

**FINANCE AND RULES COMMITTEE**  
**July 5, 2022**

Present: Tom Osborne, Chair; Phil Hathway, Vice-Chair; Jeffrey Nellenback; and Josh Leviker.

Others present: Legislators Larry Dolhof, Lisa Virkler, Richard Chartrand, and Ian Gilbert; County Manager Ryan Piche; County Attorney Joan McNichol; Treasurer Eric Virkler; and Human Resource Director Caitlyn Smith.

Committee Chair Tom Osborne called the meeting to order at 4:08 p.m.

**Lewis County Audit Report – EFPR Group Representative**

Tom began by handing out a Summary of the 2021 Audit completed by his firm. He stated that the Financial Statements and Auditors' Reports were reviewed with the County's Management. Unmodified or "clean" opinions are expected to be issued on the County's financial statements. No material weaknesses or significant deficiencies were noted in the County's internal controls over financial reporting or in the County's 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.

Management provided everything that was asked for in a timely manner. There was a delay in receiving the Schedule of Expenditures of Federal Awards (SEFA) from Social Services. Total government fund balances increased by 7.9 million dollars to a total of 28.5 million dollars as of December 31, 2021. At the general fund level, there was an increase in general fund balance of 3.9 million dollars to a total of 21.3 million dollars as of December 31, 2021. The general fund balance being at 21.3 million dollars is a little north of 50% of our annual budget, which is quite high. Normally you want the general fund to be around 25% to 30% of your annual budget. It is good that the county chose to bond for 50 million dollars when the interest rate was 3.3% to 3.5% because now it would be 5.5% to 6%.

Legislator Hathway questioned if the inflation rate would increase or maintain at the current level, Tom responded that it isn't something that he can predict but the trend here in Lewis County is the trend across the state. Legislator Hathway questioned if fuel prices were going to increase or maintain at this level, Tom responded that he couldn't predict that trend either. Ryan Piche stated that NYSAC has asked NYS Tax and Finance to breakdown sales tax into various categories so counties could see where the sales tax was coming from, like fuel and groceries, but they won't. He went on to state that the 2023 budget may be more difficult because it is easier to cut funding and budgets than to add or expand.

Joan McNichol questioned if the ARPA funds were reflected in the fund balance figures, Tom replied that only a small portion that has been appropriated would

have been, the rest will be over the next year or two. Tom explained that the two biggest liabilities the county has would be retirement and retirees' health insurance, which make the numbers look really bad but that is only a skewed picture because that wouldn't be called due on some random day, it is paid over time. There was further discussion on liabilities.

Ryan Piche questioned how many other counties owned hospitals in NYS, Tom responded that there are only 3. In 2023 the new debt of \$50 million dollars will be reflected. Legislator Osborne stated that this report clearly shows that the county has money, so legislators need to start thinking of ways to use it.

There being no other business to come before the committee, Legislator Hathway made a motion to adjourn at 4:25 p.m., seconded by Legislator Nellenback and carried.

Respectfully submitted,  
Cassandra Moser, Clerk of the Board