PRELIMINARY OFFICIAL STATEMENT

RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

The Notes will NOT be designated "qualified tax-exempt obligations" pursuant to Section 265(b) (3) of the Code.

$13,410,000
COUNTY OF SCHOHARIE, NEW YORK

GENERAL OBLIGATIONS

$13,410,000 Bond Anticipation Notes, 2022 (Renewals)

(the "Notes")

Dated: February 3, 2022 **Due: February 3, 2023**

The Notes are general obligations of the County of Schoharie, New York, (the "County"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "THE NOTES – Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes will not be subject to redemption prior to maturity.

At the option of the successful bidder(s), the Notes will be issued registered in the name of the purchaser in the denominations of $5,000 or multiples thereof.

Alternatively, at the option of the successful bidder(s) the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (DTC), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased. Payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey on or about February 3, 2022.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on January 19, 2022 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the County, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

January 13, 2022

THE COUNTY DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE COUNTY WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE WITH RESPECT TO THE NOTES. SEE "APPENDIX D- MATERIAL EVENT NOTICES" HEREIN.

COUNTY OF SCHOHARIE, NEW YORK

http://www.schohariecounty-ny.gov

BOARD OF SUPERVISORS

WILLIAM A. FEDERICE
Chairman

DONALD M. AIREY
STEVEN WEINHOFER
JOHN H. LEAVITT
WERNER HAMPEL
EARL VAN WORMER III
PHILIP SKOWFOE, JR.
ALICIA TERRY
MARGARET HAIT

WESLEY LARAWAY
JEFFREY HASLUN
ALAN TAVENNER
EARLIN ROSA
SANDRA MANKO
HAROLD VROMAN
ALEXANDER LUNIEWSKI

ADMINISTRATION

STEVEN WILSON
County Administrator

MARY ANN WOLLABER-BRYAN
County Treasurer

SHERYL LARGETEAU
Clerk of the Board

M. INDICA JAYCOX
County Clerk

MICHAEL A. WEST, ESQ.
County Attorney

ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

No person has been authorized by the County to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County.

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
http://www.fiscaladvisors.com

OFFICIAL STATEMENT OF THE

COUNTY OF SCHOHARIE, NEW YORK

Relating To

$13,410,000 Bond Anticipation Notes, 2022 (Renewals)

This Official Statement, which includes the cover page, has been prepared by the County of Schoharie, New York (the "County," and "State," respectively) in connection with the sale by the County of $13,410,000 Bond Anticipation Notes, 2022 (Renewals) (the “Notes”) (referred to herein as the “Notes”).

The factors affecting the County’s financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the County’s tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the County contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the County relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

NATURE OF THE OBLIGATION

Each of the Notes when duly issued and paid for will constitute a contract between the County and the holder thereof.

Holders of any series of notes or bonds of the County may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the County has power and statutory authorization to levy ad valorem taxes on all real property within the County subject to such taxation by the County, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (as amended, the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the County’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX LEVY LIMITATION LAW” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

> “A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean . . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. . . While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

THE NOTES

Description of the Notes

The Notes are general obligations of the County, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the County is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "TAX LEVY LIMITATION LAW" herein.

The Notes are dated February 3, 2022 and will mature, without option of prior redemption, on February 3, 2023.

The Notes will be issued in registered form at the option of the Purchaser(s) either (i) requested in the name of the purchaser, in denominations of $5,000 or integral multiples thereof, as may be determined by the successful bidder(s); or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the County Law and the Local Finance Law and bond resolutions adopted by the Board of Supervisors for the purpose and amounts outlined below.

The Notes are intended to fund, along with FEMA grants and other sources, improvements to streambanks to minimize damage as a result of future hurricane events. See "Hurricane Irene Impact" and "Capital Project Plans" herein.

	Authorization Date	Authorized Amount	First BAN	BAN Outstanding	Available Funds of the County	Amount of Issue
Stream Bank Stabilization	10/18/2013	$ 23,000,000	2/11/2016	$ 7,773,000	$ 190,000	$ 7,583,000
Stream Bank Stabilization	12/18/2015	6,500,000	2/11/2016	5,967,000	140,000	5,827,000
				$ 13,740,000	$ 330,000	$ 13,410,000

The proceeds of the Notes along with $330,000 in available funds, will partially redeem and renew the $13,740,000 bond anticipation notes maturing February 4, 2022 for the aforementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the notes at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE COUNTY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST, (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES, OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE COUNTY MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply:

The Notes will be issued in bearer form in denominations of $5,000 or integral multiples thereof. Interest on the Notes will remain payable at maturity. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State to be named as fiscal agent by the County. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

THE COUNTY

General Information

The County with a land area of 622 square miles is located in east-central New York State and is bordered on the north by Montgomery and Schenectady Counties; on the east by Albany County, on the south by Greene and Delaware Counties and on the west by Otsego County. The County is basically agricultural in nature with dairy farming predominating; other agricultural pursuits include orchard truck farming and maple sugar production. Industrial and manufacturing activities; some of which include gloves, stone products, lumber mills, metal fabrication and plastic products.

Interstate 88 and US Route 20 take an east-west path through the northern section of the County. The New York State Thruway can be accessed from both the east and west ends of the County, providing access to the Cities of Syracuse, Buffalo and points west as well as Boston to the east, New York City to the south and Montreal (via the Northway) to the north. Main County routes include New York State Routes 7, 10, 23, 30, 30A, 145 and 990V.

Albany's International Airport is 35 minutes away, providing national and international flights. Scheduled commercial flights are also available from Schenectady County Airport and Oneonta Municipal Airport. CP Rail provides freight service east west through the northern portion of Schoharie County, parallel to I-88. Amtrak provides passenger service to Amsterdam, Schenectady and Rensselaer.

There are six public school districts operating in Schoharie County. Higher education opportunities include the State University of New York College of Agriculture and Technology at Cobleskill (SUNY Cobleskill), which is a fully accredited, comprehensive, residential college enrolling approximately 2,600 students annually, and offers technical programs which draw students from throughout the State.

The County is centrally located in New York State and has easy access to The Catskill and Adirondack Parks, Berkshire and Green Mountains, as well as New York City, Montreal and Boston. Howe Caverns and Secret Caverns attract many visitors during the vacation season.

Utilities are provided by National Grid, New York Electric and Gas, and Richmondville Power and Light.

Source: County officials

Population Trends

Census Year	Schoharie County	New York State
1990	31,859	17,990,455
2000	31,582	18,976,457
2010	32,749	19,378,102
2017 (estimate)	31,420	19,849,399
2018 (estimate)	31,097	19,542,209
2019 (estimate)	30,099	19,453,561
2020 (estimate)	29,714	20,201,249

Sources: U. S. Census Bureau.

Hurricane Irene Impact

On August 28, 2011, the County was struck by Hurricane Irene causing catastrophic damage to the County. It is estimated that the damages to the County's roads, bridges and government buildings are likely to cost \$85-\$100 million. Most of these repairs will be 75% reimbursable by FEMA, with the New York State Office of Homeland Security reimbursing the remaining 25%. A major flood recovery project will be the construction of a new Public Safety Facility and County Jail out of the flood zone. This project is expected to come in at \$1 million under the approved cost of \$44.3 million and Schoharie County taxpayers will likely have a local share of this project of approximately \$5 to \$6 million.

The County has also been involved in a "Stream Bank Stabilization Project" since 2012 which is expected to cost approximately \$30 million. The U.S. Department of Agriculture – Natural Resources Conservation Service (NRCS), the major source of federal reimbursement funding, has for several years claimed that there are serious defects in the design, construction and overall management of this project. See, "Capital Project Plans" herein for a more detailed description of this project.

Major Employers

The larger employers in the County and the estimated number of persons employed by each are as follows:

Employer	Type	Number of Employees
Wal-Mart, Inc. Distribution Center	Distribution Center	617
State University College at Cobleskill	Higher Education	600
Cobleskill-Richmondville CSD	Public Education	450
Schoharie County	Municipality	440
Price Chopper	Supermarket	298
Wal-Mart, Inc.	Retail	279
Bassett Hospital	Health Care	210
Schoharie Central School District	Public Education	193
Middleburgh Central School District	Public Education	170

Source: County Officials.

Wealth and Income Indicators

Per capita income statistics are available for the County and State. Listed below are select figures from the 2000, 2006-2010 and 2015-2019 American Community Survey 5-Year Estimates reports.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2015-2019	2000	2006-2010	2015-2019
County of:						
Schoharie	$ 17,778	$ 25,105	$ 30,397	$ 43,118	$ 61,828	$ 71,286
State of:						
New York	23,389	30,948	39,326	51,691	67,405	84,385

Note: 2016-2020 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2015-2019 American Community Survey data.

Unemployment Rate Statistics

Unemployment statistics are available for the County as such. The information set forth below with respect to the County is included for informational purposes only.

	Annual Average							
	2013	2014	2015	2016	2017	2018	2019	2020
Schoharie County	8.1%	6.7%	5.8%	5.4%	5.5%	4.8%	4.7%	7.1%
New York State	7.7%	6.3%	5.3%	4.8%	4.7%	4.1%	4.0%	10.0%

	2021 Monthly Figures											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Schoharie County	6.6%	7.0%	6.4%	5.1%	4.4%	4.8%	5.0%	4.8%	3.9%	3.7%	3.4%	N/A
New York State	9.4%	9.7%	8.4%	7.7%	7.0%	7.2%	7.4%	7.1%	6.3%	5.9%	5.5%	N/A

Note: Unemployment rates for the month of December 2021 are unavailable as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Form of County Government

In New York State, local government services are generally provided by counties, cities, towns and villages. The County provides law enforcement services, economic assistance, health and nursing services, maintains county roads, and provides numerous other services.

The County Board of Supervisors is the main policy making body of the County. It has the power to levy taxes, adopt the County budget, make appropriations and adopt local laws. The County Board of Supervisors is a 16 member body consisting of one Supervisor from each of the 16 towns. Voting strength of each Supervisor is weighted to reflect population of that constituency. Supervisors are elected at large, within the area they represent, for two year terms in November of every odd numbered year with the exceptions of the towns of Sharon & Middleburgh which each have 4 year terms. Annually, the Board of Supervisors elects a chairman from among its members. The Chairman of the Board of Supervisors is the chief executive officer who also acts on behalf of the County Board of Supervisors.

The County Treasurer, who is elected at large within the County for a four year term is the chief fiscal officer of the County. The County Treasurer maintains the fiscal records, is responsible for receipt of, depositing of and disbursing of all funds of the County and issuance of bonds and notes of the County.

Other elected administrative officials of the County include the County Clerk, District Attorney and Sheriff, all with a four year term of office. The other administrative officials of the County, including the County Administrator, County Attorney and the various Commissioners are appointed by the County Board of Supervisors.

The position of County Administrator was established by local law on March 31, 2015 and filled on November 1, 2015.

Budgetary Procedures

During August of each year, Budget request forms are sent to department heads who must return them by September 1st. During September the Budget Officer reviews the requests and holds hearings with each department head and revisions are made where necessary. By October 15th, the Budget Officer presents the proposed budget to the Board of Supervisors for review. Public hearings are held during the month of November and the Board of Supervisors adopts the final budget by December 20th.

The County's 2017 budget includes a 3.56% increase in the property tax levy, which was above the County's tax levy limit of .95%. The County did vote to exceed its Tax Levy Limit for the 2017 fiscal year

The County's 2018 budget included a 0.26% increase in the property tax levy, which was below the County's tax levy limit of 0.42%. The Board of Supervisors voted to override the Tax Cap, however the adopted budget remained under the cap. The 2018 County General Fund budget was adopted appropriating fund balance of $2,004,297.

The County's 2019 budget included a 2.4% increase in the property tax levy, which is below the County's tax levy limit of 2.49%. The Board of Supervisors voted to override the Tax Cap, however the adopted budget remained under the cap. The 2019 County General Fund budget was adopted appropriating fund balance of $2,800,000.

The County's 2020 budget included a 2.52% increase in the property tax levy, which is below the County's tax levy limit of 2.59%. The County did not vote to exceed its Tax Levy Limit for the 2020 fiscal year. The 2020 County General Fund budget was adopted appropriating fund balance of $2,735,000.

The County's 2021 budget included a .04% decrease in the property tax levy, which is below the County's tax levy limit of 2.17%. The County did not vote to exceed its Tax Levy Limit for the 2021 fiscal year. The 2021 County General Fund budget was adopted appropriating fund balance of $1,650,000.

The County's 2022 budget included a 0% increase in the property tax levy, which is below the County's tax levy limit of 4%. The County did not vote to exceed its Tax Levy Limit for the 2022 fiscal year. The 2022 County General Fund budget was adopted appropriating fund balance of $1,050,000.

Schoharie County Industrial Development Agency

The Schoharie County Industrial Development Agency (SCIDA) is a public benefit corporation with a mission to promote, develop, encourage, and assist in the construction, expansion, and equipping of economically sound industrial and commercial facilities in order to advance job opportunities, general prosperity and economic welfare of the citizens of Schoharie County. The Schoharie County Board of Supervisors appoints the Board of Directors. The Board of Directors appoints the Chief Executive Officer and approves all staff employment. The Chief Executive Officer and staff assist with SCIDA operations as approved by the Board of Directors. The County is not liable for any SCIDA indebtedness. Separate audited financial statements for the SCIDA may be obtained by contacting SCIDA directly, which is located in Cobleskill, New York.

Tobacco Settlement

In 1998, the State of New York estimated it would receive approximately $25 billion over the next 25 years as a result of a comprehensive settlement among 46 states and U.S. territories and all the major tobacco companies. The settlement represents reimbursement to the State for medical costs incurred, primarily paid by Medicaid, from treating smoking-related illnesses. Since the counties of the State and New York City pay a share of Medicaid costs, the State has apportioned approximately half the settlement funds to these localities. In 2017, the County received a $378,334 settlement payment which is reported in the general fund as sale of property and compensation for loss. In 2018, the County received a $409,694 settlement payment which is reported in the general fund as sale of property and compensation for loss. In 2019, the County received a $388,174 settlement payment which is reported in the general fund as sale of property and compensation for loss. In 2020, the County received a $445,312 settlement payment which is reported in the general fund as sale of property and compensation for loss. In 2021, the County received a $481,581 settlement payment which is reported in the general fund as sale of property and compensation for loss. In 2022, the County expects to receive a $425,000 settlement payment which is reported in the general fund as sale of property and compensation for loss.

Investment Policy

Pursuant to the statutes of the State of New York, the County is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the County; (6) obligations of a New York public corporation which are made lawful investments by the County pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of County moneys held in certain reserve funds established pursuant to law, obligations issued by the County. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the County's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the County may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian. The County does not have authority to invest in reserve repurchase agreements or similar derivative type investments.

Employees

The County provides services through approximately 377 full-time and 60 part-time employees. The following provides a breakdown of employees by bargaining unit:

Number of Full Time Employees	Bargaining Unit	Contract Expiration Date
262	CSEA Local #848	12/31/25
47	Schoharie County Deputy Sheriff Association	12/31/25
20	Schoharie County Road Patrol Association	12/31/25

State Aid

The County receives financial assistance from the State. In its total fund budget for the 2020 fiscal year, approximately 16.64% of the revenues of the County are estimated to be received in the form of State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the County, in this year or future years, the County may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the County, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the County. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the County requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "MARKET AND RISK FACTORS").

The County receives financial assistance from the State. In its budget for the 2020 fiscal year, approximately 9.86% of the revenues of the County are estimated to be received in the form of State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the County, in this year or future years, the County may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the County may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the County. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the County requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

Due the outbreak of COVID-19 the State declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including municipalities and school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State, including the County (See "MARKET AND RISK FACTORS -COVID-19" herein).

