648,057)	(18.8)
Sale of property and compensation for loss	6,398,938	4,053,577	2,345,361	57.9
Miscellaneous	948,635	1,281,401	(332,766)	(26.0)
Total revenues	\$ 541,494,272	\$ 530,241,138	\$ 11,253,134	2.1

The most significant sources of revenues for governmental activities for the year ended December 31, 2025 were non-property taxes of \$203,613,274, or 37.6 percent of total revenues, operating grants and contributions of \$170,437,336, or 31.5 percent of total revenues, and property taxes and tax items of \$68,994,362, or 12.7 percent of total revenues. Similarly, the most significant sources of revenues for the year ended December 31, 2024 were non-property taxes of \$201,530,687, or 38.0 percent of total revenues, operating grants and contributions of \$165,520,789, or 31.2 percent of total revenues, and property taxes and tax items of \$69,340,669, or 13.1 percent of total revenues.

During the year ended December 31, 2025, total revenues increased by 2.1 percent. This is primarily due to an increase in charges for services related to snow removal services for other governments and fees related to parking.

A summary of program expenses of governmental activities for the years ended December 31, 2025 and 2024 is presented in Table 4 below.

Table 4—Summary of Program Expenses—Governmental Activities

	Year Ended December 31,		Increase/(Decrease)	
	2025	2024	Dollars	Percent (%)
General government support	\$ 118,863,911	\$ 112,701,392	\$ 6,162,519	5.5
Education	29,460,213	28,666,919	793,294	2.8
Public safety	73,417,723	66,234,058	7,183,665	10.8
Health	29,368,881	29,396,682	(27,801)	(0.1)
Transportation	68,629,262	61,014,273	7,614,989	12.5
Economic assistance and opportunity	207,810,819	205,805,562	2,005,257	1.0
Culture and recreation	4,116,336	3,364,226	752,110	22.4
Home and community services	5,620,573	15,031,284	(9,410,711)	(62.6)
Interest and fiscal charges	15,474,882	12,129,907	3,344,975	27.6
Total program expenses	<u>\$ 552,762,600</u>	<u>\$ 534,344,303</u>	<u>\$ 18,418,297</u>	3.4

The County's most significant expense categories for governmental activities for the year ended December 31, 2025 were economic assistance and opportunity (primarily composed of social service costs) of \$207,810,819, or 37.6 percent of program expenses, general government support of \$118,863,911, or 21.5 percent of program expenses, and public safety of \$73,417,723, or 13.3 percent of program expenses. Similarly, the most significant expense categories for the year ended December 31, 2024 economic assistance and opportunity (primarily composed of social service costs) of \$205,805,562, or 38.5 percent of program expenses, general government support of \$112,701,392, or 21.1 percent of program expenses, and public safety of \$66,234,058, or 12.4 percent of program expenses.

During the year ended December 31, 2025, expenses increased 3.4 percent. This is primarily due to increases in public safety and transportation related to increases in employee salaries and benefits.

Business-type activities—Business-type activities (Sewer Fund, Workers' Compensation Fund and UMVMAA) decreased the County's total net position by \$8,591,924.

A summary of sources of revenues and expenses for the County's business-type activities for the years ended December 31, 2025 and December 31, 2024 is presented in Table 5 on the following page.

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

	Year Ended December 31,		Increase/(Decrease)	
	2025	2024	Dollars	Percent (%)
Revenues:				
Departmental income—Sewer Fund	\$ 23,115,395	\$ 22,692,727	\$ 422,668	1.9
Charges for services—Workers' Compensation Fund	14,900,630	13,841,857	1,058,773	7.6
Charges for services—UMVMAA	2,863,388	5,357,430	(2,494,042)	(46.6)
Capital grants and contributions—Sewer Fund	1,743,692	-	1,743,692	100.0
Use of money and property	1,908,733	1,754,988	153,745	8.8
Miscellaneous	159,848	257,985	(98,137)	(38.0)
County contributions	3,908	-	3,908	100.0
Total revenues	<u>\$ 44,695,594</u>	<u>\$ 43,904,987</u>	<u>\$ 790,607</u>	1.8
Expenses:				
Sewer Fund expenses	\$ 32,275,458	\$ 33,593,613	\$ (1,318,155)	(3.9)
Workers' Compensation Fund expenses	16,048,310	14,567,301	1,481,009	10.2
UMVMAA expenses	4,963,750	7,494,258	(2,530,508)	(33.8)
Total expenses	<u>\$ 53,287,518</u>	<u>\$ 55,655,172</u>	<u>\$ (2,367,654)</u>	(4.3)

For the year ended December 31, 2025, the most significant source of revenues relating to the County's business-type activities is charges for services, including Sewer departmental income and Workers' Compensation and UMVMAA charges for services. Total revenue relating to the County's business-type activities increased 1.8 percent from the prior year ended December 31, 2024, primarily due to an increase in capital grants and contributions in the Sewer Fund and charges for services in the Workers' Compensation Fund.

Total expenses decreased by \$2,367,654, or 4.3 percent. This is primarily related to a decrease in events expenses in the UMVMAA Fund.

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* may serve as a useful measure of a government's net resources available for discretionary use as it represents 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 use for particular purposes by the County's Legislature.

At December 31, 2025, the County's governmental funds reported combined ending fund balances of \$96,060,128, an increase of \$20,231,747. Approximately 7.8 percent of this amount, \$7,524,419, constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is either *nonspendable*, *restricted*, *committed* or *assigned* to indicate that it is: (1) not in spendable form, \$4,000, (2) restricted for particular purposes, \$24,927,320, (3) committed for particular purposes, \$40,725,000 or (4) assigned for particular purposes, \$22,879,389.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unrestricted fund balance (the total of committed, assigned and unassigned fund balances) of the General Fund was \$69,578,687, while total fund balance was \$69,774,780. The General Fund fund balance decreased \$8,684,037 from the prior year, primarily as a result of a \$6,525,292 planned use of fund balance in the 2025 budget. As a measure of the General Fund's liquidity, it may be useful to compare both *unrestricted fund balance* and total fund balance to total fund expenditures and transfers out. *Unrestricted fund balance* represents approximately 13.8 percent of total General Fund expenditures and transfers out.

The fund balance of the Debt Service Fund increased \$10,302 as a result of current year activity. Ending fund balance in the Debt Service Fund amounted to \$3,555,021 at December 31, 2025, and is entirely restricted for future debt service costs.

The fund balance of the Capital Projects Fund increased \$28,835,654, primarily as a result of the current year \$60,200,000 serial bond issuance. Ending fund balance in the Capital Projects Fund amounted to \$16,162,835 at December 31, 2025, and is entirely restricted for future capital project expenditures.

Proprietary funds—The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total net position of proprietary funds decreased by \$8,591,924. Total net position of the Sewer Fund decreased \$6,491,562, primarily due to operating expenses, including depreciation, outpacing departmental income, and net position of UMVMAA decreased by \$2,100,362, primarily due to operating costs and interest expense outpacing charges for services. The County's Workers' Compensation Fund supported all expenses with current year 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 the budget.

A summary of the General Fund results of operations for the year ended December 31, 2025 is presented in Table 6 below.

Table 6—Summary of General Fund Results of Operations

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues and other financing sources	\$ 445,023,960	\$ 517,250,898	\$ 500,948,948	\$ (16,301,950)
Expenditures and other financing uses	<u>452,219,849</u>	<u>526,351,418</u>	<u>509,632,985</u>	<u>16,718,433</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (7,195,889)</u>	<u>\$ (9,100,520)</u>	<u>\$ (8,684,037)</u>	<u>\$ 416,483</u>

Original budget compared to final budget—During the year, the budget is modified for new revenues. The largest supplemental appropriation was to account for the gross sales tax proceeds received from New York State that are forwarded by the County to the towns and villages. The 2025 adjustment was for \$57,142,638 and increased non-property tax items revenue and primarily general government support expenditures.

Final budget compared to actual results—The General Fund had a variance from final budgeted revenues of \$16,301,950. The largest negative variances were recognized in state aid and non-property tax items. The General Fund had a favorable variance from final budgetary appropriations of \$16,718,433, primarily due to lower than anticipated contractual expenses for maintenance and equipment.

Capital Assets and Debt Administration

Capital assets—The County’s investment in capital assets for its governmental and business-type activities as of December 31, 2025 amounts to \$448,707,060 and \$362,213,503, respectively (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, infrastructure, equipment, and right-to-use leased assets.

Capital assets, net of depreciation, for the governmental activities and business-type activities at the years ended December 31, 2025 and 2024 are presented below in Table 7:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2025	2024	2025	2024	2025	2024
Land	\$ 13,190,962	\$ 13,190,962	\$ 2,084,670	\$ 2,084,670	\$ 15,275,632	\$ 15,275,632
Construction in progress	-	-	-	181,310	-	181,310
Land improvements	42,445	61,945	-	-	42,445	61,945
Buildings and building improvements	214,222,975	214,969,084	286,266,742	300,479,345	500,489,717	515,448,429
Infrastructure	165,764,034	151,570,065	70,742,324	74,660,743	236,506,358	226,230,808
Equipment	44,538,157	46,489,833	3,119,767	3,448,425	47,657,924	49,938,258
Right-to-use leased assets	8,447,513	10,126,052	-	-	8,447,513	10,126,052
SBITA asset	2,500,974	3,334,632	-	-	2,500,974	3,334,632
Total	<u>\$ 448,707,060</u>	<u>\$ 439,742,573</u>	<u>\$ 362,213,503</u>	<u>\$ 380,854,493</u>	<u>\$ 810,920,563</u>	<u>\$ 820,597,066</u>

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

Long-term liabilities—The County currently has approximately \$606.3 million in total bonded debt for functions considered governmental and business-type activities. This includes serial bonds issued on behalf of Mohawk Valley Community College and serial bonds (and accreted interest on capital appreciation bonds) issued by the Oneida Tobacco Asset Securitization Corporation (the “OTASC”).

A summary of the County's long-term liabilities at December 31, 2025 and 2024 is presented in Table 8 below:

Table 8—Debt and Long-term Liabilities

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2025	2024	2025	2024	2025	2024
Bonds payable	\$ 170,247,500	\$ 128,131,600	\$ 289,267,869	\$ 298,803,331	\$ 459,515,369	\$ 426,934,931
Bond premium	5,456,952	3,871,269	698,344	749,916	6,155,296	4,621,185
Net OTASC bonds and accreted interest	115,911,201	109,361,122	-	-	115,911,201	109,361,122
UMVMAA bonds, notes, and mortgages	-	-	30,842,717	30,824,805	30,842,717	30,824,805
Installment purchase agreement	21,115,079	22,602,721	-	-	21,115,079	22,602,721
Lease liability	2,451,949	4,191,514	-	-	2,451,949	4,191,514
SBITA liability	2,163,266	3,648,298	-	-	2,163,266	3,648,298
Workers' compensation	6,017,773	5,019,879	12,652,227	12,980,121	18,670,000	18,000,000
Compensated absences	11,381,962	10,892,150	423,134	372,141	11,805,096	11,264,291
Other postemployment benefits	83,833,704	108,600,810	2,664,229	3,445,800	86,497,933	112,046,610
Claims and judgements	200,000	200,000	-	-	200,000	200,000
Net pension liability	50,487,304	42,889,115	1,657,786	1,388,086	52,145,090	44,277,201
Total	<u>\$ 469,266,690</u>	<u>\$ 439,408,478</u>	<u>\$ 338,206,306</u>	<u>\$ 348,564,200</u>	<u>\$ 807,472,996</u>	<u>\$ 787,972,678</u>

For additional information on the County's long-term debt, refer to Note 11 of this report.

Economic Factors and Next Year's Budget

The 2026 General Fund budget contained a tax levy increase of \$1.9 million and appropriated \$6.7 million from the fund balance to balance the budget. The 2027 budget is currently in process.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Enessa Carbone, County Comptroller, 800 Park Avenue, Utica, New York 13501.

BASIC FINANCIAL STATEMENTS

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COUNTY OF ONEIDA, NEW YORK
Statement of Net Position
December 31, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Oneida-Herkimer Solid Waste Management Authority	Mohawk Valley Community College (August 31, 2025)
ASSETS					
Cash and cash equivalents	\$ 35,296,837	\$ 6,747,431	\$ 42,044,268	\$ 8,721,846	\$ 24,630,493
Restricted cash and cash equivalents	19,441,542	43,070,253	62,511,795	3,011,958	-
Investments	7,407,912	-	7,407,912	34,894,751	15,097,678
Restricted investments	15,175,436	-	15,175,436	-	-
Deposits with trustees	4,742,624	-	4,742,624	-	604,144
Property taxes receivable (net of allowance)	21,631,522	-	21,631,522	-	-
Lease receivable	27,923,742	-	27,923,742	-	-
Other receivables	5,007,700	7,483,916	12,491,616	4,342,807	4,819,829
Intergovernmental receivables	121,039,335	-	121,039,335	-	5,986,357
Internal balances	597,157	(597,157)	-	-	-
Prepaid items and other assets	4,000	-	4,000	696,399	247,598
Net pension asset	-	-	-	-	1,276,524
Capital assets not being depreciated	13,190,962	2,084,670	15,275,632	3,449,517	3,666,114
Capital assets, net of accumulated depreciation	435,516,098	360,128,833	795,644,931	45,861,767	54,431,906
Total assets	706,974,867	418,917,946	1,125,892,813	100,979,045	110,760,643
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	189,292	-	189,292	-	-
Deferred outflows of resources relating to pensions	33,877,764	1,143,516	35,021,280	1,617,395	5,399,632
Deferred outflows of resources relating to OPEB	16,599,596	527,534	17,127,130	173,209	2,569,298
Total deferred outflows of resources	50,666,652	1,671,050	52,337,702	1,790,604	7,968,930
LIABILITIES					
Accounts payable	32,727,028	435,532	33,162,560	2,597,567	7,144,194
Retainage payable	3,322,833	470,612	3,793,445	-	-
Accrued liabilities	37,972,178	1,781,519	39,753,697	2,087	-
Intergovernmental payables	10,572,677	14,818,995	25,391,672	-	444,461
Due to retirement system	12,340,944	364,282	12,705,226	-	-
Unearned revenue	12,501,910	61,875	12,563,785	1,018,968	11,986,375
Other liabilities	-	-	-	-	1,680,522
Noncurrent liabilities:					
Due within one year	25,599,884	10,735,863	36,335,747	4,078,371	1,869,425
Due within more than one year	443,666,806	327,470,443	771,137,249	8,487,051	43,496,737
Total liabilities	578,704,260	356,139,121	934,843,381	16,184,044	66,621,714
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue—lease receivable	27,275,667	-	27,275,667	-	-
Unavailable revenue—tuition and fees	-	-	-	-	1,778,059
Deferred inflows of resources relating to pensions	4,127,252	135,521	4,262,773	119,627	5,350,726
Deferred inflows of resources relating to OPEB	63,622,042	2,021,904	65,643,946	972,910	1,674,582
Total deferred inflows of resources	95,024,961	2,157,425	97,182,386	1,092,537	8,803,367
NET POSITION					
Net investment in capital assets	211,289,523	50,114,414	261,403,937	48,843,828	49,821,246
Restricted for:					
Handicap parking	5,796	-	5,796	-	-
Sheriff forfeiture	186,297	-	186,297	-	-
Debt	8,572,392	-	8,572,392	-	-
Surcharges	-	7,439,643	7,439,643	-	-
Grantor restrictions	-	-	-	1,654,510	18,908,154
Unrestricted	(136,141,710)	4,738,393	(131,403,317)	34,994,730	(25,424,908)
Total net position	\$ 83,912,298	\$ 62,292,450	\$ 146,204,748	\$ 85,493,068	\$ 43,304,492

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

COUNTY OF ONEIDA, NEW YORK
Statement of Activities
Year Ended December 31, 2025

					Net (Expense) Revenue and Changes in Net Position				
					Primary Government			Component Units	
								Oneida-Herkimer	Mohawk Valley
								Solid Waste	Community
								Management	College
Function/Program	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Authority	(August 31, 2025)
Primary government:									
Governmental activities:									
General government support	\$ 118,863,911	\$ 19,422,873	\$ 36,554,272	\$ -	\$ (62,886,766)	\$ -	\$ (62,886,766)	\$ -	\$ -
Education	29,460,213	12,174,745	10,327,224	1,033,952	(5,924,292)	-	(5,924,292)	-	-
Public safety	73,417,723	9,422,902	3,350,737	1,075,246	(59,568,838)	-	(59,568,838)	-	-
Health	29,368,881	1,085,279	17,964,839	-	(10,318,763)	-	(10,318,763)	-	-
Transportation	68,629,262	20,223,432	-	14,833,037	(33,572,793)	-	(33,572,793)	-	-
Economic assistance and opportunity	207,810,819	3,999,967	97,111,081	501,831	(106,197,940)	-	(106,197,940)	-	-
Culture and recreation	4,116,336	1,690	-	-	(4,114,646)	-	(4,114,646)	-	-
Home and community services	5,620,573	184,752	5,129,183	28,176	(278,462)	-	(278,462)	-	-
Interest and fiscal charges	15,474,882	-	-	-	(15,474,882)	-	(15,474,882)	-	-
Total governmental activities	552,762,600	66,515,640	170,437,336	17,472,242	(298,337,382)	-	(298,337,382)	-	-
Business-type activities:									
Sewer Fund	32,275,458	23,115,395	-	1,743,692	-	(7,416,371)	(7,416,371)	-	-
Workers' Compensation Fund	16,048,310	14,900,630	-	-	-	(1,147,680)	(1,147,680)	-	-
Auditorium Authority	4,963,750	2,863,388	-	-	-	(2,100,362)	(2,100,362)	-	-
Total business-type activities	53,287,518	40,879,413	-	1,743,692	-	(10,664,413)	(10,664,413)	-	-
Total primary government	\$ 606,050,118	\$ 107,395,053	\$ 170,437,336	\$ 19,215,934	(298,337,382)	(10,664,413)	(309,001,795)	-	-
Component units:									
Solid Waste Management Authority	\$ 30,182,674	\$ 28,709,478	\$ 247,903	\$ -				(1,225,293)	-
Mohawk Valley Community College	80,951,051	32,583,501	26,246,855	15,848,911				-	(6,271,784)
Total component units	\$ 111,133,725	\$ 61,292,979	\$ 26,494,758	\$ 15,848,911				(1,225,293)	(6,271,784)
General revenues:									
Real property taxes					67,416,778	-	67,416,778	-	-
Real property tax items					1,577,584	-	1,577,584	-	-
Non-property taxes					203,613,274	-	203,613,274	-	-
Use of money and property					7,113,845	1,912,641	9,026,486	2,060,783	56,118
Sale of property and compensation for loss					6,398,938	-	6,398,938	-	267
Miscellaneous					948,635	159,848	1,108,483	1,051,004	4,584,296
Total general revenues and transfers					287,069,054	2,072,489	289,141,543	3,111,787	4,640,681
Change in net position					(11,268,328)	(8,591,924)	(19,860,252)	1,886,494	(1,631,103)
Net position—beginning					95,180,626	70,884,374	166,065,000	83,606,574	44,935,595
Net position—ending					\$ 83,912,298	\$ 62,292,450	\$ 146,204,748	\$ 85,493,068	\$ 43,304,492