The County received $3,010,596 in American Rescue Plan Act ("ARPA") funds in 2021 and anticipates receiving $3,010,596 in 2022. The County received $435,322 in Coronavirus Aid, Relief, and Economic Security ("CARES") funding as a response to the COVID-19 pandemic.

Pension Payments

Substantially all employees of the County are members of the New York State and Local Employees' Retirement System ("ERS"). The ERS is generally also known as the "Common Retirement Fund". The Retirement System is a cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System.

The ERS is non- contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For ERS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For ERS, Tier 6 provides for:

- Increase contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- A change in the period for final average salary calculation from 3 years to 5 years

The County's contributions to ERS since 2010, and budgeted payment for 2021 are as follows:

Year	Amount
2015	$ 2,825,900
2016	2,539,121
2017	2,429,615
2018	2,414,514
2019	2,435,245
2020	2,495,061
2021 (Estimated)	2,847,688
2022 (Budgeted)	2,127,696

Source: Audited financial statements of the County and County officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The County currently does not have any such programs outstanding.

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS rates (2018 to 2022) is shown below:

Year	ERS
2018	15.3%
2019	14.9
2020	14.6
2021	14.6
2022	16.2

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option: The 2013-14 Adopted State Budget included a provision that authorized local governments, including the County, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The County is not amortizing or smoothing any pension payments nor does it intend to do so in the foreseeable future.

The investment of monies and assumptions underlying same, of the Retirement System covering the County's employees is not subject to the direction of the County. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the County which could affect other budgetary matters. Concerned investors should contact the Retirement System administrative staff for further information on the latest actuarial valuations of the Retirement System.

Other Post-Employment Benefits

Healthcare Benefits. School districts and boards of cooperative educational services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. Other Post-Employment Benefits ("OPEB") refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending December 31, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans,* for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* establishes new accounting and financial reporting requirements for OPEB plans. The County was required to adopt the provisions of Statement No. 75 for the year ending December 31, 2018.

Summary of Changes from the Last Valuation. The County contracted with Milliman, an actuarial firm, to calculate its actuarial valuation under GASB 75 for the fiscal year ending December 31, 2019 and December 31, 2020.

The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

Balance beginning at:	December 31, 2018	December 31, 2019
	$ 117,080,988	$ 108,585,643
Changes for the year:		
Service cost	4,908,568	4,627,943
Interest	4,132,555	4,559,914
Differences between expected and actual experience	-	-
Effect of plan changes	(1,734,117)	-
Effect of economic/demographic gains or losses	-	893,016
Changes in benefit terms	-	-
Changes in assumptions or other inputs	(12,056,348)	11,652,834
Benefit payments	(3,746,003)	(4,032,854)
Net Changes	$ (8,495,345)	$ 17,700,853
Balance ending at:	December 31, 2019	December 31, 2020
	$ 108,585,643	**$ 126,286,496**

GASB 45. Prior to GASB 75, GASB Statement No. 45 ("GASB 45"), required municipalities and school districts to account for OPEB liabilities much like they already accounted for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covered accounting for pensions, GASB 45 did not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") was determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 did not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law in the last two legislative sessions. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced or enacted if introduced.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose for which the Notes are to be issued, is the County Law and the Local Finance Law.

The County is in compliance with the procedure for the validation of the Notes as provided in Title 6 of Article 2 of the Local Finance Law

No principal or interest upon any obligation of this County is past due.

The fiscal year of the County is January 1 through December 31.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the County.

Financial Statements

The County retains an independent certified public accounting firm for a continuous independent audit of all financial transactions of the County. The last audit was for the fiscal year ended December 31, 2020 and is attached hereto as "APPENDIX – E". The audit for the fiscal year ending December 31, 2021 is anticipated to be completed by September 30, 2022. Certain financial information may also be found in the Appendices to this Official Statement.

The County complies with the Uniform System of Accounts as prescribed for counties in New York State by the State Comptroller. This System differs from generally accepted accounting principles (GAAP) as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB). This difference is with respect to the annual update document which is not prepared using the GAAP standards while the audit report is prepared using such standards.

Changes to the Uniform System of Accounts as prescribed for counties have been made by the State Comptroller in order to conform the Uniform System of Accounts to certain of these principles. These changes require the County to maintain a record of fixed assets to be recorded at cost or at estimated historical cost.

Beginning with the fiscal year ending December 31, 2003 the County will issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The County is in compliance with Statement No. 34.

New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the County has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The New York State Comptroller’s office most recent audit report of the County was released on August 14, 2015. The purpose of the audit was to examine County officials’ oversight of the Stream Restoration Project (the “Project”) and the overall contract process for the period January 1, 2013 through September 23, 2014.

Key Findings:

- The County Board of Supervisors did not provide adequate oversight of the planning and execution of the Project and did not ensure that the Co-Managers properly monitored the Project. The Board did not always provide clear, written expectations, such as the authority granted the appointed Project Co-Managers, or their monitoring and interim reporting requirements for the Project.
- The Board did not ensure that County contracts were properly approved, monitored and paid, and no procedures were taken to ensure the lowest possible cost was paid for 18 of 28 professional service contracts.

Key Recommendations:

- Create policies and procedures relating to monitoring projects, even if some oversight has been delegated, including ensuring work is performed in accordance with contracts prior to payment and reporting any variances to the Board in a timely manner; tracking the percentage of completion, calendar days and budget-versus-actual disbursements; and establishing clear communication expectations between project manager(s), contracted third parties and the Board.
- Develop policies and procedures to ensure that department heads provide the Board and the County Attorney with all contracts for review/approval, contracts are monitored and Department heads obtain the best economic value for professional services.

A copy of the complete report and the County’s response can be found via the official website of the Office of the New York State Comptroller. Prior audit reports of the County can be reviewed as well.

There are no State Comptroller’s audits of the County that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein.

The State Comptroller’s Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State’s school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district’s ST-3 report filed with the State Education Department annually, and each municipality’s annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in “significant fiscal stress”, in “moderate fiscal stress,” as “susceptible to fiscal stress” or “no designation”. Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of “no designation.” This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity’s financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past five years for the County are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2020	No Designation	0.0
2019	No Designation	0.0
2018	No Designation	0.0
2017	No Designation	0.0
2016	No Designation	12.9

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein.

TAX INFORMATION

Valuations (1)

Fiscal Years Ending December 31:	2018	2019	2020	2021	2022
Assessed Valuation	$ 2,284,413,860	$ 2,303,996,826	$ 2,334,660,498	2,383,201,460	$ 2,402,907,856
New York State Equalization Rate	various	various	various	various	various
Full Valuation	$ 3,170,106,650	$ 3,222,449,796	$ 3,348,459,654	3,444,180,022	$ 3,641,175,629

(1) Please refer to APPENDIX - C attached hereto for greater detail as to the taxable valuations.

Tax Rate Per $1,000 (Full Valuation)

Fiscal Years Ending December 31:	2018	2019	2020	2021	2022
Towns of:					
Blenheim	$ 12.16	$ 13.58	$ 12.85	$ 12.80	12.66
Broome	9.81	9.95	9.70	9.53	9.04
Carlisle	12.42	13.03	14.01	13.27	13.74
Cobleskill	12.75	12.15	11.94	12.10	12.54
Conesville	9.71	9.90	9.63	9.47	8.99
Esperance	10.13	10.24	10.16	10.34	10.30
Fulton	14.33	15.13	15.57	15.31	15.27
Gilboa	421.26	433.11	445.20	447.99	421.41
Jefferson	16.85	17.64	18.30	17.98	17.05
Middleburgh	14.05	14.18	14.40	14.58	14.42
Richmondville	9.82	9.91	9.72	9.54	9.53
Schoharie	10.13	10.24	10.16	10.36	10.31
Seward	12.43	13.04	14.03	13.26	13.75
Sharon	12.37	13.00	13.97	13.22	13.70
Summit	15.56	16.32	16.02	15.75	15.70
Wright	12.33	12.76	12.84	13.14	12.99

Tax Levy and Tax Collection Record

Fiscal Years Ending December 31:	2018	2019	2020	2021	2022
Total Tax Levy (warrant)	$ 21,532,951	$ 22,049,677	$ 22,606,005	$ 22,597,987	$ 22,597,987
Uncollected Oct 1	4,908,089	5,045,416	4,997,011	4,306,244	N/A
% Uncollected Oct 1	22.79%	22.88%	22.10%	19.06%	N/A
Uncollected December 31	4,437,429	4,529,352	4,313,902	N/A	N/A
% Uncollected December 31	20.61%	20.54%	19.08%	N/A	N/A

Note: Includes County, Town and re-levied school district and Village taxes

Tax Collection Procedure

County real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes are collected from January 1 until four years later when the redemption period expires and foreclosure procedures begin. Taxes for County purposes are levied together with taxes for towns and special purpose districts as a single bill. The towns and special purpose districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all uncollected taxes levied in the towns.

Unpaid village taxes and school district taxes are turned over to the County for collection. Any such taxes remaining unpaid at year-end are re-levied as County taxes in the subsequent year.

Ten Largest Taxpayers 2021 Assessment Roll for 2022 Tax Roll

Name	Type	Estimated Taxable Full Valuation
City of New York	Reservoir	$ 265,141,494
National Grid	Utility	47,316,295
NYSEG	Utility	13,628,352
Norfolk Southern Railway	Railroad	10,745,569
Wal-Mart	Commercial	9,784,722
Time Warner of Albany	Utility	8,198,064
Middleburgh Telephone	Utility	8,074,396
Colonial Park Enterprises LLC	Apartments	6,731,518
Superior Land Management	Apartments	6,652,917
Cobleskill Winston Illinois	Commercial	6,055,556

The larger taxpayers listed above have an estimated full valuation of $382,328,883 which represents 10.5% of the tax base of the County.

The County currently does not have any pending or outstanding tax certioraris that are known to have a material impact on the County.

Source: County tax rolls.

Constitutional Tax Margin

Computation of Constitutional Tax Margin for fiscal years ending December 31:

	2020	2021	2022
Five-Year Average Full Valuation	$ 2,246,058,928	$ 2,269,117,867	$ 2,328,152,072
Tax Limit - (2.0%)	44,921,179	45,382,357	46,563,041
Add: Exclusions from Limit	1,821,347	1,406,068	1,382,900
Total Taxing Power	$ 46,742,526	46,788,425	47,945,941
Less Total Levy	22,610,688	22,603,983	22,623,893
Tax Margin	$ 24,131,838	$ 24,184,442	$ 25,322,048

Source: County officials.

Source: County officials

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

County Sales Tax Revenue

The County enacted a 4% tax on sales and uses of tangible personal properties, on certain services and occupancy of hotel rooms, admission charges, and club dues pursuant to Article 29 of the Tax Law of the State of New York. All sales tax collections distributed to the County by the State Tax Commission are retained by the County for County purposes, with the exception of 5% of the total collected, which the County distributes to the towns and villages within the County based upon total assessed value.

Below is a historical chart of sales tax revenues and ~~and~~ amount budgeted for 2021:

Year	Actual Collected
2011	$ 15,011,253
2012	14,959,293
2013	14,210,833
2014	14,975,163
2015	14,105,536
2016	14,640,830
2017	15,472,541
2018	16,076,081
2019	16,009,403
2020	16,779,183
2021 (Budgeted)	15,650,000
2021 (Collected to Date)	17,176,300
2022 (Budgeted)	17,837,358

Source: County officials.

Additional Tax Information

Real property taxes in the County are assessed by the various towns.

Veterans' and senior citizens' exemptions are offered to those who qualify.

The assessment roll of the County is constituted approximately as follows: 10% commercial, 5% industrial, 80% residential, 5% agricultural and other.

The total property tax bill of a typical residence with a market value of $100,000 is estimated to be $3,742 including County, town, village and school district taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (as amended, the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59") included provisions which provides a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. The credit is a tax relief program that reimburses qualifying New York State homeowners for increases in local property taxes on their primary residences. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Cap Law. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap imposed by the Tax Cap Law to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years. Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain State officials in order to render their real property taxpayers eligible for the real property tax rebate. The New York State Department of Taxation and Finance will determine each homeowner's eligibility, calculate the amount of the credit and send the credit to the homeowner.

For the second taxable year of the program being 2015-16 for school districts and 2016 for other municipal units of government, the property tax rebate for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a State approved "shared services and government efficiency plan" which demonstrates three year savings and efficiencies of at least one percent of the combined 2014 levy of participating municipalities in each of the years 2017, 2018 and 2019 from shared services, cooperation agreements and/or mergers or efficiencies. The State will also be required to consider past shared services arrangements or government efficiency programs to be deemed applicable in demonstrating the targeted savings. There is no requirement that these efficiencies are to be used to reduce future tax levies. Should the savings targeted not be met by a school district or municipal unit of government there is no authority granted for the State to withhold State aid due to each respective entity.

This tax credit will be made available in municipalities that reduce or hold steady their property tax levy. The tax credit payable will be equal to the allowable tax levy growth factor for that year, including adjustments for inflation, economic growth, pensions, PILOTS, etc. as determined by the New York State Department of Taxation and Finance.

This initiative is currently a two year temporary initiative.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Cap Law. The implications of this for future tax levies and for operations and services of the County are uncertain at this time.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the County (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the County and its indebtedness (including the Notes), include the following provisions:

Purpose and Pledge. Subject to certain enumerated exceptions, the County shall not give or loan any money or property to or in aid of any individual, private corporation or private undertaking or give or loan its credit to or in aid of any foreign or public corporation. The County may contract indebtedness only for a County purpose and shall pledge its faith and credit for the payment of the principal of any interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless substantially level or declining debt service is utilized. The County is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its bonds.

Debt Limit. The County has the power to contract indebtedness for any County purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real property of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the County is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the County to borrow and incur indebtedness by the enactment of the Local Finance Law subject, of course, to the provisions set forth above. The power to spend money, however, generally derives from other law, including the General Municipal Law.

Pursuant to the Local Finance Law, the County authorizes the issuance of bonds by the adoption of a bond ordinance approved by at least two-thirds of the members of the Council, the finance board of the County. Customarily, the Council has delegated to the County Treasurer, as chief fiscal officer of the County, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that when a bond ordinance is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

(1) Such obligations are authorized for a purpose for which the County is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations, and

(3) An action contesting such validity, is commenced within twenty days after the date of such publication, or,

Such obligations are authorized in violation of the provisions of the Constitution.

The County generally issues its obligations after the time period specified in 3, above has expired with no action filed that has contested validity. It is a procedure that is recommended by Bond Counsel and followed by the County, but it is not an absolute legal requirement.

Each bond ordinance usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto. The County has authorized bonds for a variety of County objects or purposes.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such bonds outstanding, commencing no later than two years from the date of the first of such bonds and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein.)

In general, the Local Finance Law contains provisions providing the County with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget and capital notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

Years Ending December 31:	2017	2018	2019	2020	2021
Bonds	$ 0	$ 7,905,000	$ 7,215,000	$ 6,505,000	$ 5,770,000
Bond Anticipation Notes	40,715,000	43,309,000	36,760,000	27,085,000	25,740,000
Revenue Anticipation Notes	0	0	0	0	0
Capital Leases	858,106	631,732	397,190	840,531	636,964
Total Debt Outstanding	$ 41,573,106	$ 51,845,732	$ 44,372,190	$ 34,430,531	$ 32,146,964

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the County as evidenced by bonds and notes as of January 13, 2022:

Type of Indebtedness	Maturity	Amount Outstanding
Bonds	2022-2028	$ 5,770,000
Bond Anticipation Notes		
Public Safety Facility	June 17, 2022	12,000,000
Stream Bank Stabilization	February 4, 2022	13,740,000 (1)
	Total Indebtedness:	$ 31,510,000

(1) To be redeemed at maturity with the proceeds of the Notes and $330,000 available funds of the County.

Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of January 13, 2022:

Five-Year Average Full Valuation			$ 3,365,274,350
Debt Limit - 7% thereof			235,569,204
Inclusions:			
Bonds	$ 5,770,000		
Bond Anticipation Notes	25,740,000		
Total Inclusions		$ 31,510,000	
Exclusions:			
Appropriations - Bonds	$ 755,000		
Appropriations - Notes	330,000		
Total Exclusions		$ 1,085,000	
Total Net Indebtedness			$ 30,425,000
Net Debt-Contracting Margin			$ 205,144,204
The percent of debt contracting power exhausted is			12.92%

Note: The issuance of the Notes will not increase the net indebtedness of the County.

Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Official Statement.

Cash Flow Borrowings

The County has not found it necessary to borrow revenue anticipation notes or tax anticipation notes in the recent past and currently does not plan to do so.

Capital Project Plans

During 2020, the construction of the new Public Safety Facility and Jail & the replacement of the Blenheim Covered Bridge projects were both completed. The Public Safety Facility project was completed at approximately $1 million under the $44.3 million budget with a local share of approximately $6 million. To date, $23 million has been funded with bond anticipation notes. These undertakings are accounted for in a separate Capital Projects Fund and are being funded through the issuance of bond anticipation notes. Other than the Public Safety Facility local share, the County expects to repay the notes in full once the Federal and State reimbursements are received. To date, the County has received reimbursements of approximately $52.6 million for completed and ongoing projects. Currently, $12,000,000 bond anticipation notes remain outstanding for the above mentioned purposes. The proceeds of the $12,000,000 bond anticipation notes issued on June 17, 2021 along with $1,000,000 available funds of the County redeemed and renewed the $13,000,000 bond anticipation notes maturing June 18,2021.

In 2012, the County Board of Supervisors agreed to be the sponsoring municipality for a Stream Bank Stabilization Project estimated to cost approximately $30 million. All but approximately $5 million for this project was anticipated to be eligible for 75% reimbursement from the federal government with the remaining 25% funded through State grants. NRCS, the major source of federal reimbursement funding, has for the past several years claimed that there are serious defects in the design, construction and overall management of this project. As a result, NRCS halted reimbursements on June 30, 2015 pending corrective action being taken. While the suspension of grants was lifted in 2016, reimbursements remain subject to ongoing negotiations with NRCS and other involved agencies in order to correct the defects that NRCS has claimed. To date, $24.1 million has been expended and $6.9 million has been received in reimbursements. No assurance can be provided that such negotiations will allow for federal reimbursements to be forthcoming and if so at the amount originally anticipated. In the event that the County share of this project increases as a result thereof the County does have authority to finance such additional costs for a period up to 25 years. Along with $158,000 available funds, the County issued $7,905,000 serial bonds on November 7, 2018 to permanently finance $8,063,000 bond anticipation notes maturing on November 8, 2018. The County partially redeemed and renewed $137,000 bond anticipation notes on November 7, 2018 with $134,000 bond anticipation notes and $3,000 available funds of the County. The County fully redeemed the $134,000 bond anticipation notes maturing November 7, 2019 with available funds. On February 8, 2019, the County partially redeemed and renewed an additional $14,725,000 bond anticipation notes with $14,415,000 bond anticipation notes and $310,000 available funds. On February 6, 2020 the County issued $14,085,000 bond anticipation notes which along with $330,000 available funds of the County partially redeemed and renewed the $14,725,000 bond anticipation notes maturing February 7, 2020. On February 4, 2021 the County issued $13,740,000 bond anticipation notes, which, along with $345,000 available funds of the County, partially redeemed and renewed the $14,085,000 bond anticipation notes maturing February 5, 2021. The proceeds of the Notes along with $330,000 available funds will partially redeem and renew the $13,740,000 bond anticipation notes maturing on February 4, 2022.

The County does not have any other bond authorizations adopted, but unissued, at the present time.

Capital Lease Obligations

During the 2017 fiscal year the County entered into 5 installment purchase agreements to finance the cost of road machinery equipment. These installment purchase agreements were all paid in full in 2019.

On December 18, 2020, the County entered into a lease agreement with Mercedes-Benz Financial Services USA LLC for highway trucks. The lease agreement is for $1,061,918 for 5 years at an interest rate of 2.12%. Currently, $636,964 principal remains outstanding on the lease agreement.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

Estimated Overlapping Indebtedness

In addition to the County, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the County. Bonded indebtedness, including bond anticipation notes, is estimated as of the close of the fiscal year of the respective governmental units, not adjusted to include subsequent bond issues, if any.

Unit	Estimated Indebtedness (1)	Exclusions (2)	Estimated Net Indebtedness
16 Towns	$ 4,831,982	$ 2,202,923 (3)	$ 2,629,058
6 Villages	5,375,215	4,284,101 (3)	1,091,113
6 School Districts	38,455,378	29,704,044 (4)	8,751,334
9 Fire Districts	1,343,055	230,803	1,112,252
		Total	$ 13,583,757

(1) Outstanding bonds and bond anticipation notes, not adjusted to include subsequent bond sales, if any.
(2) Pursuant to applicable constitutional and statutory provisions, this indebtedness is deductible from gross indebtedness for debt limit purposes.
(3) Sewer and water debt and appropriations.
(4) State Building aid.

Source: Comptroller's Special Report on Municipal Affairs for the Local Finance Years Ended in 2019 and 2020.

Debt Ratios

The following table sets forth certain ratios relating to the County's indebtedness as of January 13, 2022:

	Amount of Indebtedness	Per Capita (1)	Percentage of Full Valuation (2)
Net Direct Indebtedness (3)	$ 30,425,000	$1,023.93	0.84%
Net Direct Plus Net Overlapping Indebtedness (4)	44,008,757	1,481.08	1.21%

(1) The County's 2020 estimated population is 29,714. (See "Population Trends" herein).
(2) The County's full valuation of taxable real estate for 2022 is $3,641,175,629 (See "TAX INFORMATION – Valuations" herein).
(3) See "Debt Statement Summary" for calculation of Net Indebtedness herein.
(4) The County's estimated applicable share of net underlying indebtedness is $13,583,757. (See "Overlapping Indebtedness" herein).

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the County and the holder thereof. Under current law, provision is made for contract creditors of the County to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the County upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the County may not be enforced by levy and execution against property owned by the County.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as the County, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Notes should the County be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Notes to receive interest and principal from the County could be adversely affected by the restructuring of the County's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the County (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the County under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law. There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such County of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the County.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such "additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder." Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a "material change in circumstances" the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its "property, affairs and government" by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the "property, affairs and governments" of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict , subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the "FRB"), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to $5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The County has not requested FRB assistance nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crisises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "Nature of Obligation" and "State Debt Moratorium Law" herein.

No Past Due Debt. No principal of or interest on County indebtedness is past due. The County has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial condition of the County as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the County's control. There can be no assurance that adverse events in the State and in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction, or any of their respective agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the County to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The County is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the County, in this year or future years, the County may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the County. In several recent years, the County has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "The County - State Aid").

There are a number of general factors which could have a detrimental effect on the ability of the County to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the County. Unforeseen developments could also result in substantial increases in County expenditures, thus placing strain on the County's financial condition. These factors may have an effect on the market price of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the County. Any such future legislation would have an adverse effect on the market value of the Notes (See "TAX MATTERS" herein).

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts and have restrictions in the State, including the County without providing an exclusion for debt service on obligations issued by municipalities or fire districts, including the County, could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

Cybersecurity: The County, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the County faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the County invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage County digital networks and systems and the costs of remedying any such damage could be substantial.

COVID 19. An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the County's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the County's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the County. The County.is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid" herein).

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York (or any political subdivision thereof, including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – F" hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The County has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to the in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Legislative proposals have been made which would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver an opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – F" hereto.

LITIGATION

The County is subject to a number of lawsuits in the ordinary conduct of its affairs. The County does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the County.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the County, threatened against or affecting the County to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the County taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the County.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the County will enter into an Undertaking to Provide Notice of Material Events Certificate, the form, substantially of which, is attached hereto as "APPENDIX – D".

Historical Compliance

Except as noted below, the County is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

On December 18, 2020, the County entered into a lease financing agreement in the principal amount of $1,061,918 to finance highway trucks. The County did not file a material event notice within the 10 business day timeframe as required in its outstanding continuing disclosure undertakings. On January 7, 2021, the County filed a material event notice disclosing the financial obligation and failure to provide event filing information material event notice disclosing the late filing.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the County on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the County and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the County or the information set forth in this Official Statement or any other information available to the County with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the County to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the County provided, however; the County assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

The Notes are not rated. Subject to the approval of the County, the purchaser(s) of the Notes may choose to have a rating completed after the sale pending the approval of the County and at the expense of the purchaser(s), including any fees to be incurred by the County, as such rating action may result in a material event notification to be posted to EMMA which is required by the County. (See "APPENDIX D – MATERIAL EVENT NOTICES" herein).

S&P Global Ratings has assigned their underlying rating of "AA-" with a stable outlook to the County's outstanding bonds. This rating reflects only the view of the rating agency assigning such rating and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating may have an adverse effect on the market price of the Notes.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the County management's beliefs as well as assumptions made by, and information currently available to, the County's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the County's files with the repositories. When used in County documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Orrick, Herrington & Sutcliffe, LLP, New York New York, Bond Counsel to the County, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the County for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the County will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the County.

The Official Statement is submitted only in connection with the sale of the Notes by the County and may not be reproduced or used in whole or in part for any other purpose.

The County hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the County nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the County disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the County also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The County's contact information is as follows: Mary Ann Wollaber-Bryan, County Treasurer, 284 Main Street, P.O. Box 9, Schoharie, New York 12157, Phone: (518) 295-8386, Fax: (518) 295-8364, Email: maryann.wollaber-bryan@co.schoharie.ny.us

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com and www.fiscaladvisorsauction.com

COUNTY OF SCHOHARIE

Dated: January 13, 2022

MARY ANN WOLLABER-BRYAN
County Treasurer and Chief Fiscal Officer

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	2016	2017	2018	2019	2020
ASSETS					
Cash	$ 21,023,271	$ 14,333,498	$ 17,907,625	$ 19,595,032	$ 20,530,414
Restricted Cash	531,506	689,336	628,157	725,784	680,795
Investments	-	-	-	-	-
Receivables:					
Taxes, Interest, Penalties and Liens	12,874,526	12,266,573	12,585,932	12,550,099	11,973,632
Accounts	2,082,986	2,082,173	2,378,958	1,755,164	2,017,463
Due from Other Funds	3,396,284	55,056	16,618	10,347	178,081
State and Federal Receivables	4,877,835	5,459,133	6,146,010	6,014,696	9,379,856
Due from Other Governments	-	10,460	9,563	4,683	8,590
Prepaid Expenditures	777,280	816,346	741,453	799,274	402,531
TOTAL ASSETS	$ 45,563,688	$ 35,712,575	$ 40,414,316	$ 41,455,079	$ 45,171,362
LIABILITIES AND FUND EQUITY					
Accounts Payable and accrued expenses	$ 1,802,731	$ 3,734,031	$ 2,171,936	$ 2,253,732	$ 2,576,679
Bond Anticipation Notes	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Due to Other Funds	11,231,355	-	512,115	-	-
Due to Other Governments	7,168,754	5,471,849	7,098,263	7,129,503	6,879,318
Unearned Revenue	1,018,593	-	-	-	-
Deferred Revenue	7,457,277	8,113,156	8,326,893	7,996,137	7,628,431
TOTAL LIABILITIES	$ 28,678,710	$ 17,319,036	$ 18,109,207	$ 17,379,372	$ 17,084,428
FUND EQUITY					
Nonspendable	$ 777,280	$ 816,346	$ 741,453	$ 799,274	$ 402,531
Restricted	531,506	689,336	628,157	725,784	680,795
Assigned	2,350,661	2,862,706	4,654,492	4,290,728	1,944,221
Unassigned	13,225,531	14,025,151	16,281,007	18,259,921	25,059,387
TOTAL FUND EQUITY	$ 16,884,978	$ 18,393,539	$ 22,305,109	$ 24,075,707	$ 28,086,934
TOTAL LIABILITIES, DEFERRED REVENUES AND FUND EQUITY	$ 45,563,688	$ 35,712,575	$ 40,414,316	$ 41,455,079	$ 45,171,362

Source: 2015-2020 Audited financial reports.
This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	2015	2016	2017	2018	2019
REVENUES					
Real Property Taxes	$ 20,518,646	$ 21,018,756	$ 21,886,591	$ 21,357,870	$ 21,933,163
Real Property Tax Items	2,813,211	2,915,724	3,183,899	3,474,812	3,477,296
Non-Property Tax Items	14,487,485	15,061,922	15,915,153	16,518,289	16,498,870
Departmental Income	4,262,580	5,168,644	4,568,235	5,112,330	5,053,398
Intergovernmental Revenues	164,995	153,852	373,711	143,193	175,777
Use of Money & Property	42,845	53,006	72,087	230,375	444,909
Licenses and Permits	24,003	45,346	46,964	48,058	44,262
Fines and Forfeitures	45,511	99,401	54,356	64,284	62,082
Sale of Property and Compensation for Loss	530,036	946,179	423,252	531,614	521,173
Miscellaneous Local Sources	543,902	463,174	673,554	193,864	1,293,118
State Aid	12,343,321	11,794,798	8,694,503 (1)	11,382,400	11,361,617
Federal Aid	18,901,708	7,495,009	7,769,972 (1)	7,978,599	8,299,166
Total Revenues	$ 74,678,243	$ 65,215,811	$ 63,662,277	$ 67,035,688	$ 69,164,831
EXPENDITURES					
General Government Support	$ 10,096,836	$ 8,586,060	$ 9,258,219	$ 9,011,931	$ 9,779,160
Education	1,546,337	1,477,924	1,675,966	1,706,341	1,570,206
Public Safety	5,769,067	6,745,784	6,942,920	6,693,138	7,126,013
Health	4,557,398	4,555,215	4,447,200	4,521,321	4,570,585
Transportation	1,686,910	1,142,648	1,140,420	1,727,227	1,182,030
Economic Assistance and Opportunity	17,884,790	18,035,772	17,977,633	17,915,612	19,280,836
Culture and Recreation	448,375	444,226	449,948	479,309	440,947
Home and Community Services	13,576,708	1,278,716	1,636,296	1,124,522	2,321,559
Employee Benefits	9,112,869	9,373,435	9,684,332	10,308,441	10,216,406
Debt Service	-	-	-	-	-
Total Expenditures	$ 64,679,290	$ 51,639,780	$ 53,212,934	$ 53,487,842	$ 56,487,742
Excess of Revenues Over (Under) Expenditures	$ 9,998,953	$ 13,576,031	$ 10,449,343	$ 13,547,846	$ 12,677,089
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	370
Operating Transfers Out	(7,767,798)	(8,868,598)	(8,940,782)	(9,636,276)	(10,906,861)
Total Other Financing	(7,767,798)	(8,868,598)	(8,940,782)	(9,636,276)	(10,906,491)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	2,231,155	4,707,433	1,508,561	3,911,570	1,770,598
FUND BALANCE					
Fund Balance - Beginning of Year	9,946,390	12,177,545	16,884,978	18,393,539	22,305,109
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 12,177,545	$ 16,884,978	$ 18,393,539	$ 22,305,109	$ 24,075,707

(1) Significant decrease from budgeted figures due to grant programs in which the full amount of both the revenue and potential expenditure were included in the adopted budget but the total budgeted amount was neither expended nor reimbursed during fiscal year 2017.

Source: 2015-2019 Audited financial reports. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:	2020 Adopted Budget	2020 Final Budget	2020 Actual	2021 Adopted Budget	2022 Adopted Budget
REVENUES					
Real Property Taxes	$ 22,606,005	$ 22,606,005	$ 22,755,332	$ 22,597,987	$ 22,597,987
Real Property Tax Items	3,289,930	3,289,930	3,366,068	3,163,792	3,286,998
Non-Property Tax Items	16,235,000	16,235,000	17,018,859	15,880,000	18,085,864
Departmental Income	4,431,680	4,455,239	4,529,820	4,187,360	4,656,148
Intergovernmental Revenues	138,190	119,541	127,167	108,700	110,677
Use of Money & Property	275,000	311,100	162,808	142,500	92,700
Licenses and Permits	48,100	46,000	39,717	46,200	44,000
Fines and Forfeitures	56,200	56,200	42,152	51,000	36,000
Sale of Property and Compensation for Loss	394,000	394,000	519,818	392,000	427,000
Miscellaneous Local Sources	577,659	600,749	393,106	323,000	811,750
State Aid	11,726,492	12,426,876	11,533,883	10,229,341	11,184,355
Federal Aid	10,685,077	12,124,602	11,455,018	11,357,218	11,175,356
Total Revenues	$ 70,463,333	$ 72,665,242	$ 71,943,748	$ 68,479,098	$ 72,508,835
EXPENDITURES					
General Government Support	$ 10,661,969	$ 11,396,683	$ 9,406,075	$ 10,591,273	$ 11,751,432
Education	1,795,000	1,795,000	1,099,941	1,589,000	1,518,000
Public Safety	8,427,072	9,395,434	7,430,807	8,493,346	8,830,778
Health	5,058,322	5,999,724	4,892,657	4,828,766	7,779,423
Transportation	1,394,504	1,821,288	1,261,717	994,568	1,069,819
Economic Assistance and Opportunity	19,161,964	19,916,626	18,171,182	18,323,721	19,794,661
Culture and Recreation	515,809	518,407	338,094	443,867	575,322
Home and Community Services	4,472,865	5,213,611	5,192,692	4,334,330	1,818,254
Employee Benefits	11,510,800	11,640,950	10,692,714	11,833,006	11,347,500
Debt Service	-	-	-	-	-
Total Expenditures	$ 62,998,305	$ 67,697,723	$ 58,485,879	$ 61,431,877	$ 64,485,189
Excess of Revenues Over (Under) Expenditures	$ 7,465,028	$ 4,967,519	$ 13,457,869	$ 7,047,221	$ 8,023,646
Other Financing Sources (Uses):					
Operating Transfer In	-	-	-	-	-
Operating Transfers Out	(10,200,028)	(9,700,028)	(9,446,642)	(8,698,816)	(9,073,646)
Total Other Financing	(10,200,028)	(9,700,028)	(9,446,642)	(8,698,816)	(9,073,646)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,735,000)	(4,732,509)	4,011,227	(1,651,595)	(1,050,000)
FUND BALANCE					
Fund Balance - Beginning of Year	2,735,000	4,732,509	24,075,707	1,651,595	1,050,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 28,086,934	$ -	$ -

Source: 2020 Audited financial reports and budgets of the County.
This Appendix is not itself audited.

APPENDIX - A3
Schoharie County

Changes In Fund Equity

Fiscal Year Ending December 31:	2016	2017	2018	2019	2020
COUNTY ROAD FUND					
Fund Equity - Beginning of Year	$ 5,260,045	$ 4,826,428	$ 3,497,674	$ 4,144,850	$ 6,004,723
Prior Period Adjustment	-	-	-		
Revenues & Other Sources	10,875,397	10,834,966	14,485,338	14,351,545	11,467,224
Expenditures & Other Uses	11,309,014	12,163,720	13,838,162	12,491,672	10,052,341
Fund Equity - End of Year	$ 4,826,428	$ 3,497,674	$ 4,144,850	$ 6,004,723	$ 7,419,606
ROAD MACHINERY FUND					
Fund Equity - Beginning of Year	$ 118,144	$ 140,690	$ 73,605	$ 97,885	$ 82,187
Prior Period Adjustment	-	-	-		
Revenues & Other Sources	1,326,928	1,330,918	1,559,836	1,859,369	1,227,678
Expenditures & Other Uses	1,304,382	1,398,003	1,535,556	1,875,067	1,152,573
Fund Equity - End of Year	$ 140,690	$ 73,605	$ 97,885	$ 82,187	$ 157,292
CAPITAL PROJECTS FUND					
Fund Equity - Beginning of Year	$ 61,719	$ (12,938,887)	$ (11,987,214)	$ (4,078,865)	$ (9,680,151)
Prior Period Adjustment	-	-	-		
Revenues & Other Sources	7,781,403	8,822,788	26,754,860	17,255,867	1,437,184
Expenditures & Other Uses	7,786,514	7,871,115	18,846,511	22,857,153	3,182,489
Reversal of Revenue Recognized	(12,995,495)	-	-	-	-
Fund Equity - End of Year	$ (12,938,887)	$ (11,987,214)	$ (4,078,865)	$ (9,680,151)	$ (11,425,456)

Source: 2015-2020 Audited financial reports.
This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2022	$ 755,000	$ 173,100.00	$ 928,100.00
2023	775,000	150,450.00	925,450.00
2024	800,000	127,200.00	927,200.00
2025	825,000	103,200.00	928,200.00
2026	845,000	78,450.00	923,450.00
2027	870,000	53,100.00	923,100.00
2028	900,000	27,000.00	927,000.00
TOTALS	$ 5,770,000	$ 712,500.00	$ 6,482,500.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2018 Stream Bank Stabilization		
	Principal	Interest	Total
2022	$ 755,000	$ 173,100.00	$ 928,100.00
2023	775,000	150,450.00	925,450.00
2024	800,000	127,200.00	927,200.00
2025	825,000	103,200.00	928,200.00
2026	845,000	78,450.00	923,450.00
2027	870,000	53,100.00	923,100.00
2028	900,000	27,000.00	927,000.00
TOTALS	$ 5,770,000	$ 712,500.00	$ 6,482,500.00

COMPUTATION OF FULL VALUATION
Using State Equalization Rates

Fiscal Year Ending December 31:		2018	2019	2020	2021	2022
Assessed Valuation						
Towns of:	Blenheim	$ 119,570,792	$ 119,485,126	$ 119,935,730	$ 119,917,905	$ 123,117,127
	Broome	106,097,926	106,752,415	111,123,811	111,430,949	112,551,818
	Carlisle	127,115,215	127,366,976	127,586,570	127,425,462	127,632,323
	Cobleskill	460,471,579	460,486,137	461,610,461	463,984,997	465,336,853
	Conesville	109,147,113	109,619,422	119,352,985	119,514,778	121,389,301
	Esperance	117,291,290	122,039,248	123,370,651	123,973,187	125,289,120
	Fulton	81,092,778	80,789,263	81,195,761	80,919,119	81,537,725
	Gilboa	8,404,409	8,436,341	8,475,386	8,503,759	8,531,061
	Jefferson	88,688,570	89,102,904	89,627,323	90,037,830	90,649,068
	Middleburgh	165,374,707	165,736,978	168,831,511	172,946,970	175,691,893
	Richmondville	199,108,394	199,323,063	201,969,900	202,721,359	204,234,591
	Schoharie	249,917,570	259,425,006	262,721,704	302,381,460	305,390,298
	Seward	86,541,049	86,896,281	87,387,567	87,295,697	87,730,849
	Sharon	161,961,394	164,366,047	166,638,226	166,929,631	167,146,592
	Summit	67,646,960	67,639,494	68,063,415	68,009,515	68,857,586
	Wright	135,984,114	136,532,128	136,769,497	137,208,842	137,821,651
Total Assessed Valuation		$ 2,284,413,860	$ 2,303,996,829	$ 2,334,660,498	$ 2,383,201,460	$ 2,402,907,856
State Equalization Rates						
Towns of:						
	Blenheim	80.00%	72.29%	75.00%	74.00%	71.00%
	Broome	100.00%	100.00%	100.00%	100.00%	100.00%
	Carlisle	79.00%	76.00%	69.41%	72.00%	66.00%
	Cobleskill	76.50%	81.00%	81.00%	78.50%	72.00%
	Conesville	100.00%	99.00%	100.00%	100.00%	100.00%
	Esperance	97.00%	96.75%	95.75%	92.40%	88.00%
	Fulton	68.00%	65.00%	62.00%	62.00%	59.00%
	Gilboa	2.30%	2.26%	2.16%	2.11%	2.13%
	Jefferson	58.00%	56.00%	53.00%	53.00%	53.00%
	Middleburgh	70.00%	70.00%	67.75%	65.75%	63.15%
	Richmondville	100.00%	100.00%	100.00%	100.00%	95.00%
	Schoharie	97.00%	96.75%	95.75%	92.40%	88.00%
	Seward	79.00%	76.00%	69.41%	72.00%	66.00%
	Sharon	79.00%	76.00%	69.41%	72.00%	66.00%
	Summit	63.50%	61.00%	61.00%	61.00%	58.00%
	Wright	80.00%	78.00%	76.00%	73.00%	70.00%
Equalized Full Valuation						
Towns of:						
	Blenheim	$ 149,463,490	$ 165,285,829	$ 159,914,307	$ 162,051,223	$ 173,404,404
	Broome	106,097,926	106,752,415	111,123,811	111,430,949	112,551,818
	Carlisle	160,905,335	167,588,126	183,815,833	176,979,808	193,382,308
	Cobleskill	601,923,633	568,501,404	569,889,458	591,063,690	646,301,185
	Conesville	109,147,113	110,726,689	119,352,985	119,514,778	121,389,301
	Esperance	120,918,856	126,138,758	128,846,633	134,170,116	142,374,000
	Fulton	119,254,085	124,291,174	130,960,905	130,514,708	138,199,534
	Gilboa	365,409,087	373,289,425	392,378,981	403,021,754	400,519,296
	Jefferson	152,911,328	159,112,329	169,108,157	169,882,698	171,035,977
	Middleburgh	236,249,581	236,767,111	249,197,802	263,037,217	278,213,607
	Richmondville	199,108,394	199,323,063	201,969,900	202,721,359	214,983,780
	Schoharie	257,646,979	268,139,541	274,382,981	327,252,662	347,034,430
	Seward	109,545,632	114,337,212	125,900,543	121,244,024	132,925,529
	Sharon	205,014,423	216,271,114	240,078,124	231,846,710	253,252,412
	Summit	106,530,646	110,884,416	111,579,369	111,491,008	118,719,976
	Wright	169,980,143	175,041,190	179,959,864	187,957,318	196,888,073
Total Full Valuation		$ 3,170,106,650	$ 3,222,449,796	$ 3,348,459,654	$ 3,444,180,022	$ 3,641,175,629

APPENDIX –D

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, the County has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Note is outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes

(g) modifications to rights of Notes holders, if material

(h) Notes calls, if material and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the Notes

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the County

(m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material

(o) incurrence of a "financial obligation" (as defined in the Rule) of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect Note holders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the County does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The County may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the County determines that any such other event is material with respect to the Notes; but the County does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The County reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the County no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The County acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the County’s obligations under its material event notices undertaking and any failure by the County to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that the County agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BANK

COUNTY OF SCHOHARIE, NEW YORK

FINANCIAL REPORT

For the Year Ended December 31, 2020

Such Audited Financial Statement and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

COUNTY OF SCHOHARIE, NEW YORK

Financial Statements and Required Reports under Uniform Guidance
as of
December 31, 2020
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

CONTENTS

C O N T E N T S (Continued)

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

November 29, 2021

To the Chairman and Members of the Board of Supervisors of the
County of Schoharie:

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Schoharie, New York (County) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

6 Wembley Court
Albany, New York 12205
p (518) 464-4080
f (518) 464-4087

www.bonadio.com

(Continued)

Opinions
In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County of Schoharie, New York, as of December 31, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principle
As discussed in Note 17, during 2020 the County adopted Governmental Accounting Standards Board Statement 84 – *Fiduciary Activities.* Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules of changes in total OPEB liability and related ratios, contributions-pension plans, and proportionate share of net pension liability (asset) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Bonadio & Co., LLP

Our discussion and analysis of County of Schoharie, New York's (County) financial performance provides an overview of the County's financial activities for the year ended December 31, 2020. This document should be read in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

Schoharie County continues to make significant progress in its struggle to recover from the damage caused by Hurricane Irene on August 28, 2011. Recovery costs to replace and repair County bridges, roads and buildings as well as to replace equipment and documents, are estimated to be in the range of $90-$100 million. The County incurred approximately $98.3 million of remediation and reconstruction expenditures through December 31, 2020. At the same date the County has received $85.4 million in disaster assistance to reimburse these expenditures. Reimbursement claims for the remaining balance are pending.

The County's net position increased by $1,646,410 as a result of this year's activity, which is illustrated in the statement of activities.

The County's $75,264,549 in governmental expenses was partially funded with program revenue of $32,950,975 with the balance of $43,959,984 funded with general revenue, which is illustrated in the statement of activities.

The modified 2020 budget planned for a reduction in the general fund balance of $4.7 million; however, the County had an actual increase in general fund balance of approximately $4.0 million, which is illustrated in the statement of revenue, expenditures, encumbrances, and changes in fund equity - budget and actual - general fund. This increase was due in part to unexpected revenues, in excess of budget (i.e. sales tax) with the remainder attributed to reducing spending throughout the year (i.e. personnel and benefits).

USING THIS ANNUAL REPORT

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

REPORTING THE COUNTY AS A WHOLE

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

REPORTING THE COUNTY AS A WHOLE (Continued)

These two statements report the County's net position and changes in them. You can think of the County's net position – the difference between assets and liabilities – as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

In the statement of net position and the statement of activities, the County reports the following activities:

Governmental Activities – Substantially all of the County's basic services are reported here, including public safety, public works, economic assistance, health, parks, and general support. Property taxes, sales taxes, franchise fees, and state and federal grants finance most of these activities.

REPORTING THE COUNTY'S MOST SIGNIFICANT FUNDS

Our analysis of the County's major funds provides detailed information about the most significant funds – not the County as a whole. Certain funds are required to be established by State law. Additionally, the County board of supervisors may establish other funds to help it control and manage resources for particular purposes.

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

THE COUNTY AS TRUSTEE

The County is responsible for assets that – because of trust arrangements – can be used only for the trust beneficiaries. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE COUNTY AS A WHOLE

The beginning net position was a surplus of $20,907,084. For the year ended December 31, 2020 total net position increased $1,646,410. The analysis that follows focuses on the net position and changes in net position (Table 1) of the County's governmental activities.

Capital assets increased from $126.6 million in 2019 to $129.2 million in 2020. The increase is mostly attributable to infrastructure improvements as the County recovers from the effects of the 2011 storm.

Long-term liabilities of the County showed an increase during the year, increasing from $121.5 million in 2019 to $152.0 million in 2020. This increase is predominantly attributable to the other post-employment benefits liability and net pension liability.

In addition, other liabilities showed a decrease during the year, from $49.8 million in 2019 to $39.0 million in 2020. Most of this decrease is due to principle pay off of specific short-term debt issuances (BANs).

Table 1
Net Position (In Millions)
Rounded

	2020 Governmental Activities	2019 Governmental Activities
Current and other assets	$ 80.9	$ 89.3
Capital assets	129.2	126.6
Total assets	210.1	215.90
Deferred outflows of resources	26.9	7.7
Long-term liabilities	152.0	121.5
Other liabilities	39.0	49.8
Total liabilities	191.0	171.3
Deferred inflows of resources	23.5	31.3
Net position:		
Invested in capital assets, net of related debt	97.2	91.7
Restricted	1.3	1.3
Unrestricted	(75.9)	(72.1)
Total net position	$ 22.6	$ 20.9

THE COUNTY AS A WHOLE (Continued)

Table 2 presents Governmental revenue for 2020 and 2019 showing an overall 17.7% decrease in revenue from the prior year.