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

COUNTY OF ONEIDA, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2025

	General	Debt Service	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 33,074,264	\$ -	\$ -	\$ 2,222,573	\$ 35,296,837
Restricted cash and cash equivalents	-	-	19,158,795	282,747	19,441,542
Investments	7,407,912	-	-	-	7,407,912
Restricted investments	12,694,003	2,481,433	-	-	15,175,436
Deposits with trustees	-	-	-	4,742,624	4,742,624
Property taxes receivable (net of allowance for uncollectibles)	21,631,522	-	-	-	21,631,522
Lease receivable	27,923,742	-	-	-	27,923,742
Other receivables	3,665,557	270,220	862,500	209,423	5,007,700
Due from other funds	4,481,392	1,028,019	-	878,759	6,388,170
Intergovernmental receivables	117,606,476	-	-	3,432,859	121,039,335
Prepaid items	4,000	-	-	-	4,000
Total assets	<u>\$ 228,488,868</u>	<u>\$ 3,779,672</u>	<u>\$ 20,021,295</u>	<u>\$ 11,768,985</u>	<u>\$ 264,058,820</u>
LIABILITIES					
Accounts payable	\$ 30,957,514	\$ -	\$ -	\$ 1,769,514	\$ 32,727,028
Accrued liabilities	34,707,864	-	-	635,578	35,343,442
Due to other funds	-	224,651	3,704,817	1,861,545	5,791,013
Intergovernmental payables	10,419,034	-	153,643	-	10,572,677
Due to retirement system	11,406,088	-	-	934,856	12,340,944
Unearned revenues	12,501,910	-	-	-	12,501,910
Total liabilities	<u>99,992,410</u>	<u>224,651</u>	<u>3,858,460</u>	<u>5,201,493</u>	<u>109,277,014</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue—property taxes	13,321,011	-	-	-	13,321,011
Unavailable revenue—long-term receivable	18,125,000	-	-	-	18,125,000
Unavailable revenue—lease receivable	27,275,667	-	-	-	27,275,667
Total deferred inflows of resources	<u>58,721,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,721,678</u>
FUND BALANCES					
Nonspendable	4,000	-	-	-	4,000
Restricted	192,093	3,555,021	16,162,835	5,017,371	24,927,320
Committed	40,725,000	-	-	-	40,725,000
Assigned	21,329,268	-	-	1,550,121	22,879,389
Unassigned	7,524,419	-	-	-	7,524,419
Total fund balances	<u>69,774,780</u>	<u>3,555,021</u>	<u>16,162,835</u>	<u>6,567,492</u>	<u>96,060,128</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 228,488,868</u>	<u>\$ 3,779,672</u>	<u>\$ 20,021,295</u>	<u>\$ 11,768,985</u>	<u>\$ 264,058,820</u>

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

COUNTY OF ONEIDA, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
December 31, 2025

Amounts reported for governmental activities in the statement of net position (page 14) are different because:

Total fund balances—governmental funds (page 16)		\$	96,060,128
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 \$866,076,441 and the accumulated depreciation is \$417,369,381.			448,707,060
Deferred charges associated with refunding of bonds are not reported in the governmental funds. The charge is reported as a deferred outflow of resources on the statement of net position and is recognized as a component of interest expense over the life of the related debt.			189,292
Property taxes receivable of \$13,321,011 are not available to pay for current period expenditures and a long-term receivable of \$18,125,000 is not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the fund statements.			31,446,011
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 of resources related to employer contributions	\$	13,013,647	
Deferred outflows of resources related to experience, changes of assumptions, investment earnings and changes in proportion		20,864,117	
Deferred inflows related to pension plans		<u>(4,127,252)</u>	\$ 29,750,512
Deferred outflows and inflows of resources related to other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the fund statements.			
Deferred outflows related to OPEB	\$	16,599,596	
Deferred inflows related to OPEB		<u>(63,622,042)</u>	(47,022,446)
Retained percentages payable are not a current liability and, therefore, are not reported in the fund statements.			(3,322,833)
To recognize interest accrual on long-term debt. Accrued interest for general obligation bonds is \$2,370,944 and accrued interest on OTASC bonds is \$257,792 at year end.			(2,628,736)
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	\$	(170,247,500)	
Unamortized bond premiums		(5,456,952)	
OTASC bonds and accreted interest		(116,208,455)	
Unamortized discount—OTASC bonds		297,254	
Installment purchase agreement		(21,115,079)	
Lease liability		(2,451,949)	
SBITA liability		(2,163,266)	
Workers' compensation		(6,017,773)	
Compensated absences		(11,381,962)	
OPEB obligation		(83,833,704)	
Claims and judgments		(200,000)	
Net pension liability		<u>(50,487,304)</u>	<u>(469,266,690)</u>
Net position of governmental activities			<u>\$ 83,912,298</u>

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

COUNTY OF ONEIDA, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)—Governmental Funds
For the Year Ended December 31, 2025

	General	Debt Service	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Real property taxes	\$ 69,203,378	\$ -	\$ -	\$ -	\$ 69,203,378
Real property tax items	1,577,584	-	-	-	1,577,584
Non-property tax items	203,613,274	-	-	-	203,613,274
Departmental income	23,705,961	-	-	4,152,600	27,858,561
Intergovernmental charges	20,113,709	270,220	-	6,113,935	26,497,864
Use of money and property	6,038,990	824,629	-	250,226	7,113,845
Licenses and permits	98,310	-	-	14,016	112,326
Fines and forfeitures	867,469	-	-	-	867,469
Sale of property and compensation for loss	6,386,873	-	-	12,065	6,398,938
Miscellaneous	26,395	27,319	894,921	-	948,635
Interfund revenues	131,149	-	-	7,878,062	8,009,211
State aid	102,656,152	-	11,810,402	-	114,466,554
Federal aid	65,809,704	-	5,661,840	1,971,480	73,443,024
Tobacco settlement revenue	-	-	-	3,170,209	3,170,209
Total revenues	<u>500,228,948</u>	<u>1,122,168</u>	<u>18,367,163</u>	<u>23,562,593</u>	<u>543,280,872</u>
EXPENDITURES					
Current:					
General government support	112,370,059	-	-	32,342	112,402,401
Education	29,838,635	-	-	-	29,838,635
Public safety	69,279,571	-	-	-	69,279,571
Health	27,862,065	-	-	-	27,862,065
Transportation	7,186,758	-	-	30,968,225	38,154,983
Economic assistance and opportunity	207,837,445	-	-	2,622,195	210,459,640
Culture and recreation	3,910,349	-	-	-	3,910,349
Home and community services	5,338,834	-	-	-	5,338,834
Debt service:					
Principal	4,628,527	18,084,100	-	383,712	23,096,339
Interest and other fiscal charges	1,051,397	4,820,486	-	3,107,955	8,979,838
Capital outlay	-	-	55,986,137	-	55,986,137
Total expenditures	<u>469,303,640</u>	<u>22,904,586</u>	<u>55,986,137</u>	<u>37,114,429</u>	<u>585,308,792</u>
Excess (deficiency) of revenues over expenditures	<u>30,925,308</u>	<u>(21,782,418)</u>	<u>(37,618,974)</u>	<u>(13,551,836)</u>	<u>(42,027,920)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	720,000	20,133,053	6,254,628	13,641,664	40,749,345
Transfers out	(40,329,345)	(400,000)	-	(20,000)	(40,749,345)
Issuance of serial bonds	-	-	60,200,000	-	60,200,000
Premium on serial bonds	-	2,059,667	-	-	2,059,667
Total other financing sources (uses)	<u>(39,609,345)</u>	<u>21,792,720</u>	<u>66,454,628</u>	<u>13,621,664</u>	<u>62,259,667</u>
Net change in fund balances	(8,684,037)	10,302	28,835,654	69,828	20,231,747
Fund balance (deficit)—beginning	<u>78,458,817</u>	<u>3,544,719</u>	<u>(12,672,819)</u>	<u>6,497,664</u>	<u>75,828,381</u>
Fund balances—ending	<u>\$ 69,774,780</u>	<u>\$ 3,555,021</u>	<u>\$ 16,162,835</u>	<u>\$ 6,567,492</u>	<u>\$ 96,060,128</u>

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

COUNTY OF ONEIDA, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities
Year Ended December 31, 2025

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

Net change in fund balances (deficit)—total governmental funds (page 18) \$ 20,231,747

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

Capital asset additions	\$ 45,209,897	
Loss on disposal of assets	(491,647)	
Depreciation/amortization expense	<u>(35,753,763)</u>	8,964,487

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 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.

(22,170)

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

Change in deferred inflows of resources—property taxes	\$ 713,400	
Change in long-term receivable	<u>(2,500,000)</u>	(1,786,600)

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

County pension contributions	\$ 17,531,279	
Cost of benefits earned net of employee contributions	<u>(11,764,930)</u>	5,766,349

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

(22,739,535)

Retainages payable are not paid with current financial resources and are not reported as expenditures in the fund statements.

674,196

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

(96,779)

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

Repayment of bonds payable	\$ 18,084,100	
Issuance of bonds	(60,200,000)	
Premium on serial bonds issued	(2,059,667)	
Amortization of bond premiums	473,984	
Repayment of OTASC bonds	300,000	
Accreted interest on OTASC bonds	(6,834,900)	
Amortization of OTASC bond discount	(15,179)	
Repayment of installment purchase agreement	1,487,642	
Repayment of lease liability	1,739,565	
Repayment of SBITA liability	1,485,032	
Change in workers' compensation	(997,894)	
Change in compensated absences	(489,812)	
Change in other postemployment benefits obligation	<u>24,767,106</u>	<u>(22,260,023)</u>

Change in net position of governmental activities

\$ (11,268,328)

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

COUNTY OF ONEIDA, NEW YORK
Statement of Net Position—Proprietary Funds
December 31, 2025

	Business-type Activities			
			Upper Mohawk Valley Memorial Auditorium Authority	Total Enterprise Funds
	Sewer	Workers' Compensation		
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 6,715,240	\$ -	\$ 32,191	\$ 6,747,431
Restricted cash	16,149,484	26,920,693	76	43,070,253
Other receivables	7,454,742	-	29,174	7,483,916
Due from other funds	224,651	-	-	224,651
Total current assets	30,544,117	26,920,693	61,441	57,526,251
Noncurrent assets:				
Capital assets not being depreciated	-	-	2,084,670	2,084,670
Capital assets, net of accumulated depreciation	284,751,366	-	75,377,467	360,128,833
Total noncurrent assets	284,751,366	-	77,462,137	362,213,503
Total assets	315,295,483	26,920,693	77,523,578	419,739,754
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources relating to pensions	1,143,516	-	-	1,143,516
Deferred outflows of resources relating to OPEB	527,534	-	-	527,534
Total deferred outflows of resources	1,671,050	-	-	1,671,050
LIABILITIES				
Current liabilities:				
Accounts payable	433,664	-	1,868	435,532
Retainage payable	470,612	-	-	470,612
Accrued liabilities	262,381	10,091	-	272,472
Intergovernmental payable	11,180	14,807,815	-	14,818,995
Due to retirement system	364,282	-	-	364,282
Due to other funds	807,414	14,394	-	821,808
Unearned revenues	-	-	61,875	61,875
Accrued interest payable	1,509,047	-	-	1,509,047
Total current liabilities	3,858,580	14,832,300	63,743	18,754,623
Noncurrent liabilities:				
Due within one year	9,295,171	604,420	836,272	10,735,863
Due within more than one year	285,980,025	11,483,973	30,006,445	327,470,443
Total noncurrent liabilities	295,275,196	12,088,393	30,842,717	338,206,306
Total liabilities	299,133,776	26,920,693	30,906,460	356,960,929
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources relating to pensions	135,521	-	-	135,521
Deferred inflows of resources relating to OPEB	2,021,904	-	-	2,021,904
Total deferred inflows of resources	2,157,425	-	-	2,157,425
NET POSITION				
Net investment in capital assets	3,494,994	-	46,619,420	50,114,414
Restricted	7,439,643	-	-	7,439,643
Unrestricted	4,740,695	-	(2,302)	4,738,393
Total net position	\$ 15,675,332	\$ -	\$ 46,617,118	\$ 62,292,450

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

COUNTY OF ONEIDA, NEW YORK
Statement of Revenues, Expenses and Changes in Net Position—Proprietary Funds
Year Ended December 31, 2025

	Business-type Activities			
		Workers'	Upper Mohawk Valley Memorial Auditorium Authority	Total Enterprise Funds
	Sewer	Compensation		
OPERATING REVENUES				
Charges for services	\$ 23,115,395	\$ 14,900,630	\$ 2,863,388	\$ 40,879,413
Total operating revenues	<u>23,115,395</u>	<u>14,900,630</u>	<u>2,863,388</u>	<u>40,879,413</u>
OPERATING EXPENSES				
Salaries and wages	4,490,489	-	-	4,490,489
Employee benefits	1,355,173	-	-	1,355,173
Claims and contractual expenses	2,631,381	16,048,310	883,979	19,563,670
Depreciation	<u>18,847,869</u>	<u>-</u>	<u>3,030,494</u>	<u>21,878,363</u>
Total operating expenses	<u>27,324,912</u>	<u>16,048,310</u>	<u>3,914,473</u>	<u>47,287,695</u>
Operating (loss)	<u>(4,209,517)</u>	<u>(1,147,680)</u>	<u>(1,051,085)</u>	<u>(6,408,282)</u>
NONOPERATING REVENUES (EXPENSES)				
Loss on disposal of assets	(158)	-	-	(158)
Miscellaneous income	159,848	-	-	159,848
Interest earnings	764,961	1,147,680	-	1,912,641
Interest expense	(4,345,756)	-	(1,049,277)	(5,395,033)
Bond issuance costs	(604,632)	-	-	(604,632)
Grants	<u>1,743,692</u>	<u>-</u>	<u>-</u>	<u>1,743,692</u>
Total non-operating revenues (expenses)	<u>(2,282,045)</u>	<u>1,147,680</u>	<u>(1,049,277)</u>	<u>(2,183,642)</u>
Change in net position	(6,491,562)	-	(2,100,362)	(8,591,924)
Net position—beginning	<u>22,166,894</u>	<u>-</u>	<u>48,717,480</u>	<u>70,884,374</u>
Net position—ending	<u>\$ 15,675,332</u>	<u>\$ -</u>	<u>\$ 46,617,118</u>	<u>\$ 62,292,450</u>

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

COUNTY OF ONEIDA, NEW YORK
Statement of Cash Flows—Proprietary Funds
Year Ended December 31, 2025

	Business-type Activities			
			Upper Mohawk	
			Valley	
			Memorial	
			Auditorium	
	Sewer	Workers'	Authority	Total
		Compensation		Enterprise
				Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from charges for services	\$ 23,164,408	\$ 16,309,142	\$ 2,048,003	\$ 41,521,553
Payments for claims and contractual expenses	(5,523,029)	(15,378,310)	(1,188,008)	(22,089,347)
Payments for personal services and benefits	(5,599,302)	-	-	(5,599,302)
Receipts from government grants	-	-	805,255	805,255
Net cash provided by operating activities	<u>12,042,077</u>	<u>930,832</u>	<u>1,665,250</u>	<u>14,638,159</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Loans to other funds	(278,875)	-	-	(278,875)
Internal activity—payment to County	-	(112,726)	-	(112,726)
Interest earned on bank accounts	-	1,147,680	-	1,147,680
Net cash (used for) provided by noncapital financing activities	<u>(278,875)</u>	<u>1,034,954</u>	<u>-</u>	<u>756,079</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions to noncurrent assets	(3,002,118)	-	(235,255)	(3,237,373)
Principal payments on long-term debt	(10,766,895)	-	(1,869,088)	(12,635,983)
Proceeds from long-term debt	1,231,433	-	1,335,000	2,566,433
Interest paid on long-term debt	(5,009,528)	-	(1,049,277)	(6,058,805)
Capital grants and contributions	<u>2,668,501</u>	<u>-</u>	<u>-</u>	<u>2,668,501</u>
Net cash (used for) capital and related financing activities	<u>(14,878,607)</u>	<u>-</u>	<u>(1,818,620)</u>	<u>(16,697,227)</u>
Net (decrease) increase in cash and cash equivalents	(3,115,405)	1,965,786	(153,370)	(1,302,989)
Cash and cash equivalents—beginning (including restricted cash)	<u>25,980,129</u>	<u>24,954,907</u>	<u>185,637</u>	<u>51,120,673</u>
Cash and cash equivalents—ending (including restricted cash)	<u>\$ 22,864,724</u>	<u>\$ 26,920,693</u>	<u>\$ 32,267</u>	<u>\$ 49,817,684</u>

(continued)

COUNTY OF ONEIDA, NEW YORK
Statement of Cash Flows—Proprietary Funds
Year Ended December 31, 2025

(concluded)

	Business-type Activities			
	Upper Mohawk Valley			Total Enterprise Funds
	Sewer	Workers' Compensation	Memorial Auditorium Authority	
Reconciliation of operating (loss) to net cash provided by operating activities:				
Operating (loss)	\$ (4,209,517)	\$ (1,147,680)	\$ (1,051,085)	\$ (6,408,282)
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	18,847,869	-	3,030,494	21,878,363
(Loss) on disposal of asset	(158)	-	-	(158)
Decrease (increase) in other receivables	49,013	-	(10,130)	38,883
Decrease in intergovernmental receivables	-	1,408,512	-	1,408,512
Decrease in deferred outflows relating to pensions	255,346	-	-	255,346
Decrease in deferred outflows relating to OPEB	111,052	-	-	111,052
Increase in accrued liabilities	51,510	-	-	51,510
Increase (decrease) increase in accounts payable	37,379	-	(304,029)	(266,650)
Increase in due to retirement system	364,282	-	-	364,282
(Decrease) in retainage payable	(2,928,869)	-	-	(2,928,869)
Increase in compensated absences liability	50,993	-	-	50,993
Increase in workers' compensation liability	20,234	670,000	-	690,234
(Decrease) in other postemployment liability	(781,571)	-	-	(781,571)
Increase in net pension	269,700	-	-	269,700
(Decrease) in deferred inflows relating to pensions	(708,031)	-	-	(708,031)
Increase in deferred inflows relating to OPEB	612,845	-	-	612,845
Total adjustments	<u>16,251,594</u>	<u>2,078,512</u>	<u>2,716,335</u>	<u>21,046,441</u>
Net cash provided by operating activities	<u>\$ 12,042,077</u>	<u>\$ 930,832</u>	<u>\$ 1,665,250</u>	<u>\$ 14,638,159</u>

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

COUNTY OF ONEIDA, NEW YORK
Statement of Fiduciary Net Position—Custodial Fund
December 31, 2025

	Custodial Fund
ASSETS	
Restricted cash and cash equivalents	\$ 9,011,666
Total assets	<u>9,011,666</u>
LIABILITIES	
Accounts payable	<u>8,498,026</u>
Total liabilities	<u>8,498,026</u>
NET POSITION	
Restricted for social service accounts	<u>\$ 513,640</u>

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

COUNTY OF ONEIDA, NEW YORK
Statement of Changes in Fiduciary Net Position—Custodial Fund
Year Ended December 31, 2025

	<u>Custodial Fund</u>
ADDITIONS	
Funds received on behalf of others	\$ 5,185,272
Total additions	<u>5,185,272</u>
DEDUCTIONS	
Funds distributed on behalf of others	<u>4,767,353</u>
Total deductions	<u>4,767,353</u>
 Change in fiduciary net position	 417,919
 Net position—beginning	 <u>95,721</u>
Net position—ending	<u><u>\$ 513,640</u></u>

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

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COUNTY OF ONEIDA, NEW YORK
Notes to the Financial Statements
December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the 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 was established in 1798 and is governed by the County Charter, County Law, other general laws of the State of New York and various local laws. The County Charter provides for a County Executive form of government. The County Legislature, which is the legislative body responsible for the overall operation of the County, consists of 23 legislators, one from each of the County's legislative districts. The County Executive is the Chief Executive Officer of the County. The County Comptroller is the Chief Fiscal Accounting and Auditing Officer of the County.

Independently elected officials of the County include:

County Executive	District Attorney
County Legislators (23)	County Clerk
County Comptroller	Sheriff

The County provides mandated social service programs such as Medicaid, Temporary Assistance for Needy Families and Safety Net. The County also provides services and facilities in the areas of culture, recreation, education, public safety, youth, health, senior services, roads, and sanitary sewerage. These general government programs and services are financed by various taxes, state and federal aid and departmental revenue (which are primarily comprised of service fees and various types of program-related charges).

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

Discretely Presented Component Units—The component unit columns in the basic financial statements include the financial data of the County’s two discretely presented component units. These units are reported in a separate column to emphasize that they are legally separate from the County.

Oneida-Herkimer Solid Waste Management Authority—The Oneida-Herkimer Solid Waste Management Authority (“OHSWMA”) was established in 1988 as a public benefit corporation under New York State Public Authorities Law to provide solid waste management services and to plan and implement a modern integrated solid waste management system for the benefit of Oneida and Herkimer counties (the counties). OHSWMA’s initial capitalization for the facilities as well as short-term funding of administrative and operating costs were provided from the issuance of approximately \$50 million of Solid Waste System Revenue Bonds. OHSWMA currently owns and operates nine operational solid waste management facilities and one closed facility. These facilities are as follows: an administration facility, a recycling center, three solid waste transfer stations, a green waste composting facility, a land clearing debris facility, a household hazardous waste facility, a regional landfill, and a closed ash landfill.

OHSWMA’s ten-member board, which consists of four members appointed by the County Executive and confirmed by the County Legislature, three members by the County Legislature, and three by Herkimer County, has complete responsibility for its management and financial operations. County officials do not exercise oversight responsibility for OHSWMA operations, and the County does not provide assistance to OHSWMA. However, the County is obligated to finance deficits, if necessary, and the County is a joint guarantor with Herkimer County on the revenue bonds as disclosed in Note 11.

Based upon the financial obligations which the County assumes and because the County appoints the voting majority to OHSWMA’s board, OHSWMA is included as a discretely presented component unit within the County’s basic financial statements. All of the financial data for OHSWMA was derived from the independently audited financial statements. Certain amounts have been reclassified to conform to the County’s presentation. The financial statements of OHSWMA can be obtained at its administrative offices located at 1600 Genesee Street, Utica, 41New York 13502.

Mohawk Valley Community College—The Mohawk Valley Community College (the “College” or the “MVCC”) was founded in 1946 with the County as the local sponsor under provisions of Article 126 of the New York State Education Law. MVCC is administered by a Board of Trustees consisting of ten voting members. Five are appointed by the County Executive and confirmed by the Legislature, four by the Governor, and one student is elected by the student body. The Community College’s budget is subject to the approval of the County Executive and the County Legislature, with the County providing substantial funding for the operation of MVCC. MVCC is included based on its August 31st fiscal year end. The annual financial report can be obtained from the Vice President for Administrative Services, 1101 Sherman Drive, Utica, New York 13502.

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

The financial statements of MVCC include three discretely presented component units; the Auxiliary Services Corporation of Mohawk Community College, Inc., the Mohawk Valley Community College Dormitory Corporation and the Mohawk Valley Community College Foundation, Inc.

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

Oneida Tobacco Asset Securitization Corporation—The Oneida Tobacco Asset Securitization Corporation (“OTASC”) is a special purpose, bankruptcy remote, local development corporation organized under the Not-for-Profit Corporation Law of the State of New York and is an instrumentality of, but separate and apart from, the County. Although legally separate and independent of the County, OTASC is considered an affiliated organization and, therefore, is reported as a blended component unit of the County. The annual financial report may be obtained by writing the Comptroller's Office, Oneida County, 800 Park Avenue, Utica, New York 13501.

Upper Mohawk Valley Memorial Auditorium Authority—The Upper Mohawk Valley Memorial Auditorium Authority (the “Authority”) is a public benefit corporation under New York State Law. The Authority has a nine-member board, which is responsible for the overall direction of the Authority. The County Executive appoints five members and the County Legislature appoints the remaining four members. In 2021, the Authority entered into a project financing agreement with the County, where the County agrees to pay debt service charges payable on the Authority’s bonds, resulting in a financial burden to the County. As a result, the Authority is included as a blended component unit of the County. The annual financial report may be obtained by writing the Upper Mohawk Valley Memorial Auditorium Authority, 400 Oriskany Street West, Utica, New York 13502.

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, 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 two discretely presented component units. Their financial data are shown in separate columns in the government-wide financial statements.

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

Basis of Presentation—Fund Financial Statements

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

The County reports the following major governmental funds:

- *General Fund*—The General Fund is the principal operating fund of the County and is used to account for all financial resources except those required to be accounted for in other funds.
- *Debt Service Fund*—The Debt Service Fund is used to account for and report the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs (except those presented in the discretely presented component units).
- *Capital Projects Fund*—The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

The County reports the following nonmajor governmental funds:

Special Revenue Funds—The Special Revenue 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:

- *Special Grant Fund*—This fund is used to account for funds received under the Job Training Partnership Act/Workforce Investment Opportunity Act.
- *County Road Fund*—This fund is used to account for expenditures for highway purposes authorized by Section 114 of the Highway Law.
- *Road Machinery Fund*—This 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.
- *Oneida Tobacco Asset Securitization Corporation*—The Oneida Tobacco Asset Securitization Corporation ("OTASC") Fund is used to account for the receipt and disbursement of resources related to tobacco assets and related obligations.

The County reports three major proprietary funds as follows:

- *Sewer Fund*—This fund is used to account for operations and capital improvements of the County's sewer district.
- *Workers' Compensation Fund*—The County uses this fund to account for workers' compensation insurance services for the County and communities within the County for which participants are charged fees to participate.
- *Upper Mohawk Valley Memorial Auditorium Authority*—Represents a public benefit corporation established to own and manage the activities of the former City of Utica Memorial Auditorium.

Additionally, the County reports the following fund type:

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Cash, Cash Equivalents and Investments—Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity date of three months or less from date of acquisition. State statutes and various resolutions of the County Legislature govern the County’s investment policies. Permissible investments include obligations of the U.S. Treasury and U.S. Government agencies, repurchase agreements and obligations of New York State or its localities. Investments are stated at fair value based on quoted market prices. The County’s investments at December 31, 2025 consist of amounts invested in United States treasury securities.

Restricted Cash, Cash Equivalents and Investments—Restricted cash represents unspent proceeds from debt, unearned revenues received for grants, accumulated surcharges for sewer projects, amounts to support restricted fund balances, amount related to worker’s compensation, and amounts held on behalf of others.

Deposits with Trustees—Deposits with Trustees represent OTASC funds held in various types of investments accounts held by a Trust.

Receivables—Receivables are stated net of allowances for estimated uncollectible amounts. Intergovernmental receivables represent amounts owed to the County to reimburse it for expenditures incurred pursuant to state and federally funded programs and on behalf of the workers’ compensation insurance participants.

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.

Capital Assets—Capital assets include property, buildings, equipment, infrastructure assets (e.g. roads, bridges, drainage systems and similar items), and right-to-use leased assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are incurred. Right-to-use lease assets were initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs and are amortized on a straight-line basis over their useful lives. The County depreciates/amortizes capital assets using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20
Buildings and building improvements	15-50
Infrastructure	10-65
Equipment	5-25
Right-to-use assets	5-10
SBITA assets	5-10

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. At times, amounts reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Unearned Revenue—Certain amounts received have not been spent or otherwise used to meet the revenue recognition criteria for government-wide or fund financial statement purposes. At December 31, 2025, the County reported unearned revenues of \$12,501,910 within the General Fund. Of this amount, \$3,047,269 represents unspent American Rescue Plan Act funds.

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County's primary government has five items which qualify for reporting in this category. The first three items represent unavailable revenues from three sources: property taxes, a long-term receivable related to Oneida Indian Nation ("Nation") settlement payments, and leases receivable. These amounts will be recognized as revenue in the governmental funds in the period that the amounts become available. The last two items are reported in the government-wide financial statements, as well as within individual proprietary funds. The fourth item represents the effect of the net change in the County's proportion of the collective net pension liability and the difference during the measurement periods between the County's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The final item represents the effects of the change in the County's proportion of the collective total OPEB liability and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability.

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

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

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

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

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The County Legislature (“Legislature”) may 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

Proprietary Funds Operating and Nonoperating Revenues and Expenses—Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Sewer and Workers’ Compensation Funds are charges to customers for sales and services. The principal operating revenue of the Authority is subsidies and grants. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The Sewer Fund recognizes revenue as services are provided.

Property Taxes—Real property tax levies are fully accrued at the beginning of the fiscal year and are received and accounted for in the General Fund. Accruals for “due to other funds” are recorded in the General Fund for the portion of the tax revenue allocated to other funds. The current year’s property taxes

are levied and the prior year's unpaid school taxes are re-levied on a warrant to collect taxes by December 31st based on the fully assessed value of real property within the County. The twenty-six towns are responsible for collection of the tax warrant until March 31st. At that time, settlement proceedings take place whereby the County becomes the collecting agent and the towns receive full credit for their entire levy. The County becomes the enforcement agent for tax liens on all County real property except property within the cities of Utica and Rome. The County has entered into agreements with these cities whereby the cities assess and collect all City and County taxes on property within each City and serve as enforcement agent for tax liens on such property. County taxes collected by the cities are remitted to the County periodically.

Uncollected property taxes assumed by the County as a result of the settlement proceedings are reported as receivables in the General Fund to maintain central control and provide for tax settlement and enforcement proceedings.

At December 31, 2025, the gross real property tax receivable relating to the County of \$21,835,957 is offset by an allowance for uncollectible taxes of \$204,435. Included in real property tax assets are current year returned village and school taxes of \$10,303,828, which are also included in liabilities to the villages and school districts to be paid no later than April 20, 2026. The remaining portion of tax assets is partially offset by deferred inflows of resources – property taxes of \$13,321,011 in the General Fund and represents an estimate of tax liens which will not be collected within the first sixty (60) days of the subsequent year.

Tax rates are calculated using assessments prepared by individual town and city assessors as adjusted by the New York State Board of Equalization and Assessment for the purpose of equalization. The total five year average taxable assessed value of real property included in the tax levy of 2025 is approximately \$14.743 billion. The total County warrant, including all charge backs for 2025 was \$80.6 million. County tax rates vary by each assessing unit because assessing units often assess at different fractions of full value. The New York State statutory maximum tax limit is 1.5% of the 5-year average of the equalized assessment. The 2025 levy with allowable statutory exclusions represents approximately 36.5% of the constitutional tax limit for 2025.

Effective September 1, 1994, the County-wide sales tax was increased from seven percent to eight percent. The County received authorization to impose an additional 1.5% sales tax, with all proceeds to be retained by the County effective March 1, 2005. This rate was reduced to 1% on September 1, 2006, and in 2009 was further reduced to 0.75%. Since that time New York State has reauthorized the County to continue the 1% and 0.75% extension on its local share of sales tax. The current authorization expires November 30, 2027. The County allocates a percentage of the sales tax to the cities, towns and villages within the County.

Compensated Absences—According to various union contracts, County employees are entitled to personal leave, sick leave, compensatory time, and vacations annually. Vacation time vests for both union and non-union employees to a maximum of 15 days. Accordingly, liabilities for vacation time of \$4,152,589 are reported as long-term debt for the governmental funds in the government-wide financial statements. These payments are also budgeted annually without accrual and expenditure will be recorded when paid. Similar liabilities related to services rendered to the Sewer Fund are included in accrued liabilities of the enterprise fund in the amount of \$137,550.

Additional accrued liabilities of \$7,229,373 are reported within long-term debt for the governmental activities in the government-wide financial statements for the value of sick leave and compensatory time, which will eventually be paid the employee upon retirement. Likewise, liabilities of \$285,584 for sick leave and compensatory time are reported in the Sewer Fund.

Pension Plans—The County and its component units are mandated by New York State law to participate in the New York State Teacher’s Retirement System (“TRS”) and the New York State Local Employees’ Retirement System (“ERS”). For purposes of measuring the net pension liability, deferred outflows and 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 retired employees with group health insurance benefits. The obligation of the County to contribute to the cost of providing this benefit has been established pursuant to legislative resolution and various collective bargaining agreements. More information is included in Note 7.

Interfund Revenues—The County allocates General Fund costs incurred in the general administration of the County to other funds based on their proportionate benefit of the total costs allocated. In 2025, the County has reported interfund revenues in the General Fund and nonmajor funds of \$131,149 and \$7,878,062, respectively representing an allocation of costs, primarily related to highway department personnel and machinery, to various special revenue funds and the enterprise fund. The amounts are reported as general government support expenditures in the General Fund as well as in the benefiting funds.

Other

Oneida Indian Nation Agreement—On May 16, 2013, the Governor of the State of New York (“the State”) announced an agreement between the State, the Oneida Indian Nation (the “Nation”), Oneida County and Madison County to settle land claims amounts due on real property taxes and provide future revenues to the State, the County and Madison County. The agreement also required the approval of the Department of the Interior. The agreement received all necessary approvals on March 4, 2014. Under the terms of the agreement, the County will receive \$2.5 million per year for 19.25 years in full satisfaction of all existing tax liens that they claim against the Nation and in full satisfaction of tax revenues of any kind that the County will not receive from the Nation in the future under the terms of the agreement or because of the trust status of Nation Land. This amount has been recorded as a long-term receivable offset by a deferred inflow of resources in the fund financial statements. \$18,125,000 is outstanding as of December 31, 2025. In addition, the County will receive 25% of the State’s payment (the State’s payment from the Nation will be based upon 25% of its net gaming revenue from its slot machines at the Turning Stone Casino and Resort in Vernon, New York, which is operated by the Nation).

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, liabilities, deferred outflows/inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended December 31, 2025, the County implemented GASB Statement No. 102, *Certain Risk Disclosures*. GASB Statement No. 102 provides users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The implementation of GASB Statements No. 102 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. 103, *Financial Reporting Model Improvements*; and No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending December 31, 2026, and No. 105 *Subsequent Events*, effective for the year ending December 31, 2027. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 103, 104, and 105 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Legal Compliance—Budgets—Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund, Special Grants Fund, County Road Fund and the Road Machinery Fund. The Capital Projects Fund is appropriated on a project-length basis. Instead, appropriations are approved through a County Legislature resolution at the grant/project's inception and lapse upon completion/termination of the grant/project.

The County's annual procedures in establishing the budgetary data reflected in the basic financial statements are as follows:

- Prior to October 5th, the County Executive, submits to the County Legislature a tentative budget for the following fiscal year to commence on January 1st.
- The tentative budget includes expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments.
- The Legislature acts on the tentative budget no later than the date of the second Board of Legislators' meeting in November.
- The County Executive is authorized to approve budget transfers within departments and/or individual funds. However, revisions in excess of \$5,000 must be approved by the Legislature.
- Formal annual budgetary accounts are adopted and employed for control of all governmental funds except the Capital Projects Fund. Appropriations for all budgets lapse at fiscal year-end. Budgetary control over individual capital projects is provided by Legislative approval or bond authorizations and provision of bond indebtedness.

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

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The County's investment policies are governed by New York State statutes. In addition, the County has its own written investment policy. County monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. Collateral is required for demand deposits, time deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Cash, cash equivalents and investments at December 31, 2025, are as follows:

	Governmental Activities	Business-type Activities	Fiduciary Fund	Total
Petty cash (uncollateralized)	\$ 7,726	\$ 200	\$ -	\$ 7,926
Deposits	54,730,653	49,817,484	9,011,666	113,559,803
Investments	22,583,348	-	-	22,583,348
Total	<u>\$ 77,321,727</u>	<u>\$ 49,817,684</u>	<u>\$ 9,011,666</u>	<u>\$ 136,151,077</u>

Deposits—All deposits are carried at fair value, and are classified by credit risk category as presented below:

	December 31, 2025	
	Bank Balance	Carrying Amount
Insured (FDIC)	\$ 2,121,769	\$ 2,121,769
Uninsured:		
Collateral held by bank's agent in County's name	<u>96,057,252</u>	<u>111,445,760</u>
Total deposits	<u>\$ 98,179,021</u>	<u>\$ 113,567,529</u>

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2025, all of the County's deposits were insured or collateralized.

Restricted Cash and Cash Equivalents and Investments—Total governmental activities restricted cash and cash equivalents and investments of \$34,616,978 represents \$19,158,795 restricted for County capital projects, \$12,501,910 to support unearned revenue, \$192,093 to support restricted fund balance, \$2,481,433 restricted for debt service, and \$282,747 of OTASC restricted cash. Total business-type activities restricted cash of \$43,070,253 represents restricted surcharges on sewer billings to be used for future projects of \$7,439,643, unspent proceeds of debt of \$4,194,103, and cash with fiscal agent of \$4,515,738, cash restricted for workers' compensation of \$26,920,693 and UMVMAA restricted cash of \$76. In addition, the Custodial Fund reports restricted cash and cash equivalents of \$9,011,666 which represents cash held on behalf of others.

Deposits with Trustees—Under terms of OTASC's bond indenture agreements, \$4,742,624 is held at December 31, 2025 by a trust company to provide for various functions of bond repayments.

Investments—At December 31, 2025, the County's governmental activities reports investments in securities of \$22,583,348, which consist of U.S. Treasury notes with maturities between three and six months.

Fair Value Measurements—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 on the next page.

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.

All investments reported by the County are measured using level 1 inputs.