Table 2
Change in Net Position (In Millions)
Rounded

	2020 Governmental Activities	2019 Governmental Activities
Revenue:		
Program revenue:		
Charges for services	$ 6.6	$ 9.0
Operating grants	26.4	23.6
Capital grants	-	17.0
General revenue:		
Property taxes	22.6	22.3
Other taxes	20.4	20.0
Other general revenue	1.0	1.6
Total revenue	$ 76.9	$ 93.5

Table 2a presents Governmental activities showing an overall 3.10% increase in program expenses in 2020 over 2019.

Table 2a
Change in Net Position (In Millions)
Rounded

	2020 Governmental Activities	2019 Governmental Activities
Program expenses:		
General governmental support	$ 15.7	$ 14.0
Education	1.1	1.6
Public safety	12.2	9.7
Health	7.6	5.9
Transportation	8.5	16.3
Economic assistance and opportunity	22.2	21.4
Culture and recreation	0.5	0.6
Home and community services	6.5	2.5
Debt service	0.9	1.1
Total expenses	$ 75.3	$ 73.0

THE COUNTY AS A WHOLE (Continued)

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

Table 3
Governmental Activities (In Millions)

	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Economic assistance and opportunity	$ 22.2	$ 7.1	$ 21.4	$ 8.0
General governmental support	15.7	13.9	14.0	12.3
Transportation	8.5	2.2	16.3	8.7
All others	28.8	19.0	21.3	(5.4)
Totals	$ 75.3	$ 42.3	$ 73.1	$ 23.6

Table 3 overall shows that the net actual cost of all functions of the County increased by $18.7 million.

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of $24.2 million, which was $3.8 million more than last year's total of $20.5 million. The General fund is the chief operating fund of the County. As of December 31, 2020, the general fund unassigned fund balance was $25.1 million.

The County Road fund ended the year with $7.4 million of fund balance, which was $1.4 million greater than last year's fund balance.

The Capital Projects fund expended $3.2 million as the County continues to rebuild. Its $11.4 million fund deficit will be eliminated in future years as BANs are redeemed or replaced with long term debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County's original budget was increased by approximately $4.7 million during the course of the year. This increase was spread across many County functions, with Public Safety, Health, Economic Opportunity & Development, Home & Community Service, and General Government Support being the major contributors. Public Safety increased the budget by $963 thousand, mostly for Communications grant equipment. Health increased the budget by $941 thousand, mostly for COVID related expenses & Mental Health program expenses. Economic Opportunity & Development, Home & Community Service, and General Government Support increased the budget by approximately $741 thousand each. Most of these increases were for DSS & OFA personnel & program expenses, Planning grants, building improvements/maintenance, and computer & phone equipment.

Even with these adjustments, the actual charges to appropriations (expenditures) were $9.2 million less than the final budget amounts. This was spread throughout all functions.

Hurricane Irene caused physical damage from flooding to the County's capital assets. As a result, certain assets were destroyed and other assets, specifically buildings, require restoration efforts to restore their service utility. The County evaluated its capital assets in accordance with GASB 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.*

DEBT

During 2020 the County renewed BANs and issued new BANs totaling $27.09 million. $14.085 million in BANs were renewed for the stream bank stabilization project. $13 million in BANs were renewed for the Public Safety Facility project. A $7.345 million BAN was paid in full as well as a $2 million principal reduction to another BAN for the Public Safety Facility project. The County estimates approximately 95% to 97% of the flood remediation expenditures will be funded through a combination of insurance proceeds, FEMA and SEMO aid reimbursement.

It should however be noted here that the EWP Streambank Stabilization Project is not considered to be a part of the FEMA-funded, hurricane-related, flood remediation expenses. The EWP project would more correctly be labeled as a county-sponsored “streambed erosion control project” undertaken by Schoharie County on privately-owned properties, and partially funded by NRCS/USDA. Therefore, the EWP project is unlikely to receive the same level of reimbursement as the flood remediation projects. (see item #15 on page 39, ‘Flood Recovery’)

In December 2020, the County entered into an Installment Purchase Agreement for 5 Highway trucks. The $1,061,918 agreement is for a 4 year term, maturing December 2024. 5 equal payments, including the initial payment paid at signing are due each December through maturity.

The County’s long-term liabilities consist of other postemployment benefits (OPEB), pension and compensated absences. OPEB represents the County’s estimated future liability for the cost of providing benefits (primarily health insurance) to its employees upon their retirement. Compensated absences represent the estimated liability due to employees for accumulated vacation and/or sick time upon the employee’s retirement/termination. Pension liabilities represent the County’s proportionate share of unfunded NYS ERS obligations.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The County’s elected and appointed officials considered many factors when setting the fiscal year 2021 budget, such as tax rates and fees that will be charged. Highlights of the 2021 budget include:

- In the 2021 adopted budget, the tax levy decreased by .04% or $8,018 less than 2020.
- Further, overall assessed property values increased by $9.39 million or .6%.
- For the first three quarters of 2021, sales tax collections are up by $2.15 million compared to the same period in 2020.
- Retirement costs are expected to increase by $279,424 in 2021 as compared to 2020.
- On August 28, 2011, Schoharie County was struck by Hurricane Irene causing catastrophic damage to the County. As of the date of this report, it is estimated that the damages to the County’s roads, bridges and government buildings will total approximately $90-$100 million. The County anticipates that 93% of the cost of repairing this infrastructure will be reimbursable by FEMA, SEMO or recovered through insurance proceeds. This will leave approximately $8.0 million as the County’s share of the recovery costs, with the majority resulting from the building of a new Public Safety Facility and county jail that will have an approximate $7.4 million local share. Fortunately, Schoharie County has a solid unassigned fund balance. For the long term, there will be some negative impact on the tax base of the County due to residential and commercial damage resulting from the flooding, which will likely reduce property values and slightly decrease population figures.

CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County’s finances and to show the County’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Treasurer’s Office at P.O. Box 9, Schoharie, NY 12157.

COUNTY OF SCHOHARIE, NEW YORK

STATEMENT OF NET POSITION
DECEMBER 31, 2020

ASSETS	
CURRENT ASSETS:	
Cash - unrestricted	$ 38,287,304
Cash - restricted	1,263,315
Taxes receivable, net of allowance	11,973,632
Accounts receivable	2,147,187
State and federal receivables	26,581,287
Due from other governments	24,455
Due from fiduciary fund	164,421
Prepaid expenditures	473,250
Total current assets	80,914,851
NONCURRENT ASSETS:	
Capital assets, net	129,156,956
Total assets	210,071,807
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows of resources - pension	12,275,062
Deferred outflows of resources - OPEB	14,670,229
Total deferred outflows of resources	26,945,291
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	3,594,993
Bond anticipation notes	27,085,000
Current portion of long-term debt	938,567
Due to other governments	7,126,329
Compensated absences	235,182
Total current liabilities	38,980,071
LONG-TERM LIABILITIES:	
Bonds payable	6,095,627
Installment purchase debt	636,964
Compensated absences	1,577,633
Net pension liability	17,409,372
Total other postemployment benefits	126,286,496
Total long-term liabilities	152,006,092
Total liabilities	190,986,163
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflow - Unearned revenue	663,535
Deferred inflows of resources - pension	618,495
Deferred inflows of resources - OPEB	22,195,411
Total deferred inflows of resources	23,477,441
NET POSITION	
Net investment in capital assets	97,235,139
Restricted	1,263,315
Unrestricted	(75,944,960)
Total net position	$ 22,553,494

The accompanying notes are an integral part of these statements.

COUNTY OF SCHOHARIE, NEW YORK

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

		Program Revenue			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants	Capital Grants	
GOVERNMENTAL ACTIVITIES:					
General governmental support	$ 15,668,034	$ 928,974	$ 792,526	$ -	$ (13,946,534)
Education	1,099,941	-	462,462	-	(637,479)
Public safety	12,183,620	355,576	1,565,831	-	(10,262,213)
Health	7,606,374	2,821,295	3,948,045	-	(837,034)
Transportation	8,547,366	1,815,628	4,495,029	-	(2,236,709)
Economic assistance and opportunity	22,211,108	459,373	14,633,239	-	(7,118,496)
Culture and recreation	534,543	133,904	40,908	-	(359,731)
Home and community services	6,493,248	62,608	435,577	-	(5,995,063)
Debt service - interest	920,315	-	-	-	(920,315)
Total governmental activities	$ 75,264,549	$ 6,577,358	$ 26,373,617	$ -	(42,313,574)
GENERAL REVENUE:					
Real property taxes					22,572,401
Real property tax items					3,366,068
Sales and use taxes					17,018,859
Use of money and property					243,874
Sale of property and compensation for loss					758,782
Total general revenue					43,959,984
CHANGE IN NET POSITION					1,646,410
TOTAL NET POSITION - beginning of year					20,907,084
TOTAL NET POSITION - end of year					$ 22,553,494

The accompanying notes are an integral part of these statements.

COUNTY OF SCHOHARIE, NEW YORK

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	County Road	Road Machinery	Capital Projects	Debt Service	Total Governmental Funds
ASSETS:						
Cash - unrestricted	$ 20,530,414	$ 5,738,829	$ 103,681	$ 11,914,380	$ -	$ 38,287,304
Cash - restricted	680,795	582,520	-	-	-	1,263,315
Taxes receivable, net of allowance	11,973,632	-	-	-	-	11,973,632
Accounts receivable	2,017,463	16,798	112,926	-	-	2,147,187
Due from other funds	178,081	-	-	-	-	178,081
Due from other governments	8,590	15,865	-	-	-	24,455
State and federal receivables	9,379,856	1,829,017	-	15,372,414	-	26,581,287
Prepaid expenditures	402,531	70,719	-	-	-	473,250
Total assets	$ 45,171,362	$ 8,253,748	$ 216,607	$ 27,286,794	$ -	$ 80,928,511
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE:						
LIABILITIES:						
Accounts payable and accrued expenses	$ 2,576,679	$ 385,707	$ 59,315	$ 21,408	$ -	$ 3,043,109
Bond anticipation notes	-	-	-	27,085,000	-	27,085,000
Due to other funds	-	13,660	-	-	-	13,660
Due to other governments	6,879,318	247,011	-	-	-	7,126,329
Total liabilities	9,455,997	646,378	59,315	27,106,408	-	37,268,098
DEFERRED INFLOWS OF RESOURCES:						
Deferred property taxes	7,154,255	-	-	-	-	7,154,255
Deferred state and federal reimbursement	474,176	187,764	-	11,605,842	-	12,267,782
Total deferred inflows	7,628,431	187,764	-	11,605,842	-	19,422,037
FUND BALANCE:						
Nonspendable						
Prepaid expenditures	402,531	70,719	-	-	-	473,250
Restricted						
Capital reserve	50,342	-	-	-	-	50,342
Repair reserve	2,914	-	-	-	-	2,914
Other restricted fund balance	627,539	582,520	-	-	-	1,210,059
Total restricted fund balance	680,795	582,520	-	-	-	1,263,315
Assigned						
Appropriated for subsequent year's expenditures	1,650,000	-	-	-	-	1,650,000
Unappropriated fund balance	294,221	6,766,367	157,292	-	-	7,217,880
Total assigned fund balance	1,944,221	6,766,367	157,292	-	-	8,867,880
Unassigned	25,059,387	-	-	(11,425,456)	-	13,633,931
Total fund balance	28,086,934	7,419,606	157,292	(11,425,456)	-	24,238,376
Total liabilities, deferred inflows of resources and fund balance	$ 45,171,362	$ 8,253,748	$ 216,607	$ 27,286,794	$ -	$ 80,928,511

The accompanying notes are an integral part of these statements.

COUNTY OF SCHOHARIE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General	County Road	Road Machinery	Capital Projects	Debt Service	Total Governmental Funds
REVENUE:						
Real property taxes	$ 22,755,332	$ -	$ -	$ -	$ -	$ 22,755,332
Real property tax items	3,366,068	-	-	-	-	3,366,068
Sales and use taxes	17,018,859	-	-	-	-	17,018,859
Departmental income	4,529,820	-	1,052,792	-	-	5,582,612
Intergovernmental charges	127,167	320,028	15,808	-	-	463,003
Use of money and property	162,808	471	58	80,537	-	243,874
Licenses and permits	39,717	-	-	-	-	39,717
Fines and forfeitures	42,152	-	-	-	-	42,152
Sale of property and compensation for loss	519,818	177,588	61,376	-	-	758,782
Miscellaneous local sources	393,106	469	97,644	-	-	491,219
State aid	11,533,883	2,649,446	-	-	-	14,183,329
Federal aid	11,455,018	440,541	-	294,729	-	12,190,288
Total revenue	71,943,748	3,588,543	1,227,678	375,266	-	77,135,235
EXPENDITURES:						
General governmental support	9,406,075	-	-	1,928,037	-	11,334,112
Education	1,099,941	-	-	-	-	1,099,941
Public safety	7,430,807	-	-	-	-	7,430,807
Health	4,892,657	-	-	-	-	4,892,657
Transportation	1,261,717	7,901,306	931,186	1,061,918	-	11,156,127
Economic assistance and opportunity	18,171,182	-	-	-	-	18,171,182
Culture and recreation	338,094	-	-	-	-	338,094
Home and community services	5,192,692	-	-	192,534	-	5,385,226
Employee benefits	10,692,714	2,151,035	-	-	-	12,843,749
Debt service - principal	-	-	221,387	-	710,000	931,387
Debt service - interest	-	-	-	-	1,111,346	1,111,346
Total expenditures	58,485,879	10,052,341	1,152,573	3,182,489	1,821,346	74,694,628
Excess (deficiency) of revenue over expenditures	13,457,869	(6,463,798)	75,105	(2,807,223)	(1,821,346)	2,440,607
OTHER SOURCES (USES):						
Premium on debt	-	-	-	-	253,385	253,385
Proceeds from issuance of debt	-	-	-	1,061,918	-	1,061,918
Interfund transfers in	-	7,878,681	-	-	1,567,961	9,446,642
Interfund transfers (out)	(9,446,642)	-	-	-	-	(9,446,642)
Total other sources (uses)	(9,446,642)	7,878,681	-	1,061,918	1,821,346	1,315,303
NET CHANGE IN FUND BALANCE	4,011,227	1,414,883	75,105	(1,745,305)	-	3,755,910
FUND BALANCE - beginning of year	24,075,707	6,004,723	82,187	(9,680,151)	-	20,482,466
FUND BALANCE - end of year	$ 28,086,934	$ 7,419,606	$ 157,292	$ (11,425,456)	$ -	$ 24,238,376

The accompanying notes are an integral part of these statements.

COUNTY OF SCHOHARIE, NEW YORK

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Fund balance, all governmental funds	$ 24,238,376
Amounts reported for governmental activities in the Statement of Net Position are different due to the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	129,156,956
Pension related government wide activity:	
Deferred outflows of resources	12,275,062
Net pension liability	(17,409,372)
Deferred inflows of resources	(618,495)
Long-term liabilities are not due and payable in the current period and are, therefore not reported in the funds:	
Compensated absences	(1,812,815)
Installment purchase debt	(840,531)
Bonds payable	(6,830,627)
OPEB related government-wide activity:	
Total OPEB liability	(126,286,496)
Deferred outflows of resources	14,670,229
Deferred inflows of resources	(22,195,411)
Debt interest expenditures are recorded on the cash basis in the funds but on the accrual basis of accounting in the government-wide financial statements	(551,884)
Deferral of income earned in the current year is recognized as revenue under the accrual basis of accounting	7,152,660
Deferral of state and federal reimbursement in the funds was previously recognized as revenue in the government-wide financial statements	11,605,842
Net position of governmental activities	$ 22,553,494

The accompanying notes are an integral part of these statements.