Custodial Credit Risk—Investments—For investments, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. A margin of 2% or higher of the market value of purchased securities in repurchase transactions must be maintained and the securities must be held by a third party in the County's name.

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

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

Interest Rate Risk—In accordance with its investment policy, the County manages exposures by limiting investments to low risk type investments governed by New York State statute.

Discretely Presented Component Units

Oneida-Herkimer Solid Waste Management Authority

Cash and cash equivalents consist of cash deposits in banks, and other short-term investments, whether unrestricted or restricted, with an original maturity of three months or less. Cash deposits with financial institutions are either covered by federal depository insurance or collateralized by securities held by the pledging bank's trust department in OHSWMA's name, or U.S. Government and/or federal agency securities held by the Trustee. OHSWMA reported \$8,721,846 unrestricted cash and \$3,011,958 restricted cash at December 31, 2025. OHSWMA reported investments of \$34,894,751 at December 31, 2025. Short-term investments consist of money market funds with underlying investments in obligations of the U.S. government and repurchase agreements. Investments include certificates of deposit, Federal Agency Securities, and U.S. Treasury Bond State and Local Government Series.

OHSWMA categorizes its fair value measurements into the fair value hierarchy established by GASB.

OHSWMA had the following investments at December 31, 2025:

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Bills	\$ -	\$ 2,027,260	\$ -	\$ 2,027,260
Certificates of deposit	-	13,666,058	-	13,666,058
Federal agency securities	-	412,847	-	412,847
U.S. Treasury notes	18,788,586	-	-	18,788,586
Total investments	\$ 18,788,586	\$ 16,106,165	\$ -	\$ 34,894,751

Mohawk Valley Community College

At August 31, 2025, MVCC and its component units reported unrestricted cash and cash equivalents of \$24,630,493. MVCC's bank balances of \$23,236,947 were fully collateralized by securities held by an agent of the pledging financial institution in MVCC's name or FDIC insurance and were not exposed to custodial credit risk. MVCC's component units had deposits with trustees of \$1,393,546 for debt service. MVCC's component units held \$15,097,678 of investments, details are presented below:

	August 31, 2025			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 153,497	\$ -	\$ -	\$ 153,497
U.S. government securities	-	601,015	-	601,015
Corporated debt securities	-	100,008	-	100,008
Exchange traded and mutual funds	14,243,158	-	-	14,243,158
Total investments	\$ 14,396,655	\$ 701,023	\$ -	\$ 15,097,678

3. RECEIVABLES

Property Taxes Receivable—The County has recorded property taxes receivable of \$21,835,957, offset by an allowance of \$204,435 for uncollectible amounts, with the General Fund at December 31, 2025.

Other Receivables—Represent amounts due from various sources. The County's other receivables at December 31, 2025 are shown on the following page.

Governmental funds:	
Various fees and charges:	
General Fund	\$ 3,665,557
Debt Service Fund	270,220
Capital Projects Fund	862,500
Nonmajor funds	<u>209,423</u>
Total governmental funds	<u>\$ 5,007,700</u>
Enterprise funds:	
Sewer Fund	\$ 7,454,742
UMVMAA	<u>29,174</u>
Total enterprise funds	<u>\$ 7,483,916</u>

Intergovernmental Receivables—Intergovernmental receivables in the governmental funds primarily represent claims for reimbursement of expenditures in administering various mental health and social service programs. Amounts are net of related advances from New York State. The County also reports a long-term intergovernmental receivable of \$18,125,000 from the Oneida Indian Nation, which represents the settlement of land claims amounts due on real property taxes. Under this settlement, the County will receive \$2.5 million per year through 2033. Amounts accrued at December 31, 2025 are shown below:

Governmental funds:	
General Fund:	
Nation settlement long-term receivable	\$ 18,125,000
Due from State and Federal—social services	31,425,230
Due from State and Federal—other	52,097,125
Due from other local governments	<u>15,959,121</u>
	\$ 117,606,476
Nonmajor funds:	
Due from State and Federal—highway aid	<u>3,432,859</u>
Total governmental funds	<u>\$ 121,039,335</u>

Discretely Presented Component Units

Oneida-Herkimer Solid Waste Management Authority

Other Receivables—Receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. OHSWMA reported receivables, net of allowance for doubtful accounts of \$240,815, of \$4,342,807 at December 31, 2025.

Mohawk Valley Community College

Other Receivables—The other receivables and their respective allowances reported by MVCC at August 31, 2025 is presented on the following page.

	Gross Receivable	Allowance	Net Receivable
Primary Institution:			
Tuition and fees receivable	\$ 2,938,890	\$ (450,000)	\$ 2,488,890
Due from other governments	5,986,357	-	5,986,357
Component Units:			
Tuition and fees receivable	<u>1,137,320</u>	<u>(161,775)</u>	<u>975,545</u>
Total	<u>\$ 10,062,567</u>	<u>\$ (611,775)</u>	<u>\$ 9,450,792</u>

Student Loans Receivable—At August 31, 2025 MVCC liquidated all student loans related to the Perkins Loan Program.

4. CAPITAL ASSETS

Governmental activities—Capital asset activity for the primary government's governmental activities for fiscal year ended December 31, 2025, is presented below:

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025
Capital assets, not being depreciated/amortized:				
Land	\$ 13,190,962	\$ -	\$ -	\$ 13,190,962
Total capital assets not being depreciated/amortized	<u>13,190,962</u>	<u>-</u>	<u>-</u>	<u>13,190,962</u>
Capital assets, being depreciated/amortized:				
Land improvements	2,251,641	-	-	2,251,641
Buildings and building improvements	367,129,921	13,655,609	-	380,785,530
Infrastructure	317,517,446	26,341,708	-	343,859,154
Equipment	97,515,593	5,212,580	1,528,210	101,199,963
Right-to-use leased assets	20,620,901	-	-	20,620,901
SBITA asset	<u>4,168,290</u>	<u>-</u>	<u>-</u>	<u>4,168,290</u>
Total capital assets being depreciated/amortized	<u>809,203,792</u>	<u>45,209,897</u>	<u>1,528,210</u>	<u>852,885,479</u>
Less accumulated depreciation/amortization for:				
Land improvements	2,189,696	19,500	-	2,209,196
Buildings and building improvements	152,160,837	14,401,718	-	166,562,555
Infrastructure	165,947,381	12,147,739	-	178,095,120
Equipment	51,025,760	6,672,609	1,036,563	56,661,806
Right-to-use leased assets	10,494,849	1,678,539	-	12,173,388
SBITA asset	<u>833,658</u>	<u>833,658</u>	<u>-</u>	<u>1,667,316</u>
Total accumulated depreciation/amortization	<u>382,652,181</u>	<u>35,753,763</u>	<u>1,036,563</u>	<u>417,369,381</u>
Total capital assets, being depreciated/amortized, net	<u>426,551,611</u>	<u>9,456,134</u>	<u>491,647</u>	<u>435,516,098</u>
Governmental activities capital assets, net	<u>\$ 439,742,573</u>	<u>\$ 9,456,134</u>	<u>\$ 491,647</u>	<u>\$ 448,707,060</u>

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

General government support	\$ 2,255,830
Public safety	2,260,816
Public health	74,247
Transportation	30,932,053
Economic assistance and opportunity	209,827
Culture and recreation	257
Home and community service	20,733
Total	<u>\$ 35,753,763</u>

Business-type activities—Capital asset activity for the primary government’s business-type activities—Sewer for fiscal year ended December 31, 2025 is presented below:

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025
Capital assets, not being depreciated:				
Construction in progress	\$ 181,310	\$ -	\$ 181,310	\$ -
Total capital assets not being depreciated	<u>181,310</u>	<u>-</u>	<u>181,310</u>	<u>-</u>
Capital assets, being depreciated:				
Land improvements	53,682	-	-	53,682
Buildings and improvements	297,511,402	2,450,466	-	299,961,868
Infrastructure	97,542,353	630,441	-	98,172,794
Machinery and equipment	50,616,938	102,679	20,788	50,698,829
Total capital assets, being depreciated	<u>445,724,375</u>	<u>3,183,586</u>	<u>20,788</u>	<u>448,887,173</u>
Less accumulated depreciation for:				
Land improvements	53,682	-	-	53,682
Buildings and building improvements	73,669,825	14,057,660	-	87,727,485
Infrastructure	22,881,610	4,548,860	-	27,430,470
Equipment	48,703,451	241,349	20,630	48,924,170
Total accumulated depreciation	<u>145,308,568</u>	<u>18,847,869</u>	<u>20,630</u>	<u>164,135,807</u>
Total capital assets, being depreciated, net	<u>300,415,807</u>	<u>(15,664,283)</u>	<u>158</u>	<u>284,751,366</u>
Sewer capital assets, net	<u>\$ 300,597,117</u>	<u>\$ (15,664,283)</u>	<u>\$ 181,468</u>	<u>\$ 284,751,366</u>

Capital asset activity for the primary government's business-type activities—Upper Mohawk Valley Memorial Auditorium Authority for fiscal year ended December 31, 2025:

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025
Capital assets, not being depreciated:				
Land	\$ 2,084,670	\$ -	\$ -	\$ 2,084,670
Total capital assets not being depreciated	<u>2,084,670</u>	<u>-</u>	<u>-</u>	<u>2,084,670</u>
Capital assets, being depreciated:				
Buildings and building improvements	89,624,166	140,381	-	89,764,547
Equipment	<u>3,163,375</u>	<u>94,874</u>	<u>-</u>	<u>3,258,249</u>
Total capital assets being depreciated	<u>92,787,541</u>	<u>235,255</u>	<u>-</u>	<u>93,022,796</u>
Less accumulated depreciation for:				
Buildings and building improvements	12,986,398	2,745,790	-	15,732,188
Equipment	<u>1,628,437</u>	<u>284,704</u>	<u>-</u>	<u>1,913,141</u>
Total accumulated depreciation	<u>14,614,835</u>	<u>3,030,494</u>	<u>-</u>	<u>17,645,329</u>
Total capital assets, being depreciated, net	<u>78,172,706</u>	<u>(2,795,239)</u>	<u>-</u>	<u>75,377,467</u>
UMVMAA capital assets, net	<u>\$ 80,257,376</u>	<u>\$ (2,795,239)</u>	<u>\$ -</u>	<u>\$ 77,462,137</u>

Discretely Presented Component Units

Oneida-Herkimer Solid Waste Management Authority

Capital asset balances for OHSWMA were as follows:

	Balance 12/31/2025
Construction in progress	\$ 55,688
Land	3,393,829
Land improvements	65,201,950
Buildings and improvements	30,003,302
Equipment and machinery	15,603,712
Vehicles	17,027,770
Office equipment	261,073
Right-of-use lease asset	<u>361,661</u>
Total capital assets	131,908,985
Less: accumulated depreciation	<u>(82,597,701)</u>
Total capital assets, net	<u>\$ 49,311,284</u>

Mohawk Valley Community College

Capital asset activity for MVCC was as follows:

	Balance 9/1/2024	Additions	Deletions	Balance 8/31/2025
Capital assets, not being depreciated:				
Construction in progress	\$ 1,092,094	\$ 2,636,443	\$ 62,423	\$ 3,666,114
Total capital assets, not being depreciated	<u>1,092,094</u>	<u>2,636,443</u>	<u>62,423</u>	<u>3,666,114</u>
Capital assets, being depreciated/amortized				
Buildings and improvements	133,437,718	115,423	-	133,553,141
Vehicles, equipment, and library books	23,522,676	724,644	99,909	24,147,411
Right-to-use leased assets	<u>681,001</u>	<u>548,424</u>	<u>366,173</u>	<u>863,252</u>
Total capital assets, being depreciated/amortized	<u>157,641,395</u>	<u>1,388,491</u>	<u>466,082</u>	<u>158,563,804</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	86,359,891	2,526,656	-	88,886,547
Vehicles, equipment, and library books	21,469,666	1,289,383	99,909	22,659,140
Right-to-use leased assets	<u>413,318</u>	<u>186,915</u>	<u>366,173</u>	<u>234,060</u>
Total accumulated depreciation/amortization	<u>108,242,875</u>	<u>4,002,954</u>	<u>466,082</u>	<u>111,779,747</u>
Total capital assets, being depreciated/amortized, net	<u>49,398,520</u>	<u>(2,614,463)</u>	<u>-</u>	<u>46,784,057</u>
Total capital assets, net	<u>\$ 50,490,614</u>	<u>\$ 21,980</u>	<u>\$ 62,423</u>	<u>\$ 50,450,171</u>

In addition to the capital assets reported above, MVCC reports capital assets of its discretely presented component units totaling \$7,647,849 of capital assets being depreciated, net.

5. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at December 31, 2025, were as follows:

	General Fund	Nonmajor Funds	Total Governmental Funds
Salaries and employee benefits	\$ 7,355,132	\$ -	\$ 7,355,132
Accrued social service and other liabilities	<u>27,352,732</u>	<u>635,578</u>	<u>27,988,310</u>
Total	<u>\$ 34,707,864</u>	<u>\$ 635,578</u>	<u>\$ 35,343,442</u>

6. PENSION PLANS

Plan Description and Benefits Provided

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

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2025, the County reported the liabilities shown below for their proportionate share of the net pension liability for ERS. The net pension liabilities were measured as of March 31, 2025. The total pension liabilities used to calculate the net pension liabilities was determined by actuarial valuations as of April 1, 2024, 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 was based on projections of the County's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the County.

	Governmental Activities	Business-type Activities
	ERS	
Measurement date	March 31, 2025	
Net pension liability	\$ 50,487,304	\$ 1,657,786
County's portion of the Plan's total net pension liability	0.3171443%	0.0096688%

For the year ended December 31, 2025, the County recognized pension expenses of \$11,137,635 and \$362,883 for ERS for governmental activities and business-type activities, respectively. At December 31, 2025, the County 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	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
	ERS			
Differences between expected and actual experiences	\$ 12,531,289	\$ 411,474	\$ 591,109	\$ 19,409
Changes of assumptions	2,117,338	69,524	-	-
Net difference between projected and actual earnings on pension plan investments	3,961,093	130,065	-	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	2,254,397	74,025	3,536,143	116,112
County contributions subsequent to the measurement date	<u>13,013,647</u>	<u>458,428</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 33,877,764</u>	<u>\$ 1,143,516</u>	<u>\$ 4,127,252</u>	<u>\$ 135,521</u>

The County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

	Governmental Activities	Business-type Activities
Year Ending December 31,	ERS	
2026	\$ 7,981,354	\$ 262,073
2027	12,709,441	417,323
2028	(4,334,115)	(142,314)
2029	380,185	12,485

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 valuation used the following actuarial assumptions:

	ERS
Measurement date	March 31, 2025
Actuarial valuation date	April 1, 2024
Interest rate	5.9%
Salary scale	4.3%
Decrement tables	April 1, 2015- March 31, 2020
Inflation rate	2.9%
Cost-of-living adjustment	1.5%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021. The actuarial assumptions used in the April 1, 2024 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, 2025	
Asset class:		
Domestic equities	25.0 %	3.5 %
International equities	14.0	6.6
Private equity	15.0	7.3
Real estate	12.0	5.0
Absolute return strategies	3.0	5.3
Credit	4.0	5.4
Real assets	4.0	5.6
Fixed income	22.0	2.0
Cash	1.0	0.3
Total	100.0 %	

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/(Asset) to the Discount Rate Assumption—The chart below presents the County’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 5.9%, as well as what the County’s proportionate share of the net pension liability/(asset) would be if it was calculated using a discount rate that is one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Governmental activities:			
Employer's proportionate share of the net pension liability/(asset)—ERS	\$ 146,116,613	\$ 50,487,304	\$ (29,363,232)
Business-type activities:			
Employer's proportionate share of the net pension liability/(asset)—ERS	\$ 4,797,841	\$ 1,657,786	\$ (964,162)

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, 2024
Employers' total pension liability	\$ 247,600,239
Plan fiduciary net position	<u>230,454,512</u>
Employers' net pension liability	<u>\$ 17,145,727</u>
System fiduciary net position as a percentage of total pension liability	93.1%

Discretely Presented Component Units

Oneida-Herkimer Solid Waste Management Authority

OHSWMA also participates in the ERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions—At December 31, 2025, OHSWMA reported a net pension liability of \$2,517,331 for its proportionate share of the net pension liability. At the March 31, 2025 measurement date, OHSWMA's proportion was 0.0146820%.

For the year ended December 31, 2025, OHSWMA recognized pension expense of \$571,169. At December 31, 2024, OHSWMA 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
	ERS	
Differences between expected and actual experiences	\$ 624,819	\$ 29,473
Change of assumptions	105,572	-
Net difference between projected and actual earnings on pension plan investments	197,503	-
Changes in proportion and differences between the OHSWMA's contributions and proportionate share of contributions	92,340	90,154
OHSWMA contributions subsequent to the measurement date	597,161	-
Total	<u>\$ 1,617,395</u>	<u>\$ 119,627</u>

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

<u>Year Ending December 31,</u>	<u>ERS</u>
2026	\$ 449,855
2027	654,266
2028	(207,746)
2029	4,232

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption—The chart on the following page represents OHSWMA's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what OHSWMA'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	\$ 7,285,473	\$ 2,517,331	\$ (1,464,071)

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.

Mohawk Valley Community College

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

Plan Description and Benefits Provided

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

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

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

Pension Liabilities/(Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At August 31, 2025, MVCC reported the liability/(asset) on the following page for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension liability/(asset) was measured as of June 30, 2025 for TRS and March 31, 2025 for ERS. The total pension liabilities used to calculate the net pension liability/(asset) were determined by actuarial valuations as of June 30, 2024 for TRS and April 1, 2025 for ERS. MVCC's proportion of the net pension liability/(asset) was based on a projection of MVCC'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 TRS and ERS in reports provided to MVCC.

	TRS	ERS
Measurement date	June 30, 2025	March 31, 2025
Net pension liability/(asset)	\$ (1,276,524)	\$ 7,585,826
MVCC's portion of the Plan's total		
Net pension liability/(asset)	0.02156%	0.04424%

For the year ended August 31, 2025, MVCC recognized a pension credit of \$64,705 for the TRS and pension expense of \$1,546,234 for ERS. At August 31, 2025, MVCC 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	\$ 669,183	\$ 1,882,853	\$ -	\$ 88,815
Change of assumptions	505,336	318,134	13,763	-
Net difference between projected and actual earnings on pension plan investments	-	595,163	996,962	-
Changes in proportion and differences between MVCC's contributions and proportionate share of contributions	71,290	338,728	43,729	531,313
MVCC's contributions subsequent to the measurement date	71,328	947,617	-	-
Total	<u>\$ 1,317,137</u>	<u>\$ 4,082,495</u>	<u>\$ 1,054,454</u>	<u>\$ 620,128</u>

MVCC's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ending August 31, 2026. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending August 31,	TRS	ERS
2026	\$ 679,144	\$ 1,199,216
2027	(258,978)	1,909,621
2028	(295,636)	(651,210)
2029	(63,861)	57,123
2030	107,455	-
Thereafter	23,231	-

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

	TRS	ERS
Measurement date	June 30, 2025	March 31, 2025
Actuarial valuation date	June 30, 2024	April 1, 2024
Interest rate	6.95%	5.90%
Salary scale	2.04%-5.80%	4.30%
Decrement tables	July 1, 2015 June 30, 2020	April 1, 2015- March 31, 2020
Inflation rate	2.5%	2.9%
Cost-of-living adjustment	1.4%	1.5%

For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021 for the year ended June 30, 2025, respectively applied on a generational basis. Active member mortality rates are based on plan member experience. The actuarial assumptions at June 30, 2025 were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target asset allocation is summarized in the table below:

	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS	TRS	ERS
			June 30, 2025	March 31, 2025
Measurement date				
Asset class:				
Domestic equities	33.0 %	25.0 %	6.7 %	3.5 %
International equities	15.0	14.0	7.4	6.6
Global equities	4.0	0.0	7.0	0.0
Private equity	9.0	15.0	9.8	7.3
Real estate equity	11.0	12.0	6.5	5.0
Opportunistic portfolio/Absolute return strategies	0.0	3.0	0.0	5.3
Credit	0.0	4.0	0.0	5.4
Domestic fixed income securities	16.0	0.0	2.6	0.0
Global fixed income securities	2.0	0.0	2.4	0.0
High-yield fixed income securities	1.0	0.0	4.7	0.0
Private debt	2.0	0.0	6.1	0.0
Real assets	0.0	4.0	0.0	5.6
Real estate debt	6.0	0.0	3.8	0.0
Fixed income	0.0	22.0	0.0	2.0
Cash equivalents	1.0	1.0	0.6	0.3
Total	100.0 %	100.0 %		

Discount Rate—The discount rate used to calculate the total pension liability was 6.95% for TRS and 5.90% for ERS for the year ending August 31, 2025. 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 liabilities.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The charts below presents MVCC’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 MVCC’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 rate.

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
Employer's proportionate share of the net pension liability/(asset)	\$ 2,452,857	\$ (1,276,524)	\$ (4,414,604)
	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
ERS			
Employer's proportionate share of the net pension liability/(asset)	\$ 21,954,336	\$ 7,585,826	\$ (4,411,889)

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
Valuation date	June 30, 2024	April 1, 2024
Employers' total pension liability	\$ 148,272,069	\$ 247,600,239
Plan fiduciary net position	154,193,125	230,454,512
Employers' net pension liability/(asset)	\$ (5,921,056)	\$ 17,145,727
System fiduciary net position as a percentage of total pension liability/(asset)	104.0%	93.1%

Payables to the Pension Plan—At August 31, 2025, MVCC recorded a payable due to TRS in the amount of \$71,328, and a payable due to ERS in the amount of \$947,617.

7. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATIONS

Plan Description—Oneida County provides medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. Such postemployment benefits are an included value in the exchange of salaries and benefits for employee services rendered. An employee’s total compensation package includes not only the salaries and benefits received during active service, but all compensation and benefits received for their services during postemployment. Nevertheless, both types of benefits constitute compensation for employee services. The County provides one medical insurance and one dental/vision plan for active employees and a Medicare Advantage Plan for retirees.

Employees Covered by Benefit Terms—For the year ended December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	314
Active employees	<u>1,339</u>
Total	<u>1,653</u>

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

Total OPEB Liability

The County’s primary government total OPEB liability of \$86,497,933 as of December 31, 2025 was measured as of January 1, 2025, and was determined by an actuarial valuation as of January 1, 2025.

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 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 designated to reduce short-term volatility.

In the January 1, 2025 actuarial valuation, the Entry Age Normal over a level percent of pay was used. The discount rate was updated to 4.08% at December 31, 2025 from 3.26% at December 31, 2024. Mortality tables were updated to the sex-distinct and job category-specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy retirees, adjusted for mortality improvements with scale MP-2021. The rates of decrement due to turnover and retirement are based on the experience under the New York State & Local Retirement System from their report dated August 2020. The actuarial assumptions included annual healthcare cost trend rate for Pre-65 of 6.90% initially, decreased by increments to an ultimate rate of 4.04%.

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, 2024:	\$ 108,600,810	\$ 3,445,800
Changes for the year:		
Service cost	5,313,752	168,871
Interest	3,673,642	116,748
Changes of assumptions	(32,919,079)	(1,046,166)
Differences between expected and actual experience	1,611,530	51,214
Benefit payments	(2,446,951)	(72,238)
Net changes	(24,767,106)	(781,571)
Balances at December 31, 2025:	<u>\$ 83,833,704</u>	<u>\$ 2,664,229</u>

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

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Governmental activities:			
Total OPEB liability	\$ 97,254,202	\$ 83,833,704	\$ 72,980,383
Business-type activities:			
Total OPEB liability	\$ 3,090,731	\$ 2,664,229	\$ 2,319,311

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the total OPEB liability of a 1% change in current health cost trend rates as reported by the County's actuary:

	1% Decrease (5.9%/3.04%)	Healthcare Cost Trend Rates (6.9%/4.04%)	1% Increase (7.9%/5.04%)
Governmental activities:			
Total OPEB liability	\$ 71,515,630	\$ 83,833,704	\$ 99,618,896
Business-type activities:			
Total OPEB liability	\$ 2,272,761	\$ 2,664,229	\$ 3,165,881

Funding Policy—Members who retired prior to January 1, 1994 contribute 50% of the premium for individual coverage and 65% of the excess of the two-person/family premium over the individual premium to cover dependents. Members who retired after January 1, 1994 contribute 50% of the premium for individual coverage and 100% of the excess of the two-person/family premium over the individual premium to cover dependents. There are 33 current retirees who contribute 20% as part of a retirement incentive offered between December 2005 and February 2006. Surviving spouses may continue coverage at 100% of the individual premium cost. The County does not issue a publicly available report. The County recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. For the year ended December 31, 2025, the County's governmental activities and business-type activities recognized OPEB expense of \$2,446,951 and \$72,238, respectively. The County's contributions to the plan are based on negotiated contracts with bargaining units, as discussed in Note 14. Any amendments to the employer's contributions are subject to the bargaining units.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The County reports deferred outflows of resources due to changes of assumptions and contributions subsequent to the measurement date and deferred inflows of resources due to differences during the measurement period between certain 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 and deferred inflows of resources at December 31, 2025.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Changes of assumptions	\$ 12,703,659	\$ 403,721	\$ 46,526,288	\$ 1,478,602
Differences between expected and actual experience	1,426,933	45,348	17,095,754	543,302
Contributions subsequent to the measurement date	2,469,004	78,465	-	-
Total	<u>\$ 16,599,596</u>	<u>\$ 527,534</u>	<u>\$ 63,622,042</u>	<u>\$ 2,021,904</u>

The County's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Governmental Activities	Business-type Activities
2026	\$ (6,328,012)	\$ (201,104)
2027	(7,513,989)	(238,794)
2028	(7,930,778)	(252,039)
2029	(8,297,490)	(263,694)
2030	(8,412,195)	(267,339)
Thereafter	(11,008,986)	(349,865)

Discretely Presented Component Units

Oneida-Herkimer Solid Waste Management Authority

Plan Description— OHSWMA provides health care benefits for eligible retired employees comprised of a 50% monthly premium contribution toward their health insurance costs. Eligible retirees may also have a spouse and dependents covered at the retired employees' expense. Healthcare benefits are provided through insurance companies whose premiums are based on the benefits provided.

Employees Covered by Benefit Terms—The benefit plan is administered and accounted for as a single-employer defined benefit plan. A summary of active employees and retired employees covered under this benefit plan as of December 31, 2025 is as follows:

Active employees	14
Retirees	<u>10</u>
Total	<u>24</u>

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

Total OPEB Liability— OHSWMA’s total OPEB liability of \$1,844,490 was measured as of January 1, 2025, and was determined by an actuarial valuation as of January 1, 2024.

Actuarial Methods and Assumptions—The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions:

Assumptions	Factor
Valuation Date	January 1, 2024
Measurement Date	January 1, 2025
Reporting Date	December 31, 2025
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Discount Rate:	
2025	4.08%
2024	3.26%
Health Care Cost Trend Rates	Society of Actuaries Long-Run Medical Cost Trend Model
Salary Scale	3.50%
Inflation	2.70%
Mortality	Pub-2010 Mortality Table for healthy retirees: sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

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

	Total OPEB Liability
Balance at December 31, 2024:	\$ 2,049,888
Changes for the year:	
Service cost	54,901
Interest	66,585
Changes in assumptions and other inputs	(202,298)
Benefit payments	(124,586)
Net changes	(205,398)
Balance at December 31, 2025	\$ 1,844,490

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The table below presents the OPEB liability of the plan as of December 31, 2025, calculated using the discount rate of 4.08%, as well as what the OPEB liability would be if it were calculated using a discount rate that are 1% lower or 1% higher than the current rate.

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Total OPEB liability	\$ 2,095,966	\$ 1,844,490	\$ 1,638,757

The following presents the OPEB liability of the plan as of December 31, 2025 using current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates that is 1% lower and 1% higher than the current rate.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 1,601,961	\$ 1,844,490	\$ 2,151,756

Funding Policy—The contribution requirements of benefit plan members and OHSWMA are established pursuant to applicable collective bargaining and employment agreements. The required rates of the employer and the members may vary depending on the applicable agreement. OHSWMA is not required to fund the benefit plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the year ended December 31, 2025 OHSWMA paid \$124,586 on behalf of the plan members. The benefit plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the benefit plan.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—OHSWMA 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 on the following page presents OHSWMA's deferred outflows of resources and deferred inflows of resources at December 31, 2025.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 48,006	\$ 677,895
Differences between expected and actual experience	-	295,015
Contributions subsequent to the measurement date	125,203	-
Total	<u>\$ 173,209</u>	<u>\$ 972,910</u>

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

<u>Year ending December 31,</u>	
2026	\$ (208,647)
2027	(233,705)
2028	(192,118)
2029	(161,677)
2030	(99,859)
2031 and thereafter	(28,898)

Mohawk Valley Community College

Plan Description—MVCC sponsors and administers an employer defined benefit plan (Blue Cross/Blue Shield Traditional) for Professional Association, Administrators’ Association and Exempt Employees (the “Plan”) which provides postemployment health insurance coverage to its retired employees meeting certain qualifications (i.e. Age 55 with 5 years of full-time continuous service). Employees belonging to United Public Service Employees Union are covered under a choice of three plans (RMSCO PPO, RMSCO Traditional, and RMSCO MVP) administered by the County. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for MVCC. Benefit provisions are established and may be amended by MVCC’s Board of Trustees. The plan does not issue a standalone publicly available report since no assets are accumulated in a trust that meets the criteria of GASB No. 75, paragraph 4.

Employees Covered by Benefit Terms—At September 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	169
Active employees	<u>371</u>
Total	<u>540</u>

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

Total OPEB Liability—MVCC’s total OPEB liability of \$28,047,632 was measured as of September 1, 2023 and was determined by an actuarial valuation as of September 1, 2024.

Actuarial Methods and Assumptions—In the September 1, 2024 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate is 3.87% effective September 1, 2024 compared to 3.81% effective September 1, 2023. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 6.5%, while the ultimate healthcare cost trend rate is 4.04%.

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, 2024:	\$ 26,192,197
Changes for the year:	
Service cost	1,107,842
Interest	1,027,113
Differences between expected and actual experience	579,105
Changes of assumptions	(175,238)
Benefit payments	(683,387)
Net changes	1,855,435
Balance at August 31, 2025	\$ 28,047,632

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 a 1% change in the discount rate assumption would have on the total OPEB liability:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 32,525,329	\$ 28,047,632	\$ 24,414,114

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the total OPEB liability of a 1% change in current health cost trend rates as reported by MVCC’s actuary:

	1% Decrease (5.5%/3.04%)	Healthcare Cost Trend Rates (6.5%/4.04%)	1% Increase (7.5%/5.04%)
Total OPEB liability	\$ 23,847,270	\$ 28,047,632	\$ 33,428,533

Eligibility and Funding Policy—MVCC pays the following percentages of health insurance premiums for the various employee groups:

- Professional Association
 - Retired before January 1, 1994 – 50% individual and 35% for spouse/family
 - Retired on or after January 1, 1994 – 50% individual only
 - Effective September 1, 2009, up to five retirees per year receive \$300 per day of accrued sick leave, up to \$36,000, credited to pay the retiree’s share of health insurance premiums. Once these funds have been exhausted payment reverts to 50% of the individual only.
- Administrators Association and Exempt Employees
 - Retired before June 28, 2007, members receive at a rate of one month of paid health insurance for every two days of accrued sick leave. (Members joining after June 28, 2007, do not receive this benefit; instead, up to one retiree per year receives \$300 per day of accrued sick leave, up to \$36,000, credited to pay the retiree’s share of health insurance premiums. Once these funds have been exhausted payment reverts to 50% of the individual only)
 - Retired before January 1, 1994 – 50% individual and 35% for spouse/family
 - Retired on or after January 1, 1994 – 50% individual
- United Public Service Employee Union
 - Retired before January 1, 1994 – 50% individual and 35% for spouse/family
 - Retired on or after January 1, 1994 – 50% individual

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—MVCC reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability. The table below presents MVCC’s deferred outflows and inflows of resources at August 31, 2025.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 1,177,852	\$ 3,823,491
Differences between expected and actual experience	499,338	1,527,235
Contributions subsequent to the measurement date	892,108	-
Total	<u>\$ 2,569,298</u>	<u>\$ 5,350,726</u>

MVCC's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending August 31, 2026. Other amounts reported as deferred outflows and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending August 31,</u>		
2026	\$	(541,927)
2027		(912,360)
2028		(920,902)
2029		(957,775)
2030		(376,868)
Thereafter		36,296

8. RISK MANAGEMENT

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

Governmental fund type estimated current contingent liabilities (i.e., those to be liquidated with available financial resources in the ensuing year) for property damage and personal injury liabilities are recorded in the General Fund. The long-term portion (i.e., liabilities to be paid from future resources) is recorded within long-term debt in the government-wide financial statements.

The County is exposed to various risks of loss related to damage and destruction of assets, vehicle liability, injuries to employees, health insurance, and unemployment insurance. One such risk is associated with its workers' compensation program. The County's program is self-insured and is accounted for in the Workers' Compensation Fund. The program provides for the participation of other municipalities within the County and is administered by the County's Workers' Compensation Board.

All funds of the County participate in the program and make payments to the Workers' Compensation Fund. Payments from other funds and component units are determined by two methods. The first method reimburses the risk management fund by assessment against County organizations based upon actual claims history for the preceding five years (a rolling average). The second method results in charges to County organizations based upon pro-rata taxable base value.

The estimated accrued claims of \$18,670,000, net of \$563,834 and \$6,017,773, owed from the Sewer Fund and governmental activities, respectively, are recognized in the Workers' Compensation Fund at December 31, 2025 based on the evaluation that it is probable that a liability has been incurred and the amount of the loss can be reasonable estimated. A receivable/payable has been recorded for amounts due from/to other municipalities that participate in the program. The changes since January 1, 2024 in the total workers' compensation accrued claims liabilities were as follows:

<u>Year Ended December 31,</u>	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Year End</u>
2025	\$ 18,000,000	\$ 8,380,311	\$ 7,710,311	\$ 18,670,000
2024	19,360,000	8,733,287	10,093,287	18,000,000

The County's portion of their liability is recorded within the governmental activities and Sewer Fund. Governmental activities and the Sewer Fund have recorded liabilities for workers' compensation claims in the amount of \$6,017,773 and \$563,834, at December 31, 2025, respectively. The County utilizes a third-party administrator who is responsible for processing claims. Liabilities for the program have been estimated by an independent actuary.

County employees are entitled to coverage under the New York State Unemployment Insurance Law. The County has elected to discharge its liability to the New York State Unemployment Insurance Fund by the benefit reimbursement method, a dollar-to-dollar reimbursement to the fund for benefits paid from the fund to former County employees and charged to the County's account.

The County purchases commercial insurance for all other risks of loss. Coverage includes policies for general liability, automobile, and police protection. These three lines have a combined stop loss aggregate in the amount of \$550,000. Other miscellaneous policies provide coverage with varying immaterial deductibles per individual claims.

Pending Litigation—The County is involved in litigation arising in the ordinary course of its operations. The County has recorded an estimated liability of \$200,000 as of December 31, 2025 for such claims.

9. LEASES AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENT (“SBITA”) LIABILITIES

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

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

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

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

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

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

During the various prior years, the County entered into long-term, lease agreements as the lessee for the acquisition and use of buildings and equipment. As of December 31, 2025, the value of the lease liabilities was \$2,451,949 in governmental activities. The County is required to make annual principal and interest payments ranging from \$63,154 to \$628,571. The leases have interest rates ranging from 3.0% to 3.75%. The value of the right-to-use lease assets as of the end of the current fiscal year was \$20,620,901 and had accumulated amortization of \$12,173,388 for governmental activities.

During the year ended December 31, 2024, the County entered into long-term SBITA arrangements as the lessee for the acquisition of Emergency Services software. As of December 31, 2025, the value of the SBITA liability was \$2,163,266. The SBITA has an interest rate of 3.75%. The value of the SBITA asset as of the end of the current fiscal year was \$4,168,290 and had accumulated amortization of \$1,667,316 for governmental activities.

The future principal and interest payments for governmental activities as of December 31, 2025, were as follows:

Fiscal Year Ending December 31,	Lease Liability		SBITA Liability		Total
	Principal	Interest	Principal	Interest	
2026	\$ 727,978	\$ 63,718	\$ 664,502	\$ 81,122	\$ 1,537,320
2027	436,672	46,015	726,701	56,204	1,265,592
2028	310,222	34,462	772,063	49,988	1,166,735
2029	297,862	25,215	-	-	323,077
2030	296,227	16,325	-	-	312,552
2031-2032	382,988	7,704	-	-	390,692
Total	<u>\$ 2,451,949</u>	<u>\$ 193,439</u>	<u>\$ 2,163,266</u>	<u>\$ 187,314</u>	<u>\$ 4,995,968</u>

10. SHORT-TERM DEBT

Liabilities for bond anticipation notes ("BANs") are generally accounted for in the Capital Projects Fund. Principal payments on BANs must be made annually. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs used for assessable improvement projects may be renewed for periods equivalent to the life of the permanent financing provided that annual reductions of principal are made. The table below is a summary of the County's short-term debt for the year ended December 31, 2025:

	Issued	Maturity	Interest Rate	Balance 1/1/2025	Issues	Redemptions	Balance 12/31/2025
Bond anticipation notes:							
Construction of parking garage	2/29/2024	2/28/2025	3.8%	\$ 30,000,000	\$ -	\$ 30,000,000	\$ -
Total				<u>\$ 30,000,000</u>	<u>\$ -</u>	<u>\$ 30,000,000</u>	<u>\$ -</u>

11. LONG-TERM LIABILITIES

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

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

The County's outstanding long-term liabilities include bonds payable, accreted interest, lease liability, workers' compensation, compensated absences liability, other postemployment benefits ("OPEB") obligations, claims and judgments, and net pension liability.