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net changes in fund balance - Total governmental funds	$ 3,755,910
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position	7,555,082
Depreciation is not recorded as a expenditure in the governmental funds, but is recorded in the statement of activities	(4,952,144)
Pension expense is not recorded as an expenditure in the government funds but is recorded in the statement of activities	(3,287,296)
Compensated absences do not require the expenditure of current resources and are, therefore, are not reported as expenditures in the governmental funds	(206,611)
Bond premium is amortized in the government-wide financial statements	89,188
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position	931,387
Installment purchase debt is recorded as revenue in the governmental funds, however, it increases long-term debt in the statement of net position and does not affect the statement of activities	(1,061,918)
Accrued postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	(801,370)
Interest accrued on outstanding installment purchase agreements is not recorded as as expenditure in the governmental funds but is recorded in the statement of activities	101,843
State and federal reimbursement previously recognized as revenue in the government-wide financial statements were recognized as revenue in the fund financial statements	(294,730)
Property tax revenue is recorded to the extent it is received within 60 days of year-end for governmental funds, but in the statement of activities this revenue is recorded as earned upon levy	(182,931)
Change in net position - governmental activities	$ 1,646,410

The accompanying notes are an integral part of these statements.

COUNTY OF SCHOHARIE, NEW YORK

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2020

	Private Purpose Trust Funds	Custodial Funds	Total
ASSETS:			
Cash - restricted	$ 881	$ 1,153,500	$ 1,154,381
LIABILITIES:			
Due to other funds	$ -	$ 164,421	$ 164,421
Due to other governments	-	252,980	252,980
Other liabilities	881	305,296	306,177
Total liabilities	881	722,697	723,578
NET POSITION:			
Restricted for others	$ -	$ 430,803	$ 430,803

COUNTY OF SCHOHARIE, NEW YORK

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Private Purpose Trust Funds	Custodial Funds	Total
ADDITIONS:			
Taxes and other revenue collected for other governments	$ -	$ 3,325,102	$ 3,325,102
Amounts collected on behalf of individuals	-	1,950,863	1,950,863
Bail	-	23,651	23,651
Interest	-	146	146
Total additions	-	5,299,762	5,299,762
DEDUCTIONS:			
Payments of tax and other revenue to other governments	-	3,658,425	3,658,425
Amounts paid on behalf of individuals	-	1,577,177	1,577,177
Bail returned	-	21,801	21,801
Total deductions	-	5,257,403	5,257,403
NET INCREASE	-	42,359	42,359
NET POSITION - beginning of year, as previously reported	-	-	-
RESTATEMENT (Note 17)	-	388,444	388,444
NET POSITION - beginning of year, as restated	-	388,444	388,444
NET POSITION - end of year	$ -	$ 430,803	$ 430,803

The accompanying notes are an integral part of these statements.

1. NATURE OF OPERATIONS

County of Schoharie, New York (County) provides the following principal services: maintenance and improvement of County roads and bridges; economic assistance and opportunity; public safety and law enforcement; health and nursing services; educational and cultural assistance; public transportation service and maintenance of the environment.

Reporting Entity
The County was created on April 6, 1795 and is governed by County law and other general laws of the State of New York, as well as various local laws and ordinances. Each of the sixteen towns of the County elects a supervisor who serves as a member of the County Board of Supervisors. The Board uses a weighted voting system based on the ratio of each town's population to the total County population. The Chairman of the Board of Supervisors serves as Chief Executive Officer and the County Treasurer serves as Chief Fiscal Officer.

The decision to include a potential component unit in the County's reporting entity is based upon several criteria set forth in generally accepted accounting principles, including legal standing, fiscal dependency, financial accountability, selection of governing authority, ability to significantly influence operations, and the primary government's economic benefit from resources of the affiliated entity.

Based on the foregoing criteria, all governmental activities and functions that should be included in the County's reporting entity are included in the accompanying financial statements except for:

Soil and Water Conservation District
A board of directors, which is appointed by the County Board of Supervisors, has the direct responsibility for the operations of the soil and water conservation district. The County Board retains general oversight responsibility. Financial activity of the district is considered immaterial to the County and is not included in the financial statements.

Schoharie County Industrial Development Agency (IDA)
A board of directors, which is appointed by the County Board of Supervisors, has the direct responsibility and oversight for the operations of the IDA. The IDA operates independently of the County with no active role taken by the County in the operation of the IDA. Based on the foregoing, financial activity of the IDA is not included in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. 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 policies are described below.

The County's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities; and fund level financial statements which provide a more detailed level of information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Government-Wide Financial statements

The statement of net position and the statement of activities present financial information about the County's governmental activities. These statements include the financial activities of the government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenue includes charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial statements

The County uses funds to maintain its accounting records. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The fund statements provide information about the County's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The accounts of the County are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The fund types used by the County are as follows:

1. Governmental Funds - Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position. The following are the County's governmental fund types:

    - General Fund - The general fund is the principal fund of the County and includes all operations not required to be recorded in other funds.

    - County Road Fund – The County Road Fund is used to account for expenditures for highway purposes authorized by Section 114 of the Highway Law.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial statements (Continued)

- Road Machinery Fund – The Road Machinery Fund is used to account for the purchase, repair, maintenance, and storage of highway machinery, tools, and equipment pursuant to Section 133 of the Highway Law.

- Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital assets.

- Debt Service Fund – The Debt Service Fund is used to account for the financial resources and uses of the County's debt activities.

2. Fiduciary Funds – Fiduciary funds are used to account for assets held by the County in a fiduciary capacity on behalf of others.

   - Custodial Funds - Custodial funds are used for the purpose of accounting for money and/or property received and held in the capacity of trustee, custodian, or agent. Securities pledged by banking institutions to secure funds on deposit are not included herein because such securities are not assets of the County.

   - Private Purpose Trust Fund – The Private Purpose Trust Fund is used to account for resources provided to the County for a stipulated purpose.

Basis of Accounting and Measurement Focus
Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The County-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources focus means all assets and all liabilities associated with the operation (whether current or non-current) of the County are included in the statement of net position and the statement of activities presents increases (revenues) and decreases (expenses) in total assets. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Non-exchange transactions in which the County gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are included in the balance sheet. Under the modified accrual basis of accounting, revenue is recorded when it is susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or soon enough thereafter (within 60 days of year-end) to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, pension contributions, and compensated absences, are recorded when the liability is incurred, if measurable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting and Measurement Focus (Continued)
In applying the susceptible-to-accrual concept to state and federal aid, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of this revenue. In one, monies must be expended on the specific purpose or project before any amounts are recorded as revenue by the County; therefore, revenue is recognized based upon the expenditures recorded. In the other, monies are substantially unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are generally reflected as revenue at the time of receipt.

Sales taxes collected and held by the state at year-end on behalf of the County are also recognized as revenue.

General Budget Policies
The County employs the following budgetary procedures:

- No later than October 15, the Budget Officer submits a tentative budget to the Board of Supervisors for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for the following funds: general fund, county road fund, and road machinery fund.

- After public hearings are conducted to obtain taxpayers' comments, but no later than December 20, the Board of Supervisors adopts the budget.

- All modifications to the adopted budget must be approved by the Board of Supervisors.

- Budgetary controls are established for the capital projects fund through resolutions authorizing individual projects that remain in effect for the life of the project.

Encumbrances
Encumbrance accounting, under which purchase orders, contracts, and commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as reservations of fund balance because they do not constitute current year expenditures, but will be honored through budget appropriations in the subsequent year.

Budgetary Basis of Accounting
Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

The budget and actual comparison for special revenue funds included in the statement of revenue and expenditures – budget and actual - reflects budgeted and actual amounts for funds with legally authorized (appropriated) budgets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget Basis of Accounting (Continued)
The general fund budget has been amended by approval of the Board of Supervisors as follows during 2020:

	General
Original budget	$ 73,198,333
Appropriation adjustments	4,199,418
Amended budget	$ 77,397,751

Use of Estimates
The preparation of 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets
Capital assets are reported at actual cost for acquisitions subsequent to January 1, 2003. For assets acquired prior to January 1, 2003, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts) is $12,000. Depreciation methods, and estimated useful lives of capital assets reported in the County-wide statements are as follows:

	Depreciation Method	Estimated Useful Life
Land	N/A	N/A
Land improvements	Straight-line	30
Buildings and improvements	Straight-line	30-50
Infrastructure	Straight-line	15-75
Construction in progress	N/A	N/A
Machinery and equipment	Straight-line	5-20

Interfund Receivables/Payables
In the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as due to/from other funds. Interfund balances within governmental activities are eliminated in the government-wide financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenditures

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the fund and government-wide financial statements. The consumption method is used to account for these costs.

Unearned Revenue

The County reports unearned revenue in its basic financial statements. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenue also arises when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the County has legal claim to resources, the liability for deferred revenue is removed and revenue is recognized.

Equity Classifications – Government Wide statements

Equity is classified as net assets and displayed in three components:

a) Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b) Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations for other governments; or (2) law through constitutional provisions or enabling legislation.

c) Unrestricted net position – consists of all other net position that does not meet the definition of restricted or invested in capital assets.

The County's policy is to use restricted resources prior to utilizing unrestricted funds.

Equity Classifications – Governmental Fund statements

In the fund basis statements, there are five classifications of fund balance:

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the prepaid expenditures recorded in the General fund.

Restricted fund balance – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Equity Classifications – Governmental Fund statements (Continued)
Restricted fund balance consists of the following at December 31, 2020:

General Fund:	
Solid Waste/Recycle	$ 399,998
Stop DWI	104,131
Capital	50,342
Medicaid	219
District attorney seized asset funds	11,651
Crime forfeiture	11,032
Repairs	2,914
OMH Programs	40,094
Medical reserve corps	22,217
Other	38,197
Total General Fund	680,795
County Road Fund	582,520
Total Restricted Fund Balance	$ 1,263,315

Assigned fund balance – Includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances are classified as assigned fund balance. As of December 31, 2020, the County's encumbrances were classified as follows:

Assigned - unappropriated fund balance:	General
General support	$ 123,435
Public safety	44,048
Health	104,320
Transportation	128
Economic assistance and opportunity	4,286
Culture and recreation	16,754
Home and community services	1,250
Total encumbrances	$ 294,221

Unassigned fund balance - Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the County.

Order of Fund Balance Spending Policy
The County's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes
County property taxes are levied annually no later than December 31st and become a lien on January 1. Accordingly, property tax is recognized as revenue in the year for which the levy is made, and to the extent that such taxes are received within the reporting period of 60 days thereafter. Delinquent property taxes not collected at year-end (excluding collections in the 60-day subsequent period) are included in deferred revenue.

Compensated Absences
The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the governmental funds inasmuch as it will be funded from current financial resources and the statement of net position for amounts to be paid from future financial resources.

Other Postemployment Benefits
In addition to providing the retirement benefits described, the County provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the County and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the County. The County pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance.

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND COUNTY-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the County-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the statement of activities, compared with the current financial resources focus of the governmental funds.

Total Fund Balance of Governmental Fund vs. Net Position of Governmental Activities
Total fund balance of the County's governmental funds differs from net position of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities
Differences between the governmental funds statement of Revenue, Expenditures, and Changes in Fund Balance and the statement of activities fall into one of three broad categories. These categories are:

- **Long Term Revenue Differences**
  Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND COUNTY-WIDE STATEMENTS (Continued)

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities (Continued)

- **Capital Related Differences**
  Capital related differences include the difference between proceeds from the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

- **Long-Term Debt Transaction Differences**
  Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

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

4. CASH

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. Generally accepted accounting principles direct that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance.

Restricted Cash

General Fund:	
Solid Waste/Recycle	$ 399,998
Stop DWI	104,131
Capital	50,342
Medicaid	219
District attorney seized asset funds	11,651
Crime forfeiture	11,032
Repairs	2,914
OMH Programs	40,094
Medical reserve corps	22,217
Other	38,197
Total General Fund	680,795
County Road Fund	582,520
Total Restricted Fund Balance	$ 1,263,315

4. CASH (Continued)

As of December 31, 2020, all of the County's cash and investment balances were either insured or collateralized with securities held by the pledging financial institution's trust department in the County's name:

	Bank Balance	Carrying Amount
Cash, including fiduciary funds	$ 41,446,137	$ 40,705,000
Collateralized with securities held by pledging the financial institution's trust department or agent in the County's name	40,140,441	
Covered by FDIC insurance	1,305,696	
Total	$ 41,446,137	

5. TAXES

Property Taxes

County real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes are collected from January 1 until four years later when the redemption period expires and foreclosure procedures begin. Taxes for County purposes are levied together with taxes for towns and special purpose districts as a single bill.

The towns and special purpose districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all uncollected taxes levied in the towns.

Unpaid village taxes and school district taxes are turned over to the County for collection. Any such taxes remaining unpaid at year-end are re-levied as County taxes in the subsequent year.

At December 31, 2020, the total real property taxes receivable are $11,973,632 net of an allowance for uncollectible taxes of $538,372. Current year returned village and school taxes of $4,180,539 are offset by liabilities to the villages and school districts which were paid prior to April 1, 2021. The remaining portion of tax assets is offset by deferred tax revenue of $7,152,660, which represents an estimate of the County tax liens which will not be collected within the first 60 days of the subsequent year.

Sales Tax

The County enacted a 4% tax on sales and uses of tangible personal properties, on certain services and occupancy of hotel rooms, admission charges, and club dues pursuant to Article 29 of the Tax Law of the State of New York. All sales tax collections distributed to the County by the State Tax Commission are retained by the County for County purposes, with the exception of 5% of the total collected, which the County distributes to the towns and villages within the County based upon total assessed value.

6. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance at January 1, 2020	Additions	Deletions	Balance at December 31, 2020
Governmental Activities				
Capital assets that are not depreciated:				
Land	$ 1,158,535	$ -	$ -	$ 1,158,535
Construction in progress	59,202,441	7,567,335	7,892,420	58,877,356
Total nondepreciable	60,360,976	7,567,335	7,892,420	60,035,891
Capital assets that are depreciated:				
Land improvements	4,183,041	323,044	-	4,506,085
Buildings and improvements	29,237,431	-	-	29,237,431
Infrastructure	100,785,076	5,939,059	-	106,724,135
Machinery and equipment	21,651,411	1,630,317	928,304	22,353,424
Total depreciable assets	155,856,959	7,892,420	928,304	162,821,075
Less: Accumulated depreciation				
Land improvements	1,296,296	132,091	-	1,428,387
Buildings and improvements	11,721,320	546,496	-	12,267,816
Infrastructure	63,650,477	2,766,137	-	66,416,614
Machinery and equipment	12,995,824	1,507,420	916,051	13,587,193
Total accumulated depreciation	89,663,917	4,952,144	916,051	93,700,010
Total capital assets, net	$ 126,554,018	$ 10,507,611	$ 7,904,673	$ 129,156,956

A summary of changes in capital assets follows:

Depreciation expense is allocated to specific functions as follows:

General support	$ 778,297
Public safety	501,574
Health	81,448
Transportation	3,459,645
Economic assistance and opportunity	67,339
Culture and recreation	3,757
Home and community service	60,084
Total	$ 4,952,144

7. BOND ANTICIPATION NOTES

Liabilities for bond anticipation notes (BANs) are generally accounted for in the capital projects funds. Principal payments on BANs must be made annually. Debt service expenditures are recorded in the fund that benefited from the project financed by the note; e.g. the general or special revenue funds.