A summary of changes in the County's long-term debt at December 31, 2025 is shown below:

	Balance 1/1/2025	Additions	Reductions	Balance 12/31/2025	Due Within One Year
Governmental activities:					
Bonds payable	\$ 116,940,219	\$ 54,200,000	\$ 16,366,531	\$ 154,773,688	\$ 16,096,746
Bonds payable - MVCC	11,191,381	6,000,000	1,717,569	15,473,812	1,574,054
Unamortized bond premium	3,871,269	2,059,667	473,984	5,456,952	559,803
Net bonds payable	132,002,869	62,259,667	18,558,084	175,704,452	18,230,603
OTASC bonds and accreted interest	109,673,555	6,834,900	300,000	116,208,455	-
Unamortized discount	(312,433)	-	(15,179)	(297,254)	(15,179)
Net OTASC bonds	109,361,122	6,834,900	284,821	115,911,201	(15,179)
Installment purchase agreement	22,602,721	-	1,487,642	21,115,079	1,538,502
Lease liability	4,191,514	-	1,739,565	2,451,949	727,978
SBITA liability	3,648,298	-	1,485,032	2,163,266	664,502
Workers' compensation	5,019,879	3,483,105	2,485,211	6,017,773	300,889
Compensated absences	10,892,150	489,812	-	11,381,962	4,152,589
OPEB obligation	108,600,810	10,598,924	35,366,030	83,833,704	-
Claims and judgments	200,000	-	-	200,000	-
Net pension liability*	42,889,115	7,598,189	-	50,487,304	-
Total governmental activities	<u>\$ 439,408,478</u>	<u>\$ 91,264,597</u>	<u>\$ 61,406,385</u>	<u>\$ 469,266,690</u>	<u>\$ 25,599,884</u>
Business-type activities:					
Bonds payable and EFC notes payable	\$ 298,803,331	\$ 1,231,433	\$ 10,766,895	\$ 289,267,869	\$ 9,215,408
Unamortized premium	749,916	-	51,572	698,344	51,572
Net serial bonds	299,553,247	1,231,433	10,818,467	289,966,213	9,266,980
UMVMAA bonds, notes, and mortgages payable	30,824,805	1,335,000	1,317,088	30,842,717	836,272
Workers' compensation	12,980,121	4,897,206	5,225,100	12,652,227	632,611
Compensated absences	372,141	50,993	-	423,134	-
OPEB obligation	3,445,800	336,833	1,118,404	2,664,229	-
Net pension liability*	1,388,086	269,700	-	1,657,786	-
Total business-type activities	<u>\$ 348,564,200</u>	<u>\$ 8,121,165</u>	<u>\$ 18,479,059</u>	<u>\$ 338,206,306</u>	<u>\$ 10,735,863</u>

(*Compensated absences and the net pension liability are shown net.)

Bonds Payable—The County issues bonds to provide funds for the acquisition and construction of major capital facilities. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. Bonds have been issued for both governmental and business-type activities.

The County entered into agreements with the Environmental Facilities Corporation (“EFC”) to issue notes for sewer system improvements. The EFC notes were issued at an interest rate ranging of 0.0%. During the year ended December 31, 2025, the County drew down \$1,231,433 related to funding made available during the fiscal years ended 2022.

A summary of additions and payments for the year ended December 31, 2025 is shown below:

Description	Year Issue/ Maturity	Interest Rate (%)	Issue Amount	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025
Governmental activities—bonds issued by County:							
Build America Bonds	2010/2025	4.25 - 5.93	\$13,270,000	\$ 958,000	\$ -	\$ 958,000	\$ -
Bond, 2015	2015/2030	2.00 - 3.00	13,420,000	6,171,000	-	953,000	5,218,000
Series 2016 bond	2016/2031	2.00 - 2.50	13,763,500	5,805,720	-	1,069,460	4,736,260
Series 2017 bond	2017/2032	2.00 - 3.00	23,170,000	11,395,000	-	1,695,000	9,700,000
Series 2018	2018/2033	2.00 - 3.00	18,685,000	11,825,000	-	1,180,000	10,645,000
Series 2019	2019/2041	3.00	24,340,000	15,630,000	-	1,495,000	14,135,000
Series 2019 refunding	2019/2027	2.50 - 5.00	10,293,000	4,322,000	-	1,370,000	2,952,000
Series 2020	2020/2035	2.00 - 2.25	17,462,499	11,112,500	-	1,711,200	9,401,300
Refunding, 2021	2021/2028	5.00	6,082,000	3,651,000	-	869,000	2,782,000
Series 2021	2021/2035	0.50 - 2.00	10,137,000	7,271,100	-	1,004,200	6,266,900
Series 2022 refunding	2022/2039	2.00 - 4.00	6,435,400	4,206,600	-	769,100	3,437,500
Series 2022	2022/2037	3.00 - 4.00	24,689,206	21,245,000	-	2,015,000	19,230,000
Series 2023	2023/2038	4.00	14,334,303	13,347,299	-	1,277,571	12,069,728
Series 2025	2025/2049	4.00	54,200,000	-	54,200,000	-	54,200,000
Total				<u>\$ 116,940,219</u>	<u>\$ 54,200,000</u>	<u>\$ 16,366,531</u>	<u>\$ 154,773,688</u>

The County generally borrows funds on a long-term basis for the purpose of financing acquisitions of equipment and construction of buildings and improvements on behalf of MVCC. The debt service payments for the bonds are funded by capital chargebacks from other counties and by contributions from the County.

Description	Year Issue/ Maturity	Interest Rate (%)	Issue Amount	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025
Governmental activities—bonds issued on behalf of MVCC:							
Build America Bonds	2010/2025	4.25 - 5.93	\$ 3,780,000	\$ 312,000	\$ -	\$ 312,000	\$ -
Bond, 2015	2015/2030	2.00 - 3.00	7,500,000	3,449,000	-	532,000	2,917,000
Bond, 2016	2016/2031	2.00 - 2.50	7,111,500	3,724,280	-	485,540	3,238,740
Series 2019 refunding	2019/2027	2.50 - 5.00	1,162,000	488,000	-	155,000	333,000
Series 2020	2020/2035	2.00 - 2.25	1,060,000	827,500	-	63,800	763,700
Refunding, 2021	2021/2028	5.00	113,000	69,000	-	16,000	53,000
Series 2021	2021/2035	0.50 - 2.00	663,000	533,900	-	45,800	488,100
Series 2023	2023/2038	4.00	1,870,697	1,787,701	-	107,429	1,680,272
Series 2025	2025/2049	4.00	54,200,000	-	6,000,000	-	6,000,000
Total				<u>\$ 11,191,381</u>	<u>\$ 6,000,000</u>	<u>\$ 1,717,569</u>	<u>\$ 15,473,812</u>

Description	Year Issue/ Maturity	Interest Rate (%)	Issue Amount	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025
Business-type activities:							
Build America Bonds	2010/2025	4.25 - 5.93	\$ 300,000	\$ 30,000	\$ -	\$ 30,000	\$ -
EFC Bond,2015	2015/2045	0.20 - 4.70	12,602,509	9,345,000	-	360,000	8,985,000
EFC Series 2017C	2017/2047	0.96 - 3.98	46,533,677	37,285,000	-	1,340,000	35,945,000
Series 2019	2018/2041	3.00	4,500,000	3,765,000	-	170,000	3,595,000
EFC 2019 Bond	2019/2049	1.3- 3.8	97,656,145	84,255,000	-	2,765,000	81,490,000
EFC 2019 Bonds Hardship	2019/2049	0.0	15,000,000	12,931,030	-	434,480	12,496,550
EFC 2020 Bonds Hardship	2020/2050	0.0	5,000,000	4,452,871	-	142,515	4,310,356
EFC 2020B Bonds	2020/2050	0.0	55,000,000	48,170,000	-	1,700,000	46,470,000
EFC 2020 Notes	2020/2025	0.0 - 0.33	4,083,924	4,001,924	-	1,305,500	2,696,424
EFC 2022 Bonds	2022/2052	0.0	72,950,286	68,965,000	-	1,820,000	67,145,000
EFC 2022 Notes	2022/2027	0.0	34,429,683	18,829,106	1,231,433	338,500	19,722,039
Series 2022 refunding	2022/2039	2.00 - 4.00	7,474,600	6,773,400	-	360,900	6,412,500
Total				<u>\$ 298,803,331</u>	<u>\$ 1,231,433</u>	<u>\$ 10,766,895</u>	<u>\$ 289,267,869</u>

Business-type activities' interest expense was directly related to the Sewer Fund and has been included as a direct function expense.

Upper Mohawk Valley Memorial Auditorium Authority—Changes in the Authority's long-term debt for the year ended December 31, 2025 are as follows:

	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025	Due Within One Year
Nexus Center bonds payable	\$ 30,310,000	\$ -	\$ 770,000	\$ 29,540,000	\$ 770,000
Bank of Utica mortgage payable	514,805	-	514,805	-	-
Bank of Utica mortgage payable	-	1,335,000	32,283	1,302,717	56,272
Total	<u>\$ 30,824,805</u>	<u>\$ 1,335,000</u>	<u>\$ 1,317,088</u>	<u>\$ 30,842,717</u>	<u>\$ 826,272</u>

On September 30, 2021, UMVMAA issued \$31,805,000 in revenue bonds at 2.0 – 3.5 percent, maturing December 1, 2051, to fund the remaining costs of the Nexus Center Project. On October 1, 2021, UMVMAA entered into a Project Funding Agreement with the County, where the County agrees to pay the debt service charges payable on the bonds, commencing May 1, 2023. Additionally, UMVMAA agrees to make quarterly payments to the County to be used by the County in making these project funding payments. During 2025, the Project Funding Agreement was amended. UMVMAA will not pay the County during years 2025-2030. The 6 years of UMVMAA's payments have been added to the end of the agreement period and are to be paid in years 2052-2057. The obligation of the County to make project funding payments is subject to annual appropriation by the County Legislature to the extent (i) required by applicable law, and (ii) otherwise necessary for the County to have funds available to make such payments.

The annual repayment of principal and interest on bonded debt are as follows:

Year Ending December 31,	Governmental Activities					
	County Bonds		Issued by County on behalf of Discretely Presented Component Unit—MVCC		Business-Type Activities	
			Principal	Interest		
2026	\$ 16,096,746	\$ 6,058,293	\$ 1,574,054	\$ 597,288	\$ 9,215,408	\$ 4,302,286
2027	16,222,762	4,513,328	1,749,438	435,295	9,343,207	4,207,686
2028	14,213,897	4,002,333	1,625,803	385,421	9,474,896	4,107,925
2029	12,864,019	3,565,738	1,640,781	339,119	9,613,995	4,001,252
2030	12,037,517	3,173,819	1,687,483	291,395	9,717,993	3,887,415
2031-2035	47,101,632	10,774,503	3,408,368	1,024,642	51,052,880	17,354,981
2036-2040	22,538,559	4,732,467	2,271,441	518,534	55,392,751	12,999,615
2041-2045	7,000,084	2,061,851	774,916	228,249	57,462,643	8,057,158
2046-2050	6,698,472	549,383	741,528	60,817	48,970,634	2,978,293
2051-2052	-	-	-	-	29,023,462	243,078
Total	<u>\$ 154,773,688</u>	<u>\$ 39,431,715</u>	<u>\$ 15,473,812</u>	<u>\$ 3,880,760</u>	<u>\$ 289,267,869</u>	<u>\$ 62,139,689</u>

Oneida Tobacco Asset Securitization Corporation—Changes in OTASC's long-term debt for the year ended December 31, 2025 are as follows:

	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025	Due Within One Year
Tobacco Settlement Bonds:					
Series 2005	<u>\$ 53,695,000</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 53,395,000</u>	<u>\$ -</u>
Subordinate Turbo CABs:					
Series 2005 - Original Principal	14,684,111	-	-	14,684,111	-
Accreted Interest	<u>41,294,444</u>	<u>6,834,900</u>	<u>-</u>	<u>48,129,344</u>	<u>-</u>
Total Subordinated Turbo CABs	<u>55,978,555</u>	<u>6,834,900</u>	<u>-</u>	<u>62,813,455</u>	<u>-</u>
Less:					
Bond discount	<u>(312,433)</u>	<u>-</u>	<u>(15,179)</u>	<u>(297,254)</u>	<u>(15,179)</u>
Total OTASC	<u>\$ 109,361,122</u>	<u>\$ 6,834,900</u>	<u>\$ 284,821</u>	<u>\$ 115,911,201</u>	<u>\$ (15,179)</u>

Series 2005—In 2005, the OTASC refunded and defeased in substance its outstanding 2000 Series bonds of \$58,609,855, carrying variable interest rates of 5.25% to 6.625%, with new 2005A, 2005B, 2005C/2010A Series bonds of \$65,630,000 issued at rates varying from 4.25% to 6.25%. All series have varied maturities with the final payment due December 31, 2045.

Debt service requirements for the Series 2005 bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	\$ 800,000	\$ 3,068,500	\$ 3,868,500
2027	1,500,000	2,996,625	4,496,625
2028	1,600,000	2,899,750	4,499,750
2029	1,700,000	2,796,625	4,496,625
2030	1,800,000	2,687,250	4,487,250
Thereafter	45,995,000	41,668,000	87,663,000
Total	<u>\$ 53,395,000</u>	<u>\$ 56,116,750</u>	<u>\$ 109,511,750</u>

Issue NYCTT V—In 2005, OTASC participated in the New York Counties Tobacco Trust V (“NYCTT V”), along with 23 other New York County Tobacco Corporations, and issued Subordinate Capital Appreciation Bonds (Subordinate Turbo CABs) in various series for the purpose of securitizing additional future tobacco settlement revenues. They were sold discounted; the par value of these bonds totals \$721,365,000. The discount amount of these bonds (present value) at time of sale was \$14,684,111. The proposed repayment of the bonds would be on an accelerated basis, known as The Turbo Redemption. The yields and maturities, based on the Turbo Redemption Plan, are as shown on the following page.

Issue	Maturity	Interest Rate	Issuance Amount
2005S2	2040	6.10%	\$ 2,853,841
2005S3	2040	6.85%	2,774,686
2005S4B	2040	7.85%	9,055,584
Total			<u>\$ 14,684,111</u>

Installment Purchase Agreement—The County has entered into installment purchase agreements related to energy efficiency improvements associated with buildings at the County’s airport. As of December 31, 2025, the liability associated with these installment purchase agreements amounted to \$21,115,079, of which \$1,538,502 is considered to be due within one year. The assets associated with the agreements have a value of \$19,449,635 and accumulated depreciation of \$5,145,804.

Lease Liability—As discussed in Note 9, the County has several lease agreements outstanding. The balance of these leases at December 31, 2025 amounted to \$2,451,949, of which \$727,978 is considered to be due within one year.

SBITA Liability—As discussed in Note 9, the County has a SBITA agreement outstanding. The balance of this SBITA liability at December 31, 2025 amounted to \$2,163,266, of which \$664,502 is considered to be due within one year.

Workers’ Compensation—As discussed in Note 8, the County reports the workers’ compensation liability at December 31, 2025 is \$6,017,773 and \$12,652,227 for governmental activities and business-type activities, respectively.

Compensated Absences—As explained in Note 1, the County records the value of compensated absences in both the governmental activities and the business-type activities. The payment of compensated

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

OPEB—As discussed in Note 8, the County’s total OPEB obligation at December 31, 2025 is \$83,833,704 and \$2,664,229 for governmental activities and business-type activities, respectively.

Claims and Judgments—The County is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. As of December 31, 2025, the County has reported \$200,000 of claims and judgments which are classified as reasonably possible.

Net Pension Liability—The County reported liabilities of \$50,487,304 and \$1,657,786 in governmental and business-type activities, respectively, for its proportionate share of the net pension liability for the Employees’ Retirement System. Refer to Note 6 for additional information related to the County’s net pension liability.

Discretely Presented Component Units

Oneida-Herkimer Solid Waste Management Authority

A summary of changes in long-term debt for the year ended December 31, 2025 is presented below.

	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025
EFC Revenue Bonds 2015	\$ 5,792,593	\$ -	\$ 1,830,000	\$ 3,962,593
Lease liability	317,212	-	112,146	205,066
Accrued closure and post-closure costs	4,018,379	17,563	-	4,035,942
OPEB obligation	2,049,888	121,486	326,884	1,844,490
Net pension liability	2,299,955	217,376	-	2,517,331
Total	<u>\$ 14,478,027</u>	<u>\$ 356,425</u>	<u>\$ 2,269,030</u>	<u>\$ 12,565,422</u>

OHSWMA maintains one landfill which reached full capacity at December 31, 1996, and began operating another in 2006. Based upon engineering estimates and actual usage, the landfill has a useful life of over seventy years. In accordance with New York State Department of Environmental Conservation Regulations, OHSWMA has, and will implement landfill closure and post-closure requirements. At December 31, 2025, OHSWMA accrued \$4,035,942 for estimated closure and post-closure costs. Due to changes in technology or changes in regulations, actual costs may be different from the current accrual.

OHSWMA’s annual repayment of principal and interest on bonded debt is presented on the following page.

Year Ending December 31,	OHSWMA		
	Principal	Interest	Total
2026	\$ 3,962,593	\$ 94,488	\$ 4,057,081
Totals	\$ 3,962,593	\$ 94,488	\$ 4,057,081
Less current installments	3,962,593		
Bonds, less current installments	\$ -		

Mohawk Valley Community College

The following is a summary of changes in long-term debt for the year ended August 31, 2025:

	Balance 9/1/2024	Increases	Decreases	Balance 8/31/2025
Primary Institution:				
Compensated absences	\$ 1,684,363	\$ 3,002,016	\$ -	\$ 4,686,379
OPEB obligation	26,192,197	2,714,060	858,625	28,047,632
Net pension liability	6,616,133	969,693	-	7,585,826
Lease liability	267,683	548,424	186,915	629,192
Component Units:				
Serial Bonds—MVCCDC	4,350,000	-	310,000	4,040,000
Unamortized issuance costs	(25,272)	2,106	-	(23,166)
Compensated absences	38,908	-	4,918	33,990
Lease liability	36,748	-	36,748	-
Other liability	422,427	-	56,118	366,309
Total	\$ 39,583,187	\$ 7,236,299	\$ 1,453,324	\$ 45,366,162

A component unit of MVCC is a party to an interest rate swap agreement. The swap agreement is in place for a 2004 fixed rate serial bond with a notional principal amount of \$4,655,000 at July 31, 2025. The swap agreement matures at the same time as the related bond, August 1, 2036. Under the terms of the agreement the component unit will continue to pay the bond holders interest at a fixed rate. The counterparty will reimburse the component unit a variable interest rate at 67% of 1-month SOFR (2.882% - 3.587%) while the component unit is obligated to pay the counterparty a fixed rate of 4.051%. Generally accepted accounting principles require derivative instruments to be recognized at fair value. The derivative instrument is a Level 3 instrument with a fair value of \$366,309 at July 31, 2025.

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. The tables on the following page are a reconciliation of the County's governmental activities and business-type activities net investment in capital assets.

Governmental activities:

Capital assets, net of accumulated depreciation		\$ 448,707,060
Related debt:		
Bonds payable	\$ (170,247,500)	
Unamortized bond premium	(5,456,952)	
Deferred charge on refunding	189,292	
Original issue of OTASC bonds, net of discount	(67,481,857)	
Serial bonds issued on behalf of MVCC	15,473,812	
Installment purchase agreement	(21,115,079)	
Lease liability	(2,451,949)	
SBITA liability	(2,163,266)	
Retainages payable	<u>(3,322,833)</u>	(256,576,332)
Unspent proceeds		<u>19,158,795</u>
Net investment in capital assets—governmental activities		<u>\$ 211,289,523</u>

Business-type activities:

Sewer capital assets, net of accumulated depreciation		\$ 284,751,366
UMVMAA capital assets, net of accumulated depreciation		77,462,137
Related debt:		
Serial bonds and EFC notes issued	\$ (289,267,869)	
Unamortized bond premium	(698,344)	
UMVMAA serial bonds	<u>(30,842,717)</u>	(320,808,930)
Unspent proceeds		<u>8,709,841</u>
Net investment in capital assets—business-type activities		<u>\$ 50,114,414</u>

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

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. At December 31, 2025, nonspendable fund balance maintained by the County includes:

- ***Prepaid Items***—Represents expenditures paid in advance that are applicable to future accounting periods. The General Fund reported amounts of \$4,000 at December 31, 2025.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as creditors, grants, contributors, or laws and regulation of other governments) through constitutional provisions or enabling legislation. As of December 31, 2025, the County reported restricted funds as presented on the following page.

	General Fund	Debt Service Fund	Capital Projects Fund	Total Nonmajor Funds	Total
Handicapped parking fees	\$ 5,796	\$ -	\$ -	\$ -	\$ 5,796
Sheriff forfeiture	186,297	-	-	-	186,297
Debt	-	3,555,021	-	5,017,371	8,572,392
Capital projects	-	-	16,162,835	-	16,162,835
Total restricted fund balance	<u>\$ 192,093</u>	<u>\$ 3,555,021</u>	<u>\$ 16,162,835</u>	<u>\$ 5,017,371</u>	<u>\$ 24,927,320</u>

In the fund financial statements, committed fund balances are amounts subject to a purpose constraint imposed by a formal action of the County's highest level of decision-making authority, or by its designated body or official. As of December 31, 2025, the County Legislature has committed \$40,725,000 of fund balance by resolution: \$20,000,000 to fiscal stability, \$1,000,000 to other post-employment benefits, \$2,500,000 to emergency response, \$2,500,000 to health insurance payments, \$2,575,000 to tax certiorari proceedings, \$2,150,000 to economic development, and \$10,000,000 for Medicaid costs.

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 assignments must be narrower than the purpose of the General Fund, and in the funds, other than the General Fund, assigned fund balance represent the residual amount of fund balance.

As of December 31, 2025, the following balances were considered to be assigned:

	General Fund	Total Nonmajor Funds	Total
Encumbrances	\$ 620,723	\$ 7,110	\$ 627,833
Subsequent year's expenditures	6,680,292	-	6,680,292
Capital projects	13,000,000	-	13,000,000
Comprehensive planning activities	1,028,253	-	1,028,253
Specific use	-	1,543,011	1,543,011
Total assigned fund balance	<u>\$ 21,329,268</u>	<u>\$ 1,550,121</u>	<u>\$ 22,879,389</u>

- ***Assigned to Encumbrances***—Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of monies are recorded, is employed as part of the County's budgetary control mechanism for all funds. Unencumbered appropriations lapse at fiscal year-end.
- ***Assigned to Subsequent Year's Appropriations***—Represents available fund balance being appropriated to meet expenditure requirements in the 2026 fiscal year.
- ***Assigned to Capital Projects***—Represents fund balance that is assigned to pay for future capital improvements within the County.
- ***Assigned to Comprehensive Planning Activities***—Represents fund balance that is assigned to pay for comprehensive planning activities within the County.

- **Assigned to Specific Use**—Represents fund balance within the special revenue funds that is assigned for a specific purpose. The assignment’s purpose relates to each funds’ operations and represents amounts within the funds that are not restricted or committed.

In the fund financial statements unassigned fund balance represents the residual classification of the government’s General Fund, and could report surplus or deficit. As of December 31, 2025, the unassigned fund balance of the General Fund was \$7,524,419.

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

13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund loans 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.

Transfers are used primarily to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or 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 projects.

Interfund loans and transfers of the County as of and for the year ended December 31, 2025 are presented below:

Fund	Interfund		Transfers	
	Receivable	Payable	Transfers In	Transfers Out
Governmental funds:				
General Fund	\$ 4,481,392	\$ -	\$ 720,000	\$ 40,329,345
Debt Service Fund	1,028,019	224,651	20,129,145	400,000
Capital Projects Fund	-	3,704,817	6,254,628	-
Nonmajor funds	878,759	1,861,545	13,641,664	20,000
Proprietary funds:				
Sewer Fund	224,651	807,414	3,908	-
Workers' Compensation Fund	-	14,394	-	-
Total	<u>\$ 6,612,821</u>	<u>\$ 6,612,821</u>	<u>\$ 40,749,345</u>	<u>\$ 40,749,345</u>

14. LABOR CONTRACTS

Current employees are represented by five bargaining units, with the balance governed by County rules and regulations. The Oneida County Sheriff’s Department Employees – Local 1249 and CSEA Local 1000 – Nurses are settled through December 31, 2025, and the UPSEU Blue Collar, UPSEU White Collar, and PBA are settled through December 31, 2028.

15. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure 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 \$2,000,000. As of December 31, 2025, the County's Sewer Fund has several outstanding construction commitments. These commitments relate to various Sewer treatment, facility improvements, consent order upgrades and repairs.

16. TAX ABATEMENTS

The County is subject to programs entered into by Oneida County Industrial Development Agency ("OCIDA"). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the OCIDA and incentives may include property tax abatements of any new property tax revenue realized from the increased assessed value of any incentivized project from the investment of private capital. The abatement agreements include a stipulated reduction pursuant to the limits set forth in State statute and rules. In the future these new revenues will increase periodically until the project is taxed at full assessed value. Assuming the IDA incentivized projects would have been completed absent tax abatement, the unrealized property tax revenue is \$3,683,096. However, during 2025 the County collected \$1,577,584 related to these new incentivized projects.

17. CONTINGENCIES

Grants—The County receives significant financial assistance from numerous federal and state agencies. The receipt of such funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed expenditures resulting from such audits could become a liability of the County. The amount of disallowance, if any, cannot be determined at this time, although the County expects any such amounts to be immaterial.

Sewer District Consent Order—The County, as the permit holder for the part-County Sewer District, was served with a Complaint by the New York State Department of Environmental Conservation ("NYSDEC") on February 26, 2007, alleging violations of environmental statutes and regulations stemming from wet weather overflows at the Sauquoit Creek Pump Station. The County served an Answer to the Complaint on April 25, 2007. On July 11, 2007, the County and the State executed a Consent Order resolving the issues rose in the Complaint. The Consent Order required the payment of a fine of One Hundred Fifty Thousand Dollars (\$150,000), \$120,000 of which was paid on July 13, 2007 and the DEC is allowing the remaining \$30,000 was applied by the County to an Environmental Benefit Project for the Sauquoit Creek Basin. The Consent Order contains a compliance schedule which calls for the completion of a study of the system within three years and the implementation of any repairs called for in the study by October 31, 2014.

On July 7, 2010, the County submitted the Plan of Study called for in the Consent Order. The Plan of Study proposed a project completion date of December 31, 2020.

During 2011, the County negotiated a new consent order that includes an extended compliance schedule with NYSDEC to replace the consent order that was issued in 2007. The new order was approved by the Oneida County Board of Legislators on November 30, 2011, signed by the County Executive on

December 7, 2011 and issued by NYSDEC on December 12, 2011. The new order reflected the results of the Plan of Study conducted in 2010 and it extended the completion date of the order, which included an updated compliance schedule, to December 31, 2021. The County immediately thereafter began to undertake the implementation of the various projects listed in the updated compliance schedule. As a result of the progress made toward the improvements constructed at the waste water treatment plant, the County proposed and the NYSDEC has accepted a revision to the compliance schedule eliminating the need for construction of certain interim measures at the waste water treatment plant. Additionally, and as a consequence of delays due to supply chain issues and employee illnesses due to the COVID-19 pandemic, the County requested a further extension of the final completion date to December 31, 2022. NYSDEC granted the County's request for the extension which was executed by NYSDEC on November 24, 2021. Those elements related to the Consent Order were functionally completed by the December 31, 2022 deadline. Bonds have been authorized aggregating \$380.8 million of which \$367 million has been financed to date with EFC bonds. As of December 31, 2025, the County has issued \$308,742,617 of EFC bonded debt in response to the consent order. Of the total issued, \$4,000,000 in principal was forgiven by an EFC grant and \$47,900,710 has been repaid with District funds, leaving a balance of \$256,841,907. The County also has short-term EFC notes outstanding at December 31, 2025 of \$22,418,460.

Litigation/Claims Payable—The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently able to be determined, the County believes that the resolution of these matters will not have a material adverse effect on the financial condition of the County.

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 23, 2026, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	Year Ended August 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Mohawk Valley Community College ("MVCC")										
Measurement date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
MVCC's proportion of the net pension liability/(asset)	0.021559%	0.021299%	0.020762%	0.020807%	0.020178%	0.025108%	0.027706%	0.024889%	0.024527%	0.026090%
MVCC's proportionate share of the net pension liability/(asset)	<u>\$ (1,276,524)</u>	<u>\$ (635,474)</u>	<u>\$ 237,427</u>	<u>\$ 399,273</u>	<u>\$ (3,496,692)</u>	<u>\$ 693,795</u>	<u>\$ (719,793)</u>	<u>\$ (442,834)</u>	<u>\$ (186,426)</u>	<u>\$ 279,437</u>
MVCC's covered payroll	\$ 4,237,307	\$ 4,066,701	\$ 3,834,490	\$ 3,686,102	\$ 3,421,154	\$ 4,261,580	\$ 4,625,697	\$ 3,989,051	\$ 3,886,647	\$ 4,025,980
MVCC's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-30.1%	-15.6%	6.2%	10.8%	102.2%	-16.3%	15.6%	11.1%	4.8%	-6.9%
Plan fiduciary net position as a percentage of the total pension liability	104.0%	102.1%	99.2%	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%

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

	Year Ended August 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Mohawk Valley Community College ("MVCC")										
Contractually required contributions	\$ 427,968	\$ 396,910	\$ 394,569	\$ 361,238	\$ 326,036	\$ 377,576	\$ 491,249	\$ 390,927	\$ 455,515	\$ 533,845
Contributions in relation to the contractually required contribution	(427,968)	(396,910)	(394,569)	(361,238)	(326,036)	(377,576)	(491,249)	(390,927)	(455,515)	(533,845)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MVCC's covered payroll	\$ 4,237,307	\$ 4,066,701	\$ 3,834,490	\$ 3,686,102	\$ 3,421,154	\$ 4,261,580	\$ 4,625,697	\$ 3,989,051	\$ 3,886,647	\$ 4,025,980
Contributions as a percentage of covered payroll	10.1%	9.8%	10.3%	9.8%	9.5%	8.9%	10.6%	9.8%	11.7%	13.3%

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

	Year Ended December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Plan fiduciary net position as a percentage of the total pension liability	93.1%	93.9%	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%
Oneida County Primary Government ("County")										
County's proportion of the net pension liability/(asset)	0.3268131%	0.300718%	0.2892451%	0.292410%	0.3092888%	0.300771%	0.292636%	0.285655%	0.281108%	0.289268%
County's proportionate share of the net pension liability/(asset)	<u>\$ 52,145,090</u>	<u>\$ 44,277,201</u>	<u>\$ 63,084,162</u>	<u>\$ (23,903,185)</u>	<u>\$ 307,975</u>	<u>\$ 79,645,465</u>	<u>\$ 20,734,154</u>	<u>\$ 9,219,346</u>	<u>\$ 26,413,549</u>	<u>\$ 46,428,389</u>
County's covered payroll	\$ 99,561,897	\$ 86,053,796	\$ 83,327,392	\$ 86,932,871	\$ 80,471,978	\$ 71,051,086	\$ 76,639,979	\$ 73,773,900	\$ 71,766,894	\$ 71,763,360
County's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	52.4%	51.5%	75.7%	-27.5%	0.4%	112.1%	27.1%	12.5%	36.8%	64.7%
Oneida-Herkimer Solid Waste Management Authority ("OHSWMA")										
OHSWMA's proportion of the net pension liability/(asset)	0.0146820%	0.0156204%	0.0145742%	0.0145149%	0.0144157%	0.0143403%	0.014510%	0.014310%	0.014156%	0.011847%
OHSWMA's proportionate share of the net pension liability/(asset)	<u>\$ 2,517,331</u>	<u>\$ 2,299,955</u>	<u>\$ 3,125,305</u>	<u>\$ (1,186,531)</u>	<u>\$ 14,354</u>	<u>\$ 3,797,385</u>	<u>\$ 1,028,066</u>	<u>\$ 461,847</u>	<u>\$ 1,330,098</u>	<u>\$ 2,276,668</u>
OHSWMA's covered payroll	\$ 5,062,732	\$ 4,873,481	\$ 4,990,165	\$ 4,575,207	\$ 4,458,927	\$ 4,267,962	\$ 4,100,777	\$ 4,064,975	\$ 3,836,397	\$ 3,695,136
OHSWMA's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	49.7%	47.2%	62.6%	-25.9%	0.3%	89.0%	25.1%	11.4%	34.7%	61.6%

(continued)

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

(concluded)

	Year Ended August 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Mohawk Valley Community College ("MVCC")										
Measurement date	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Plan fiduciary net position as a percentage of the total pension liability	93.1%	93.9%	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%
MVCC's proportion of the net pension liability/(asset)	0.04424%	0.04493%	0.04789%	0.04622%	0.04622%	0.04316%	0.042420%	0.041240%	0.039792%	0.041702%
MVCC's proportionate share of the net pension liability/(asset)	<u>\$ 7,585,826</u>	<u>\$ 6,616,133</u>	<u>\$ 10,269,515</u>	<u>\$ (3,891,216)</u>	<u>\$ 46,019</u>	<u>\$ 11,429,909</u>	<u>\$ 3,005,431</u>	<u>\$ 1,330,920</u>	<u>\$ 3,738,904</u>	<u>\$ 6,693,337</u>
MVCC's covered payroll	\$ 15,397,438	\$ 13,776,842	\$ 13,291,326	\$ 12,110,539	\$ 11,270,825	\$ 11,113,185	\$ 11,111,738	\$ 10,383,616	\$ 10,157,867	\$ 9,500,420
MVCC's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	49.3%	48.0%	77.3%	-32.1%	0.4%	102.8%	27.0%	12.8%	36.8%	70.5%

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

	Year Ended December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Oneida County Primary Government ("County")										
Contractually required contributions	\$ 17,531,279	\$ 14,748,955	\$ 11,931,755	\$ 11,888,071	\$ 13,592,042	\$ 11,734,862	\$ 11,078,919	\$ 11,030,022	\$ 10,776,206	\$ 11,272,218
Contributions in relation to the contractually required contributions	(17,531,279)	(14,748,955)	(11,931,755)	(11,888,071)	(13,592,042)	(11,734,862)	(11,078,919)	(11,030,022)	(10,776,206)	(11,272,218)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 99,561,897	\$ 86,053,796	\$ 83,327,392	\$ 63,590,474	\$ 68,787,077	\$ 79,922,830	\$ 76,639,979	\$ 77,772,810	\$ 74,910,056	\$ 73,477,001
Contributions as a percentage of covered payroll	17.6%	17.1%	14.3%	18.7%	19.8%	14.7%	14.5%	14.2%	14.4%	15.3%
Oneida-Herkimer Solid Waste Management Authority ("OHSWMA")										
Contractually required contributions	\$ 705,810	\$ 616,355	\$ 505,054	\$ 694,977	\$ 598,541	\$ 567,018	\$ 571,218	\$ 549,859	\$ 540,463	\$ 558,657
Contributions in relation to the contractually required contributions	(705,810)	(616,355)	(505,054)	(694,977)	(598,541)	(567,018)	(571,218)	(549,859)	(540,463)	(540,463)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OHSWMA's covered payroll	\$ 5,062,732	\$ 4,873,481	\$ 4,990,165	\$ 4,575,207	\$ 4,458,927	\$ 4,267,962	\$ 4,100,777	\$ 4,064,975	\$ 3,836,397	\$ 3,695,136
Contributions as a percentage of covered payroll	13.9%	12.6%	10.1%	15.2%	13.4%	13.3%	13.9%	13.5%	14.1%	14.6%

(continued)

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

(concluded)

	Year Ended August 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Mohawk Valley Community College ("MVCC")										
Contractually required contributions	\$ 2,319,093	\$ 1,572,383	\$ 1,274,168	\$ 1,605,849	\$ 1,451,755	\$ 1,456,593	\$ 1,407,859	\$ 1,439,379	\$ 1,445,613	\$ 1,702,830
Contributions in relation to the contractually required contributions	<u>(2,319,093)</u>	<u>(1,572,383)</u>	<u>(1,274,168)</u>	<u>(1,605,849)</u>	<u>(1,451,755)</u>	<u>(1,456,593)</u>	<u>(1,407,859)</u>	<u>(1,439,379)</u>	<u>(1,445,613)</u>	<u>(1,702,830)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MVCC's covered payroll	\$ 15,397,438	\$ 13,776,842	\$ 13,291,326	\$ 12,110,539	\$ 11,270,825	\$ 11,113,185	\$ 11,111,738	\$ 10,383,616	\$ 10,157,867	\$ 9,500,420
Contributions as a percentage of covered payroll	15.1%	11.4%	9.6%	13.3%	12.9%	13.1%	12.7%	13.9%	14.2%	17.9%

COUNTY OF ONEIDA, NEW YORK
Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Eight Fiscal Years*

	December 31,							
	2025	2024	2023	2022	2021	2020	2019	2018
County - Governmental Activities:								
Total OPEB liability								
Service cost	\$ 5,313,752	\$ 4,828,238	\$ 6,955,140	\$ 7,120,107	\$ 4,042,405	\$ 3,237,353	\$ 4,457,108	\$ 4,212,421
Interest	3,673,642	3,629,596	2,921,298	2,816,177	2,685,465	3,297,231	3,367,971	3,286,847
Changes of assumptions or other inputs	(32,919,079)	8,471,452	(26,991,488)	1,605,527	10,617,151	11,756,691	1,274,580	5,337,025
Differences between expected and actual experience	1,611,530	-	(22,426,676)	-	(6,854,418)	-	(22,767,952)	-
Changes of benefit terms	-	-	-	-	23,361,924	-	-	-
Benefit payments	(2,446,951)	(2,362,325)	(2,559,617)	(2,172,074)	(2,029,336)	(1,831,030)	(2,383,864)	(2,086,606)
Net changes in total OPEB liability	(24,767,106)	14,566,961	(42,101,343)	9,369,737	31,823,191	16,460,245	(16,052,157)	10,749,687
Total OPEB liability—beginning	108,600,810	94,033,849	136,135,192	126,765,455	94,942,264	78,482,019	94,534,176	83,784,489
Total OPEB liability—ending	<u>\$ 83,833,704</u>	<u>\$ 108,600,810</u>	<u>\$ 94,033,849</u>	<u>\$ 136,135,192</u>	<u>\$ 126,765,455</u>	<u>\$ 94,942,264</u>	<u>\$ 78,482,019</u>	<u>\$ 94,534,176</u>
Plan fiduciary net position								
Contributions—employer	\$ 2,446,951	\$ 2,362,325	\$ 2,559,617	\$ 2,172,074	\$ 2,029,336	\$ 1,831,030	\$ 2,383,864	\$ 2,086,606
Benefit payments	(2,446,951)	(2,362,325)	(2,559,617)	(2,172,074)	(2,029,336)	(1,831,030)	(2,383,864)	(2,086,606)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Governmental Activities' net OPEB liability—ending	<u>\$ 83,833,704</u>	<u>\$ 108,600,810</u>	<u>\$ 94,033,849</u>	<u>\$ 136,135,192</u>	<u>\$ 126,765,455</u>	<u>\$ 94,942,264</u>	<u>\$ 78,482,019</u>	<u>\$ 94,534,176</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 100,080,802	\$ 87,217,743	\$ 82,608,135	\$ 76,006,493	\$ 81,080,711	\$ 79,922,831	\$ 80,972,836	\$ 94,165,281
Governmental activities' net OPEB liability as a percentage of covered-employee payroll	83.8%	124.5%	113.8%	179.1%	156.3%	118.8%	96.9%	100.4%
County - Business-type Activities:								
Total OPEB liability								
Service cost	\$ 168,871	\$ 153,195	\$ 203,720	\$ 208,551	\$ 120,963	\$ 99,660	\$ 114,754	\$ 113,335
Interest	116,748	115,164	85,566	82,487	80,359	101,503	86,713	88,432
Changes of assumptions or other inputs	(1,046,166)	491,044	(790,594)	47,027	317,704	757,332	32,816	143,592
Differences between expected and actual experience	51,214	-	(656,889)	-	(205,109)	-	(695,724)	-
Changes of benefit terms	-	-	-	-	699,073	-	-	-
Benefit payments	(72,238)	(67,902)	(74,972)	(143,879)	(142,452)	(56,367)	(61,376)	(56,140)
Net changes in total OPEB liability	(781,571)	691,501	(1,233,169)	194,186	870,538	902,128	(522,817)	289,219
Total OPEB liability—beginning, as restated	3,445,800	2,754,299	3,987,468	3,793,282	2,922,744	2,020,616	2,543,433	2,254,214
Total OPEB liability—ending	<u>\$ 2,664,229</u>	<u>\$ 3,445,800</u>	<u>\$ 2,754,299</u>	<u>\$ 3,987,468</u>	<u>\$ 3,793,282</u>	<u>\$ 2,922,744</u>	<u>\$ 2,020,616</u>	<u>\$ 2,543,433</u>
Plan fiduciary net position								
Contributions—employer	\$ 72,238	\$ 67,902	\$ 74,972	\$ 143,879	\$ 142,452	\$ 56,367	\$ 61,376	\$ 56,140
Benefit payments	(72,238)	(67,902)	(74,972)	(143,879)	(142,452)	(56,367)	(61,376)	(56,140)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-type Activities' net OPEB liability—ending	<u>\$ 2,664,229</u>	<u>\$ 3,445,800</u>	<u>\$ 2,754,299</u>	<u>\$ 3,987,468</u>	<u>\$ 3,793,282</u>	<u>\$ 2,922,744</u>	<u>\$ 2,020,616</u>	<u>\$ 2,543,433</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 3,180,560	\$ 2,771,674	\$ 2,423,399	\$ 2,226,268	\$ 2,426,229	\$ 2,460,379	\$ 2,087,916	\$ 2,912,328
Business-type activities' net OPEB liability as a percentage of covered-employee payroll	83.8%	124.3%	113.7%	179.1%	156.3%	118.8%	96.8%	87.3%

(continued)

*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 ONEIDA, NEW YORK
Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Eight Fiscal Years*

	December 31,							
	2025	2024	2023	2022	2021	2020	2019	2018
Oneida-Herkimer Solid Waste Management Authority ("OHSWMA")								
Total OPEB liability								
Service cost	\$ 54,901	\$ 57,494	\$ 95,391	\$ 110,652	\$ 73,448	\$ 57,809	\$ 72,019	\$ 67,811
Interest	66,585	93,016	63,405	69,437	66,627	98,953	88,718	91,554
Difference between expected and actual experience	-	(331,204)	-	(150,562)	-	(498,831)	-	(254,514)
Changes of assumptions or other inputs	(202,298)	(165,533)	(615,344)	(147,541)	219,837	396,388	(249,668)	289,164
Changes of benefit terms	-	-	-	-	494,303	-	-	-
Benefit payments	(124,586)	(93,623)	(72,435)	(55,923)	(39,601)	(63,942)	(60,812)	(21,733)
Net changes in total OPEB liability	(205,398)	(439,850)	(528,983)	(173,937)	814,614	(9,623)	(149,743)	172,282
Total OPEB liability—beginning	2,049,888	2,489,738	3,018,721	3,192,658	2,378,044	2,387,667	2,537,410	2,365,128
Total OPEB liability—ending	<u>\$ 1,844,490</u>	<u>\$ 2,049,888</u>	<u>\$ 2,489,738</u>	<u>\$ 3,018,721</u>	<u>\$ 3,192,658</u>	<u>\$ 2,378,044</u>	<u>\$ 2,387,667</u>	<u>\$ 2,537,410</u>
Plan fiduciary net position								
Contributions—employer	\$ 124,586	\$ 93,623	\$ 72,435	\$ 55,923	\$ 39,601	\$ 63,942	\$ 60,812	\$ 21,733
Benefit payments	(124,586)	(93,623)	(72,435)	(55,923)	(39,601)	(63,942)	(60,812)	(21,733)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
OHSWMA's net OPEB liability—ending	<u>\$ 1,844,490</u>	<u>\$ 2,049,888</u>	<u>\$ 2,489,738</u>	<u>\$ 3,018,721</u>	<u>\$ 3,192,658</u>	<u>\$ 2,378,044</u>	<u>\$ 2,387,667</u>	<u>\$ 2,537,410</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 1,200,844	\$ 1,124,061	\$ 1,231,940	\$ 1,262,913	\$ 1,463,987	\$ 1,451,516	\$ 1,407,237	\$ 1,299,431
OHSWMA net OPEB liability as a percentage of covered-employee payroll	153.6%	182.4%	202.1%	239.0%	218.1%	163.8%	169.7%	195.3%

(continued)

*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 ONEIDA, NEW YORK
Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Eight Fiscal Years*

(concluded)

	August 31,							
	2025	2024	2023	2022	2021	2020	2019	2018
Mohawk Valley Community College ("MVCC")								
Total OPEB liability								
Service cost	\$ 1,107,842	\$ 1,202,176	\$ 1,512,723	\$ 1,557,862	\$ 1,321,405	\$ 1,110,134	\$ 1,496,583	\$ 1,896,002
Interest	1,027,113	954,220	682,415	666,997	902,826	986,909	1,043,398	888,303
Changes in benefit terms	-	-	-	-	(1,739,077)	789,203	-	-
Differences between expected and actual experience	579,105	-	(1,429,339)	-	(2,477,911)	-	(2,858,022)	-
Changes of assumptions or other inputs	(175,238)	(673,080)	(5,366,378)	285,435	2,508,767	3,144,505	(3,290,347)	(3,086,853)
Benefit payments	(683,387)	(607,566)	(917,638)	(871,628)	(793,586)	(738,010)	(881,297)	(818,406)
Net changes in total OPEB liability	1,855,435	875,750	(5,518,217)	1,638,666	(277,576)	5,292,741	(4,489,685)	(1,120,954)
Total OPEB liability—beginning	26,192,197	25,316,447	30,834,664	29,195,998	29,473,574	24,180,833	28,670,518	29,791,472
Total OPEB liability—ending	<u>\$ 28,047,632</u>	<u>\$ 26,192,197</u>	<u>\$ 25,316,447</u>	<u>\$ 30,834,664</u>	<u>\$ 29,195,998</u>	<u>\$ 29,473,574</u>	<u>\$ 24,180,833</u>	<u>\$ 28,670,518</u>
Plan fiduciary net position								
Contributions—employer	\$ 683,387	\$ 607,566	\$ 917,638	\$ 871,628	\$ 793,586	\$ 738,010	\$ 881,297	\$ 818,406
Benefit payments	(683,387)	(607,566)	(917,638)	(871,628)	(793,586)	(738,010)	(881,297)	(818,406)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MVCC's net OPEB liability—ending	<u>\$ 28,047,632</u>	<u>\$ 26,192,197</u>	<u>\$ 25,316,447</u>	<u>\$ 30,834,664</u>	<u>\$ 29,195,998</u>	<u>\$ 29,473,574</u>	<u>\$ 24,180,833</u>	<u>\$ 28,670,518</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 28,977,882	\$ 28,185,142	\$ 26,977,497	\$ 30,120,880	\$ 29,413,047	\$ 30,256,654	\$ 30,256,654	\$ 29,754,548
MVCC net OPEB liability as a percentage of covered-employee payroll	96.8%	92.9%	93.8%	102.4%	99.3%	97.4%	79.9%	96.4%

*Information prior to the year ended August 31, 2018 with respect to MVCC is not available.

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

COUNTY OF ONEIDA, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Real property taxes	\$ 68,915,834	\$ 68,915,834	\$ 69,203,378	\$ 287,544
Real property tax items	1,594,000	1,594,000	1,577,584	(16,416)
Non-property tax items	153,206,118	210,648,756	203,613,274	(7,035,482)
Departmental income	23,540,395	24,231,131	23,705,961	(525,170)
Intergovernmental charges	22,328,961	22,584,901	20,113,709	(2,471,192)
Use of money and property	4,468,895	4,753,252	6,038,990	1,285,738
Licenses and permits	110,250	110,250	98,310	(11,940)
Fines and forfeitures	1,083,796	1,083,796	867,469	(216,327)
Sale of property and compensation for loss	2,180,904	2,693,867	6,386,873	3,693,006
Miscellaneous	62,500	62,500	26,395	(36,105)
Interfund revenues	200,072	200,072	131,149	(68,923)
State aid	108,221,841	110,785,914	102,656,152	(8,129,762)
Federal aid	58,386,128	68,862,359	65,809,704	(3,052,655)
Total revenues	<u>444,299,694</u>	<u>516,526,632</u>	<u>500,228,948</u>	<u>(16,297,684)</u>
EXPENDITURES				
Current:				
General government support	64,843,461	112,771,245	112,370,059	401,186
Education	29,315,584	29,853,399	29,838,635	14,764
Public safety	68,660,066	76,151,499	69,279,571	6,871,928
Health	31,764,327	29,698,950	27,862,065	1,836,885
Transportation	8,263,334	9,061,318	7,186,758	1,874,560
Economic assistance and opportunity	204,922,181	210,928,085	207,837,445	3,090,640
Culture and recreation	3,933,094	3,977,402	3,910,349	67,053
Home and community services	5,084,250	6,418,604	5,338,834	1,079,770
Debt service:				
Principal	-	4,628,527	4,628,527	-
Interest and other fiscal charges	-	297,120	1,051,397	(754,277)
Total expenditures	<u>416,786,297</u>	<u>483,786,149</u>	<u>469,303,640</u>	<u>14,482,509</u>
Excess (deficiency) of revenues over expenditures	<u>27,513,397</u>	<u>32,740,483</u>	<u>30,925,308</u>	<u>(1,815,175)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	724,266	724,266	720,000	(4,266)
Transfers out	(35,433,552)	(42,565,269)	(40,329,345)	2,235,924
Total other financing sources (uses)	<u>(34,709,286)</u>	<u>(41,841,003)</u>	<u>(39,609,345)</u>	<u>2,231,658</u>
Net change in fund balances*	(7,195,889)	(9,100,520)	(8,684,037)	416,483
Fund balances—beginning	<u>78,458,817</u>	<u>78,458,817</u>	<u>78,458,817</u>	<u>-</u>
Fund balances—ending	<u>\$ 71,262,928</u>	<u>\$ 69,358,297</u>	<u>\$ 69,774,780</u>	<u>\$ 416,483</u>

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

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

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COUNTY OF ONEIDA, NEW YORK
Notes to the Required Supplementary Information
Year Ended December 31, 2025

1. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the discount rate and the medical healthcare cost trend rate. The discount rate is based on a 20-year high-quality tax-exempt municipal bond index as of the measurement date. The discount rate was updated to 4.08% at December 31, 2025 from 3.26% at December 31, 2024. The medical healthcare cost trend rates were updated to reflect current medical provisions and premiums and expected future experience.

Oneida-Herkimer Solid Waste Management Authority

Changes of Assumptions—Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate is based on a 20-year high-quality tax-exempt municipal bond index as of the measurement date. The discount rate in effect at January 1, 2025 is 4.08%, which increased from 3.26%, at January 1, 2024.

Mohawk Valley Community College

Changes of Assumptions—Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate is based on a 20-year high-quality tax-exempt municipal bond index as of the measurement date. The discount rate in effect at September 1, 2024 is 3.87% and was 3.81% as of September 1, 2023.

2. BUDGETARY INFORMATION

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

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

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

Actual results of operations presented in accordance with GAAP and the County's accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed, or assigned fund balance. Significant encumbrances are disclosed in the notes to the financial statements. The General Fund original budget for the year ended December 31, 2025 includes encumbrances from the prior year of \$670,597.

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SUPPLEMENTARY INFORMATION

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COUNTY OF ONEIDA, NEW YORK
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue				Total
	Special Grant	County Road	Road Machinery	OTASC	Nonmajor Funds
ASSETS					
Cash and cash equivalents	\$ 116,341	\$ 475,519	\$ 1,630,713	\$ -	\$ 2,222,573
Restricted cash and cash equivalents	-	-	-	282,747	282,747
Deposits with trustees	-	-	-	4,742,624	4,742,624
Other receivables	34,619	174,804	-	-	209,423
Due from other funds	976	877,783	-	-	878,759
Intergovernmental receivables	-	3,432,859	-	-	3,432,859
Total assets	<u>\$ 151,936</u>	<u>\$ 4,960,965</u>	<u>\$ 1,630,713</u>	<u>\$ 5,025,371</u>	<u>\$ 11,768,985</u>
LIABILITIES					
Accounts payable	\$ 34,469	\$ 1,494,888	\$ 232,157	\$ 8,000	\$ 1,769,514
Accrued liabilities	42,482	593,096	-	-	635,578
Due to other funds	-	873,763	987,782	-	1,861,545
Due to retirement system	74,985	859,871	-	-	934,856
Total liabilities	<u>151,936</u>	<u>3,821,618</u>	<u>1,219,939</u>	<u>8,000</u>	<u>5,201,493</u>
FUND BALANCES					
Restricted	-	-	-	5,017,371	5,017,371
Assigned	-	1,139,347	410,774	-	1,550,121
Total fund balances	<u>-</u>	<u>1,139,347</u>	<u>410,774</u>	<u>5,017,371</u>	<u>6,567,492</u>
Total liabilities and fund balances	<u>\$ 151,936</u>	<u>\$ 4,960,965</u>	<u>\$ 1,630,713</u>	<u>\$ 5,025,371</u>	<u>\$ 11,768,985</u>

COUNTY OF ONEIDA, NEW YORK
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2025

	Special Revenue				Total
	Special Grant	County Road	Road Machinery	OTASC	Nonmajor Funds
REVENUES					
Departmental income	\$ 133,217	\$ 4,019,383	\$ -	\$ -	\$ 4,152,600
Intergovernmental charges	35,000	6,078,935	-	-	6,113,935
Use of money and property	-	-	-	250,226	250,226
Licenses and permits	-	14,016	-	-	14,016
Sale of property and compensation for loss	-	12,065	-	-	12,065
Interfund revenues	141,584	2,369,950	5,366,528	-	7,878,062
Federal aid	1,971,480	-	-	-	1,971,480
Tobacco settlement revenue	-	-	-	3,170,209	3,170,209
Total revenues	<u>2,281,281</u>	<u>12,494,349</u>	<u>5,366,528</u>	<u>3,420,435</u>	<u>23,562,593</u>
EXPENDITURES					
Current:					
General government support	-	-	-	32,342	32,342
Transportation	-	25,764,900	5,203,325	-	30,968,225
Economic assistance and opportunity	2,622,195	-	-	-	2,622,195
Debt service:					
Principal	-	-	83,712	300,000	383,712
Interest and other fiscal charges	-	-	6,396	3,101,559	3,107,955
Total expenditures	<u>2,622,195</u>	<u>25,764,900</u>	<u>5,293,433</u>	<u>3,433,901</u>	<u>37,114,429</u>
Excess (deficiency) of revenues over expenditures	<u>(340,914)</u>	<u>(13,270,551)</u>	<u>73,095</u>	<u>(13,466)</u>	<u>(13,551,836)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	340,914	13,300,750	-	-	13,641,664
Transfers out	-	-	-	(20,000)	(20,000)
Total other financing sources (uses)	<u>340,914</u>	<u>13,300,750</u>	<u>-</u>	<u>(20,000)</u>	<u>13,621,664</u>
Net change in fund balances	-	30,199	73,095	(33,466)	69,828
Fund balances—beginning	-	1,109,148	337,679	5,050,837	6,497,664
Fund balances—ending	<u>\$ -</u>	<u>\$ 1,139,347</u>	<u>\$ 410,774</u>	<u>\$ 5,017,371</u>	<u>\$ 6,567,492</u>

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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 Oneida, New York:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Oneida, New York (the "County") as of and for the year ended December 31, 2025 (with the Mohawk Valley Community College for the fiscal year ended August 31, 2025), 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 23, 2026. Our report includes a reference to other auditors who audited the financial statements of the Oneida-Herkimer Solid Waste Management Authority, the Mohawk Valley Community College, the Oneida Tobacco Asset Securitization Corporation, and the Upper Mohawk Valley Memorial Auditorium Authority, 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. The financial statements of the Oneida Tobacco Asset Securitization Corporation were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Drescher & Malecki LLP

September 23, 2026