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 issued for assessable improvement projects may be renewed for period's equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.
The following BANs were outstanding at December 31, 2020:

	Year of original issue	Maturity Date	Rate of interest	Beginning Balance	Issued	Redeemed	Ending Balance
Various Projects	2019	2020	2.00%	$ 7,345,000	$ -	$ 7,345,000	$ -
Various Projects	2019	2020	3.00%	14,415,000	-	14,415,000	-
Various Projects	2019	2020	2.50%	15,000,000	-	15,000,000	-
Various Projects	2020	2021	1.50%	-	13,000,000	-	13,000,000
Various Projects	2020	2021	2.50%	-	14,085,000	-	14,085,000
				$ 36,760,000	$ 27,085,000	$ 36,760,000	$ 27,085,000

8. LONG-TERM DEBT

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

	Balance at January 1, 2020	Increase	Decrease	Balance at December 31, 2020	Current Portion
Governmental activities:					
Installment debt	$ -	$ 1,061,918	$ 221,387	$ 840,531	$ 203,567
Compensated absences	1,606,204	206,611	-	1,812,815	235,182
Serial Bonds	7,215,000	-	710,000	6,505,000	735,000
Unamortized premium on obligations	414,815	-	89,188	325,627	-
Total long-term debt	$ 9,236,019	$ 1,268,529	$ 1,020,575	$ 9,483,973	$ 1,173,749

The County's long-term debt is composed of the following:

	Issued	Maturity	Balance at December 31, 2020	Interest Rate
Serial Bond	11/18	11/28	$ 6,505,000	3.00%
Installment Debt - Road Machinery Fund	12/20	12/24	840,531	2.12%
Total long-term debt			$ 7,345,531	

8. LONG-TERM DEBT (Continued)

The following is a summary of the maturity of bonds payable:

	Principal	Interest	Total
2021	$ 735,000	$ 195,150	$ 930,150
2022	755,000	173,100	928,100
2023	775,000	150,450	925,450
2024	800,000	127,200	927,200
2025	825,000	103,200	928,200
2026-2028	2,615,000	158,550	2,773,550
Total	$ 6,505,000	$ 907,650	$ 7,412,650

The following is a summary of the maturity of installment purchase debt:

Year Ending December 31,	Principal	Interest	Total
2021	$ 203,567	$ 17,819	$ 221,386
2022	207,883	13,504	221,387
2023	212,290	9,097	221,387
2024	216,791	4,596	221,387
Total	$ 840,531	$ 45,016	$ 885,547

Interest for the year was composed of:

Interest paid	$ 1,111,346
Accrued interest, beginning of year	(653,727)
Bond premium	(89,188)
Accrued interest, end of year	551,884
Total interest expense	$ 920,315

9. INTERFUND TRANSACTIONS

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

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

	Interfund Receivables	Interfund Payables
General fund	$ 178,081	$ -
County road fund	-	13,660
Custodial fund	-	164,421
Total	$ 178,081	$ 178,081

Interfund balances are used:

- To move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget to expend them primarily;
- To move expenditures from chargeable funds to a single fund for disbursement, and;
- To compensate for the time lag between the dates that interfund goods and services are provided or reimbursable and the payments are actually made between the funds.

Interfund transfers throughout the year ended December 31, 2020, were as follows:

	Operating Transfers In	Operating Transfers Out
General fund	$ -	$ 9,446,642
Debt service fund	1,567,961	-
County road fund	7,878,681	-
Total	$ 9,446,642	$ 9,446,642

Interfund Transfers are used:

- To move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and
- To fund capital projects from operating funds.

10. PENSION PLAN

Plan Description
The County participates in the New York State and Local Employees' Retirement System (ERS). ERS is a cost-sharing, multiple-employer, public employee retirement system. The system offers a wide range of plans and benefits that are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

The NYS ERS provides retirement benefits, as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the system. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the system and for the custody and control of its funds. The system issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

Funding Policies
The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, employees in ERS contribute 3% of their salary throughout their active membership For employees who joined after April 1, 2012, employees in ERS contribute 3% of their salary until April 1, 2013 and then contribute 3% to 6% of their salary throughout their active membership.

The County is required to contribute at an actuarially determined rate. The contributions for the current year and two preceding years were:

	ERS
2020	$ 2,495,061
2019	$ 2,435,245
2018	$ 2,414,514

The County contribution made to the system was equal to 100 percent of the contribution required for each year.

Since 1989, the System's billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis.

10. PENSION PLAN (Continued)

Chapter 49 of the Laws of 2003 of the State of New York was enacted which made the following changes to the System**:**

- Requires minimum contributions by County of 4.5% of payroll every year, including years in which the investment performance would make a lower contribution possible.

- Changes the cycle of annual billing such that the contribution for a given year will be based on the value of the pension fund on the prior April 1 (e.g. billings due February 2013 would be based on the pension value as of March 31, 2012).

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At December 31, 2020, the County reported a liability of $17,409,372 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2019. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2020, the County's proportion was .065744%, which was an increase of .000986% from its proportion measured December 31, 2019.

For the year ended December 31, 2020, the County recognized pension expense of $5,767,403. At December 31, 2020, 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
Differences between expected and actual experience	$ 1,024,612	$ -
Changes of Assumptions	350,542	302,687
Net difference between projected and actual earnings on pension plan investments	8,924,890	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	103,722	315,808
Contribution after measurement date	1,871,296	-
Total	$ 12,275,062	$ 618,495

A total of $1,871,296 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ending March 31,	2021	$ 1,572,521
	2022	2,432,202
	2023	3,201,088
	2024	2,579,460
	2025	-
	Thereafter	-
		$ 9,785,271

10. **PENSION PLAN** (Continued)

Actuarial Assumptions

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

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary scale	4.2% indexed by service
Projected COLAs	1.3% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014
Investment Rate of Return	6.8% compounded annually, net of investment expenses

Long-term Expected Rate of Return

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

Asset Type	Target Allocations in %	Long Term Expected Real Rate of Return
Domestic Equity	36%	4.05%
International Equity	14%	6.15%
Private Equity	10%	6.75%
Real Estate	10%	4.95%
Absolute Return Strategies	2%	3.25%
Opportunistic Portfolio	3%	4.65%
Real Assets	3%	5.95%
Bonds & Mortgages	17%	0.75%
Cash	1%	0.00%
Inflation-Indexed Bonds	4%	0.50%
	100%	

10. **PENSION PLAN** (Continued)

Discount Rate

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

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

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.8%) or 1% higher (7.8%) than the current rate:

	1 % Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Proportionate Share of Net Pension liability	$ 31,951,112	$ 17,409,372	$ 4,016,367

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2020, were as follows:

Total pension liability	$ 194,596,261
Net position	(168,115,682)
Net pension liability (asset)	$ 26,480,579
Fiduciary net position as a percentage of total pension liability	86.39%

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The County provides certain other postemployment benefits (predominately health insurance) for retired employees of the County. The County administers its Other Postemployment Benefits Plan (the OPEB Plan) as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB).

In general, the County provides health insurance coverage for retired employees and their survivors. Substantially all the County's employees may become eligible for this benefit if they retire with 10 years of continuous service to the County.

The OPEB Plan can be amended by action of the County subject to applicable collective bargaining and employment agreements. The OPEB Plan does not issue a stand-alone financial report because there are no assets accumulated for the sole purpose of paying benefits under the plan that meet the criteria of GASB statement No. 75, paragraph 4.

Funding Policy

The obligations of the OPEB Plan are established by action of the County pursuant to applicable collective bargaining and employment agreements. The required premium contribution rates of retirees range from 0% to 15%, depending on current employment contract. The County will pay its portion of the premium for the retiree and spouse for the lifetime of the retiree. The costs of administering the OPEB Plan are paid by the County. The County currently contributes enough money to the OPEB Plan to satisfy current obligations on a pay-as-you-go basis to cover annual premiums

Benefits Provided

The County provides healthcare benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the County offices and are available upon request.

Employees Covered by Benefit Terms

At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	366
Inactive employees or beneficiaries entitled to but no yet receiving benefits	-
Active employees	380
Total participants	746

Total OPEB Liability

The County's total OPEB liability of $126,286,496 was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2020.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20%
Payroll Growth	3.00%
Discount Rate	2.74%
Healthcare Cost Trend Rates	NYSHIP Pre-Medicare - 6.6% for 2020 decreasing to 3.7% in 2080 NYSHIP Medicare - 5.1% for 2020 decreasing to 3.7% in 2080 CDPHP Pre-Medicare - 4.0% for 2020 decreasing to 3.7% in 2080 Medicare Part B - 3.7% for 2020 decreasing to 3.7% in 2080
Share of Benefit-Related Costs	The County's contribution varies based on bargaining unit and insurance selected. Surviving spouses may continue coverage but must contribute the full premium. Retirees, spouses of retirees, and surviving spouses are all eligible for Medicare Part B reimbursement.

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index*.

Mortality rates were based on the Scale MP-2019 Employee/Healthy Annuitant Sex Distinct Mortality Tables.

Changes in the Total OPEB Liability

Balance at December 31, 2019	$108,585,643
Changes for the Year	
Service cost	4,627,943
Interest	4,559,914
Changes of benefit terms	893,016
Changes in assumptions or other inputs	11,652,834
Differences between expected and actual experience	-
Benefit payments	(4,032,854)
Net changes	17,700,853
Balance at December 31, 2020	$126,286,496

Changes of assumptions and other inputs reflect a change in the discount rate from 4.10% in 2019 to 2.74% in 2020; and the mortality scale was changed from MP-2018 to MP-2019.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (1.74%)	Current Discount (2.74%)	1% Increase (3.74%)
Total OPEB Liability	$ 148,345,521	$ 126,286,496	$ 108,717,517

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease	Healthcare Current Trent Rate	1% Increase
Total OPEB Liability	$ 106,830,859	$ 126,286,496	$ 151,413,362

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

For the year ended December 31, 2020, the County recognized OPEB expense of $5,104,635. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 9,868,326	$ 22,195,411
Differences between expected and actual experience	756,260	-
Benefit payments subsequent to measurement date	4,045,643	-
Total	$ 14,670,229	$ 22,195,411

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31:	Amount
2021	$ (4,083,222)
2022	(4,083,222)
2023	(4,083,222)
2024	(2,260,689)
2025	1,921,264
Thereafter	1,018,266
	$ (11,570,825)

12. RISK RETENTION

The County is exposed to various risks of loss related to taxes, theft of, damage to, and destruction of assets, injuries to employees, errors and omissions, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded coverage in the past.

The County does not purchase insurance for the risk of loss for unemployment claims. Instead, the County manages its risks for these claims internally and pays the claims as they are submitted.

Claims are recognized as expenditures as the liability is incurred and the amount of loss can be reasonably estimated. There were no claims liabilities outstanding as of December 31, 2020. Total expenditures for unemployment claims were $190,304 for the year ended December 31, 2020.

13. JOINTLY GOVERNED ORGANIZATION

The counties of Montgomery, Otsego, and Schoharie jointly govern the Montgomery-Otsego-Schoharie Solid Waste Management Authority (MOSA). MOSA is a public benefit corporation established pursuant to Section 2041 of the Public Authorities Law of the State of New York, as amended. County of Schoharie has entered into a twenty-five-year service agreement with MOSA. Significant provisions of the agreement are as follows:

On May 1, 2014 the ownership of all facilities owned by MOSA was transferred to the County in which the facility is located with all operational functions becoming the responsibility of the individual counties. Schoharie County became responsible for the Schoharie Transfer Station located in Cobleskill, NY. Additionally, the County will be responsible for 18% of the post closure expenses associated with the three closed landfills.

14. CONTINGENCIES

Litigation

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the County if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, such potential modifications would not materially affect the financial position of the County.

The County has been named as defendant in certain actions, a review of which indicated that all are either fully covered by insurance or not substantial enough to materially affect the financial position of the County.

Other Contingencies

The County participates in various state and federal grant programs that are subject to program compliance audits by the grantors or their representatives. The audits of these programs are an on-going process and many have not yet been conducted or completed. Accordingly, the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County anticipates such amounts, if any, to be immaterial.

Tobacco Settlement

In 1998, the State of New York estimated it would receive approximately $25 billion over the next 25 years as a result of a comprehensive settlement among 46 states and U.S. territories and all the major tobacco companies. The settlement represents reimbursement to the State for medical costs incurred, primarily paid by Medicaid, from treating smoking-related illnesses. Since the counties of the State and New York City pay a share of Medicaid costs, the State has apportioned approximately half the settlement funds to these localities. In 2020, the County received a $445,312 settlement which is reported in the general fund as sale of property and compensation for loss.

15. FLOOD RECOVERY

The County has been involved in a stream bank stabilization project since 2012 which is now expected to cost approximately $30 million. NRCS/USDA, the major source of federal reimbursement funding, has claimed that there are serious defects in the design, construction and overall management of this project. NRCS has halted all reimbursements pending corrective action being taken. It is currently estimated that the County's local share could range anywhere from $8 million to $25 million which will have a material and significant detrimental effect on county finances.

The new Public Safety Facility is completed and the inmates returned in 2020. The local share should be approximately between $6.3 million to $7.4 million above the FEMA approved cap of $36.5 million.

16. TAX ABATEMENTS

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law.

Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas other pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

The County has 4 real property tax abatement agreements that are entered into by either the Schoharie County Industrial Development Agency (IDA) or Towns within the County. These agreements provide for abatement of real property taxes in exchange for payment in lieu of taxes (PILOT) or a reduction in the assessed value of the real property.

These tax abatements are granted in accordance with various activities such as new affordable housing construction, purchase of an existing facility, or the improvement or expansion of an existing facility in order to increase economic development activity within the County. There are also policies for recapture of PILOTS should the applicant not meet certain criteria.

The following is the agreement and amount of real property tax that has been abated for the year ended December 31, 2020:

Agreement	Purpose	Assessment	Tax Rate	Tax Value	Payment per Agreement	Amount of Tax Abated
Schoharie County IDA	Economic Development	$195,170,943	Various	$ 2,554,807	$ 1,379,903	$ 1,174,904

The County has a real property tax abatement agreement with the housing and development company organized pursuant to Article V or Article XI of the Private Housing Finance Law of the State of New York (PHFL) for the purpose of creating or preserving affordable housing in the County.

The following is the agreement and amount of real property tax that has been abated for the year ended December 31, 2020:

Agreement	Purpose	Assessment	Tax Rate	Tax Value	Payment per Agreement	Amount of Tax Abated
Village of Cobleskill & Town	Affordable Housing	$ 972,000	$ 11.936468	$ 11,602	$ 6,785	$ 4,817

16. TAX ABATEMENTS (Continued)

The following is the agreement and amount of real property tax that has been abated for the year ended December 31, 2020:

Agreement	Purpose	Assessment	Tax Rate	Tax Value	Payment per Agreement	Amount of Tax Abated
Town of Sharon & Sharon Springs School District	Solar Energy	$ 3,000,000	$ 13.971309	$ 41,914	$ 13,313	$ 28,601

The following is the agreement and amount of real property tax that has been abated for the year ended December 31, 2020:

Agreement	Purpose	Assessment	Tax Rate	Tax Value	Payment per Agreement	Amount of Tax Abated
Village of Richmondville & Cobleskill-Richmondville School District	Affordable Housing	$ 2,360,000	$ 9.721322	$ 22,942	$ 6,263	$ 16,679

17. CHANGE IN ACCOUNTING PRINCIPLE

The County adopted GASB Statement No. 84, Fiduciary Activities, during the year ended December 31, 2020. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

17. CHANGE IN ACCOUNTING PRINCIPLE (Continued)

This Statement clarified the criteria for reporting certain activities as governmental or fiduciary activities. As a result, beginning cash, liabilities, fund balance, and net position were adjusted as noted below for the following opinion units:

	Agency Fund	
	Cash	Other Liabilities
Balance at December 31, 2019, as previously reported	$ 1,009,260	$ 1,009,260
Restatement of beginning balance - Adoption of GASB Statement No. 84	(1,009,260)	(1,009,260)
Balance at January 1, 2020, as restated	$ -	$ -

	General Fund	
	Cash	Other Liabilities
Balance at December 31, 2019, as previously reported	$ 20,320,816	$ 2,253,732
Restatement of beginning balance - Adoption of GASB Statement No. 84	164,421	164,421
Balance at January 1, 2020, as restated	$ 20,485,237	$ 2,418,153

	Governmental Activities		
	Cash	Other Liabilities	Net Position
Balance at December 31, 2019, as previously reported	$ 45,779,837	$ 4,787,585	$ 20,907,084
Restatement of beginning balance - Adoption of GASB Statement No. 84	164,421	164,421	-
Balance at January 1, 2020, as restated	$ 45,944,258	$ 4,952,006	$ 20,907,084

	Custodial Funds		
	Cash	Other Liabilities	Net Position
Balance at December 31, 2019, as previously reported	$ -	$ -	$ -
Restatement of beginning balance - Adoption of GASB Statement No. 84	388,444	-	388,444
Balance at January 1, 2020, as restated	$ 388,444	$ -	$ 388,444

18. COVID-19 PANDEMIC

As of the date of this report, the United States continues to be affected by a national health emergency related to a virus, commonly known as novel coronavirus (COVID-19). During 2020, the NYS Governor put the economy "on pause" in an effort to combat the spread of COVID. As a result, many businesses were closed, or their operations were severely curtailed. The County acted proactively as well in an effort to protect its employees as well as the County residents.

In response to the economic impact the COVID pandemic has caused, the United States government passed several stimulus bills (CARES, CRSSA and ARPA) in an effort to provide relief to businesses, families and governments that have been devastated by the closure of large segments of the economy.

The American Rescue Plan Act (ARPA) was passed by Congress in March 2021 and provided a total of $1.9 trillion stimulus funding. The County of Schoharie was allocated $6,021,192 in ARPA funds. These funds are to be passed to the County through NYS in two equal installments in 2021 and 2022. The County has until December 31, 2024 to spend this money. The money may only be spent on eligible items per the ARPA.

19. SUBSEQUENT EVENTS

Subsequent to year end the County issued the following debt:

- Bond anticipation note - $13,740,000; 2.00% interest, issued February 4, 2021; due February 4, 2022.

- Bond anticipation note - $12,000,000; 1.50% interest, issued June 17, 2021; due June 17, 2022.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

COUNTY OF SCHOHARIE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:				
Real property taxes	$ 22,606,005	$ 22,606,005	$ 22,755,332	$ 149,327
Real property tax items	3,289,930	3,289,930	3,366,068	76,138
Non property tax items	16,235,000	16,235,000	17,018,859	783,859
Departmental income	4,431,680	4,455,239	4,529,820	74,581
Intergovernmental charges	104,190	119,541	127,167	7,626
Use of money and property	311,100	311,100	162,808	(148,292)
Licenses and permits	46,000	46,000	39,717	(6,283)
Fines and forfeitures	56,200	56,200	42,152	(14,048)
Sale of property and compensation for loss	394,000	394,000	519,818	125,818
Miscellaneous local sources	577,659	600,749	393,106	(207,643)
State aid	11,726,492	12,426,876	11,533,883	(892,993)
Federal aid	10,685,077	12,124,602	11,455,018	(669,584)
Total revenue	70,463,333	72,665,242	71,943,748	(721,494)
EXPENDITURES:				
General government support	10,661,969	11,396,683	9,406,075	1,990,608
Education	1,795,000	1,795,000	1,099,941	695,059
Public safety	8,427,072	9,395,434	7,430,807	1,964,627
Health	5,058,322	5,999,724	4,892,657	1,107,067
Transportation	1,394,504	1,821,288	1,261,717	559,571
Economic assistance and opportunity	19,161,964	19,916,626	18,171,182	1,745,444
Culture and recreation	515,809	518,407	338,094	180,313
Home and community services	4,472,865	5,213,611	5,192,692	20,919
Employee benefits	11,510,800	11,640,950	10,692,714	948,236
Total expenditures and encumbrances	62,998,305	67,697,723	58,485,879	9,211,844
Excess of revenue over expenditures	7,465,028	4,967,519	13,457,869	8,490,350
OTHER SOURCES (USES):				
Interfund transfers (out)	10,200,028	9,700,028	9,446,642	253,386
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,735,000)	(4,732,509)	4,011,227	8,743,736
FUND BALANCE - beginning of year	24,075,707	24,075,707	24,075,707	-
FUND BALANCE - end of year	$ 21,340,707	$ 19,343,198	$ 28,086,934	$ 8,743,736

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COUNTY ROAD AND ROAD MACHINERY FUNDS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

	County Road				Road Machinery			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
REVENUE AND OTHER SOURCES								
Revenue:								
Intergovernmental charges	$ 523,000	$ 523,954	$ 320,028	$ (203,926)	$ 19,000	$ 19,000	$ 15,808	$ (3,192)
Use of money and property	100	100	471	371	50	50	58	8
Fines and forfeitures	500	500	-	(500)	-	-	-	-
Sale of property and compensation for loss	166,000	166,000	177,588	11,588	6,000	55,926	61,376	5,450
Miscellaneous local sources	-	-	469	469	75,000	75,000	97,644	22,644
State aid	5,908,438	6,171,975	2,649,446	(3,522,529)	-	-	-	-
Federal aid	-	224,800	440,541	215,741	-	-	-	-
Other departmental income	-	-	-	-	919,007	1,167,541	1,052,792	(114,749)
Total revenue	6,598,038	7,087,329	3,588,543	(3,498,786)	1,019,057	1,317,517	1,227,678	(89,839)
EXPENDITURES AND OTHER USES								
Expenditures:								
Transportation	12,612,539	12,741,325	7,901,306	4,840,019	1,019,057	1,144,745	931,186	213,559
Employee benefits	2,514,180	2,581,680	2,151,035	430,645	-	-	-	-
Debt service	-	-	-	-	-	221,387	221,387	-
Total expenditures	15,126,719	15,323,005	10,052,341	5,270,664	1,019,057	1,366,132	1,152,573	213,559
Excess (deficiency) of revenue over expenditures	(8,528,681)	(8,235,676)	(6,463,798)	1,771,878	-	(48,615)	75,105	123,720
OTHER SOURCES (USES):								
Interfund transfers in	8,378,681	7,878,681	7,878,681	-	-	-	-	-
Total other sources (uses)	8,378,681	7,878,681	7,878,681	-	-	-	-	-
REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(150,000)	(356,995)	1,414,883	1,771,878	-	(48,615)	75,105	123,720
FUND BALANCE - beginning of year	6,004,723	6,004,723	6,004,723	-	82,187	82,187	82,187	-
FUND BALANCE - end of year	$ 5,854,723	$ 5,647,728	$ 7,419,606	$ 1,771,878	$ 82,187	$ 33,572	$ 157,292	$ 123,720

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB Liability										
Service cost	$ 4,627,943	$ 4,908,568	$ 5,998,566							
Interest	4,559,914	4,132,555	5,279,768							
Changes of benefit terms	893,016	(1,734,117)	-							
Differences between expected and actual experience	-	-	-							
Changes in assumptions or other inputs	11,652,834	(12,056,348)	(26,033,655)							
Benefit payments	(4,032,854)	(3,746,003)	(3,650,777)							
Total change in total OPEB liability	17,700,853	(8,495,345)	(18,406,098)							
Total OPEB liability - beginning	108,585,643	117,080,988	135,487,086							
Total OPEB liability - ending	$ 126,286,496	$ 108,585,643	$ 117,080,988							
Covered-employee payroll	N/A	N/A	N/A							
Total OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A							

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

	2020	2019	2018
Discount rate	2.74%	4.10%	3.44%

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:
- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion of the net pension liability (asset)	0.065744%	0.064758%	0.063083%	0.066948%	0.068079%	0.070343%				
Proportionate share of the net pension liability (asset)	$ 17,409	$ 4,588	$ 2,036	$ 6,291	$ 10,927	$ 2,376				
Covered-employee payroll	$ 17,577	$ 17,091	$ 16,590	$ 16,087	$ 16,384	$ 15,719				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	99.04%	26.84%	12.27%	39.11%	66.69%	15.12%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.4%	98.2%	98.2%	94.7%	90.7%	97.9%				

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	$ 2,495	$ 2,435	$ 2,415	$ 2,430	$ 2,539	$ 2,826	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.			
Contributions in relation to the contractually required contribution	2,495	2,435	2,415	2,430	2,539	2,826				
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -				
Covered-employee payroll	$ 17,577	$ 17,091	$ 16,590	$ 16,087	$ 16,384	$ 15,719				
Contributions as a percentage of covered-employee payroll	14.19%	14.25%	14.55%	15.10%	15.50%	17.98%				

REQUIRED REPORTS UNDER UNIFORM GUIDANCE

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S 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*

November 29, 2021

To the Chairman and Members of the Board of Supervisors of the
County of Schoharie:

We have audited, in accordance with the 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, each major fund and the aggregate remaining fund information of County of Schoharie, New York (County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 29, 2021.

Internal Control Over Financial Reporting

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

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

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

6 Wembley Court
Albany, New York 12205
p (518) 464-4080
f (518) 464-4087

www.bonadio.com

(Continued)

INDEPENDENT AUDITOR'S 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*
(Continued)

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bonadio & Co., LLP

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

November 29, 2021

To the Chairman and Members of the Board of Supervisors of the
County of Schoharie:

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

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

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

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

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

(Continued)

6 Wembley Court
Albany, New York 12205
p (518) 464-4080
f (518) 464-4087

www.bonadio.com

ALBANY • BATAVIA • BUFFALO • DALLAS • EAST AURORA • NY METRO AREA • ROCHESTER • RUTLAND • SYRACUSE • UTICA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

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

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

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

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

Bonadio & Co., LLP

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through/ Contract Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed through State Office of Children and Family Services:			
Temporary Aid For Needy Families (TANF) Cluster	93.558	N/A	$ 2,202,681
Foster Care (Title IV-E)	93.658	N/A	856,202
Adoption Assistance	93.659	N/A	8,280
Social Services Block Grant	93.667	N/A	384,113
Passed through State Office of Temporary and Disability Assistance:			
Low Income Home Energy Assistance	93.568	N/A	2,290,905
Child Support Enforcement (Title IV-D)	93.563	N/A	287,122
Medical Assistance Program (Medicaid, Title XIX) Cluster	93.778	N/A	1,048,405
Passed through State Office for Aging:			
Special Programs for the Aging, Title III, Part D - disease Prevention and Health Promotion Services	93.043	N/A	2,624
Special Programs for Aging, Title III, Part B - Grants for Supportive Services for Senior Centers	^ 93.044	N/A	17,877
Special Programs for Aging, Title III, Part C - Nutrition services	^ 93.045	N/A	176,952
National Family Caregiver Support, Title III, Part E	93.052	N/A	25,888
Guardianship Assistance	93.090	N/A	233
Medicare Enrollment Assistance Program	93.071	N/A	2,770
Centers for Medicare and Medicaid Services (CMS) Research, demonstration and Evaluations	93.779	N/A	5,735
Passed through NYS Department of Health:			
Public Health Emergency Preparedness	93.069	1606-14, 1606-15, 6318-01	161,987
Total U.S. Department of Health and Human Services			7,471,774
U.S. Department of Education			
Passed through State Department of Education:			
Early Intervention	84.181	C31660GG, C35742GG	28,280
U.S. Department of Agriculture			
Passed through State Office of Temporary and Disability Assistance:			
Supplemental Nutrition Assistance Cluster:			
Supplemental Nutrition Assistance Program	10.561	N/A	417,082
Total U.S. Department of Agriculture			417,082

(Continued)

See Independent auditor's report.
See notes to schedule of expenditures of federal awards.

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-Through Grantor	Federal CFDA Number	Pass-Through/ Contract Number	Federal Expenditures
Program Title			
U.S. Department of Homeland Security and Emergency Services			
Pass through NYS Division of Homeland Security & Emergency Services			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR4020, DO33848, T839195, T973204	762,047
Homeland Security Grant Program - Law Enforcement Terrorism Prevention Program (LETPP)	97.067	C839179, C839189, C973200, C973270, C973280, C973290, T839184, T973272, T973282	114,028
Total U.S. Department of Homeland Security and Emergency Services			876,075
U.S. Department of Justice			
Bulletproof Vest Partnership Program	16.607	N/A	5,181
U.S. Department of Housing and Urban Development			
Passed through NYS Office of Community Renewal:			
Hurricane Sandy Community Development Block Grant - Disaster Recovery	14.269	N/A	3,895,285
Indian Community Development Block Grant	14.862	N/A	73,300
Community Development Block Grant/State's program and Non-Entitlement Grants in Hawaii	14.228	N/A	67,564
Total U.S. Department of Housing and Urban Development			4,036,149
U.S. Department of Agriculture			
Emergency Watershed Protection Program	10.923	68-2C31-2-0289	294,729
U.S. Department of Transportation			
Passed through State Department of Transportation			
COVID-19 Formula Grants for Other than Urbanized Areas	20.509	C005697, C004139, T004181. T004198	269,994
Formula Grants for Other than Urbanized Areas	20.509	C005697, C004139, T004181. T004198	303,440
Total Formula Grants for Other than Urbanized Areas			573,434
Highway Planning and Construction Cluster	20.205	D035826, D036069, D036070	269,162
Total U.S. Department of Transportation			842,596
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 13,971,866

^ Special programs for the aging cluster, total $ 194,829

See Independent auditor's report.
See notes to schedule of expenditures of federal awards.

COUNTY OF SCHOHARIE, NEW YORK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2020

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of County of Schoharie, New York (County) under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or the respective changes in financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are presented in conformity with accounting principles generally accepted in the United States and the amounts presented are derived from the County's general ledger.

The County did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. PASS-THROUGH PROGRAMS

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

Identifying numbers, other than the CFDA numbers, which may be assigned by pass-through grantors are not maintained in the County's financial management system. The County has identified certain pass-through identifying numbers and included them in the Schedule, as available.

4. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented.

5. MATCHING COSTS

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

6. NONCASH AWARDS

A significant portion of federal award programs do not involve cash awards to the County of Schoharie, New York. The value of this noncash award has been recorded as expenditures on the statement of expenditures of federal awards. Those relating to the County are as follows:

Program Title	Federal CFDA Number	Amount
U.S. Department of Health and Human		
Low Income Home Energy Assistance		
Value of NYS Comptroller expenditures	93.568	$ 2,077,567

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2020

Section I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	__ Yes	X No
Significant deficiencies identified not considered to be material weaknesses?	__ Yes	X None reported
Noncompliance material to financial statements noted?	__ Yes	X No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	__ Yes	X No
Significant deficiencies identified not considered to be material weaknesses?	__ Yes	X None reported
Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	__ Yes	X No

Identification of major programs:

CFDA Number	Name of Federal Program
93.568	Low-Income Home Energy Assistance
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	X Yes	__ No

Section II – FINANCIAL STATEMENT FINDINGS

None.

Section III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

APPENDIX - F

FORM OF BOND COUNSEL'S OPINION

February 3, 2022

County of Schoharie
State of New York

Re: County of Schoharie, New York
$13,410,000 Bond Anticipation Notes, 2022 (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of $13,410,000 Bond Anticipation Notes, 2022 (Renewals) (the "Obligation"), of the County of Schoharie, New York (the "Obligor"), dated February 3, 2022, numbered ___, of the denomination of $__________, bearing interest at the rate of ___% per annum, payable at maturity, and maturing February 3, 2023.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP