

NEW ISSUE
MOODY'S INVESTORS SERVICE

SERIAL BONDS
See "BOND RATING" herein

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 Bonds 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 Bonds is not a specific preference item for purposes of the individual federal alternative minimum tax. Interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on Bonds 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 Bonds. See "TAX MATTERS" herein.

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



\$17,086,057
COUNTY OF CATTARAUGUS, NEW YORK
GENERAL OBLIGATIONS

\$17,086,057 Public Improvement (Serial) Bonds, 2026
(the "Bonds")
CUSIP BASE: #149465

Dated and Delivered: August 18, 2026

Due: August 15, 2027-2043

MATURITIES**									
<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2027	\$ 726,057				2036*	\$ 1,025,000			
2028	750,000				2037*	1,070,000			
2029	780,000				2038*	1,110,000			
2030	810,000				2039*	1,155,000			
2031	840,000				2040*	1,200,000			
2032	875,000				2041*	1,250,000			
2033	910,000				2042*	1,300,000			
2034	950,000				2043*	1,350,000			
2035*	985,000								

* The Bonds maturing in the years 2035-2043 are subject to redemption prior to maturity. See "DESCRIPTION OF THE BONDS - Optional Redemption" herein.

** Subject to change pursuant to the accompanying Notice of Bond Sale to achieve substantially level or declining annual debt service.

The Bonds are general obligations of the County of Cattaraugus, New York (the "County") all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See "TAX INFORMATION - Tax Levy Limitation Law" section herein.

The Bonds will be issued as registered bonds and, may be registered at the option of the purchaser in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry-only form, individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes \$6,057 maturing in 2027. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable semi-annually on February 15 and August 15 in each year until maturity commencing August 15, 2027. Principal and interest will be paid by the County to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Proposals for the Bonds shall be for not less than \$17,086,057 and accrued interest, if any, on the total principal amount of the Bonds. Proposals shall be accompanied by a good faith deposit in the form of a certified or cashier's check or wire transfer payable to the order of the County of Cattaraugus, New York in the amount of \$340,000.

The Bonds are offered when, as and if issued and received by the Purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in Jersey City, New Jersey on or about August 18, 2026.

ELECTRONIC BIDS for the Bonds must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on August 4, 2026 until 11:00 A.M., Eastern Time, pursuant to the Notice of Bond Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the County, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Bond Sale.

July 27, 2026

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, AS MORE FULLY DESCRIBED IN THE NOTICE OF BOND SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE COUNTY WILL COVENANT IN AN UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE AS DEFINED IN THE RULE WITH RESPECT TO THE BONDS. SEE "APPENDIX – D, CONTINUING DISCLOSURE UNDERTAKING" HEREIN.

COUNTY OF CATTARAUGUS, NEW YORK



COUNTY LEGISLATORS

M. ANDREW BURR
Chairman

KELLY J. ANDREANO
Majority Leader

JOSEPH F. BOBERG
BRENDA HANSON
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ADMINISTRATION

KELLY J. REED
County Administrator

MICHAEL BRISKY
Deputy County Administrator

MATTHEW J. KELLER
County Treasurer

SHELBY BARTON
Deputy County Treasurer

DARRELL KLUTE
County Clerk

ERIN WHITCOMB
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 Bonds 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.

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PREPARED WITH THE ASSISTANCE OF:



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OFFICIAL STATEMENT
OF THE
COUNTY OF CATTARAUGUS, NEW YORK
RELATING TO
\$17,086,057 Public Improvement (Serial) Bonds, 2026

This Official Statement, which includes the cover page, has been prepared by the County of Cattaraugus, New York (the "County", and "State", respectively) in connection with the sale by the County of \$17,086,057 principal amount of Public Improvement (Serial) Bonds, 2026 (the "Bonds").

The factors affecting the County's financial condition and the Bonds are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the County tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

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 Bonds and the proceedings of the County relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

NATURE OF OBLIGATION

Each of the Bonds 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 Bonds 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 (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 Bonds 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 INFORMATION - Tax Levy Limitation Law" herein.

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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.

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THE BONDS

Description of the Bonds

The Bonds 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 Bonds 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 Bonds and interest thereon, subject to applicable statutory limitations. See “NATURE OF OBLIGATION” and “TAX INFORMATION - Tax Levy Limitation Law” herein.

The Bonds will be dated August 18, 2026 and will mature in the principal amounts and on the dates as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described under the heading “THE BONDS – Optional Redemption.” The “Record Date” of the Bonds will be the last business day of the calendar month preceding each interest payment date.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry only form, in the principal amount of \$5,000 or integral multiples thereof except for a necessary odd denomination which is or includes \$6,057 maturing in 2027. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein. See “BOOK-ENTRY-ONLY SYSTEM” herein. The Bonds may not be converted into coupon bonds or be registered to bearer.

Optional Redemption

The Bonds maturing on or before August 15, 2034 shall not be subject to redemption prior to maturity. The Bonds maturing on or after August 15, 2035 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the County on August 15, 2034 or on any date thereafter at par (100.0%), plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the County by lot in any customary manner of selection as determined by the County Treasurer. Notice of such call for redemption shall be given by mailing such notice to the registered holders not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds 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 bond certificate will be issued for each maturity of the Bonds will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond and 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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Principal and interest payments on the Bonds 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 Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to 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 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, 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 BONDS; (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 BONDS.

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 Bonds

DTC may discontinue providing its services with respect to the Bonds 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 transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof, except for a necessary odd denomination with respect to the Bonds maturing in 2027 which is or includes \$6,057. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the purchaser if the purchaser requests certificated bonds or the County upon termination of the book-entry-only system. Interest on the Bonds will remain payable semi-annually on February 15 and August 15 in each year until maturity commencing August 15, 2027. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the County Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

PURPOSE OF ISSUE

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the County Law, the Local Finance Law and bond resolutions for various purposes as stated below:

Purpose	Authorization Date	Amount Authorized	Amount Outstanding	Principal Payment	New Money	Amount of the Bonds to be Issued
Bridge Improvements	12/13/2023	\$ 1,304,746	\$ 1,304,746	\$ 34,746	\$ -	\$ 1,270,000
Highway Improvements	12/13/2023	3,344,852	3,344,852	144,852	-	3,200,000
Buildings & Grounds Improvements	12/13/2023	559,500	559,500	36,500	-	523,000
Culvert Improvements	12/13/2023	1,173,852	1,173,852	5,000	-	1,168,852
Watershed Protection Project	11/26/2024	100,000	100,000	-	-	100,000
Buildings & Grounds - Generator	11/26/2024	475,000	475,000	-	-	475,000
Buildings & Grounds - Roof	11/26/2024	150,000	150,000	-	-	150,000
Bridge Improvements	11/26/2024	398,463	398,463	-	-	398,463
Culvert Improvements	11/26/2024	383,765	383,765	-	-	383,765
Highway Improvements	11/26/2024	2,763,521	2,763,521	-	-	2,763,521
IT Improvements	11/26/2024	100,000	100,000	-	-	100,000
Bridge Improvements	12/10/2025	1,567,620	-	-	1,567,620	1,567,620
Highway Improvements	12/10/2025	3,426,467	-	-	3,426,467	3,426,467
Buildings and Ground Improvements	12/10/2025	1,225,000	-	-	1,225,000	1,225,000
Culvert Improvements	12/10/2025	334,369	-	-	334,369	334,369
			\$ 10,753,699	\$ 221,098	\$ 6,553,456	\$ 17,086,057

The proceeds of the Bonds, along with \$221,098, will permanently finance \$10,753,699 bond anticipation notes maturing on August 19, 2026 and provide \$6,553,456 in new monies for the projects listed above.

THE COUNTY

General Information

The County is a rural county located in the southwestern portion of upstate New York, approximately 35 miles south of the City of Buffalo. The cities of Olean and Salamanca are located within the boundaries of the County. The County has an estimated 2025 census population of 75,390 and an area of 1,356 square miles.

Services Provided

The County provides a full range of services and facilities, some of which include:

- Recreational and cultural activities and events including a 270-acre Marina, Allegany State Park, the largest state park in New York State with 65,000 acres of multi-recreation, HoliMont and Holiday Valley Ski Resorts in Ellicottville, two of the ski industry's largest private and public ski resorts in New York.
- Public safety and judiciary services including criminal justice, district attorney, correction and probation programs, and a coroner.
- Housing and community development programs, as well as land use and environmental planning services.
- Health services through the Pines Healthcare and Rehabilitation Centers (Machias and Olean Campus) and the County Health Department, as well as emergency medical services and community health care services.
- Mental Health services including the provision of counseling and residential programs to the mentally ill, handicapped, or chemically dependent individuals.
- Social Services including administration of state and federally assisted public assistance programs, veterans assistance, and employment and training services.
- Maintenance of County highways, roads, bridges, and other infrastructure.

Other Information

Also, located within the County are excellent educational facilities, including St. Bonaventure University and Jamestown Community College.

Economic Condition and Outlook

The economy of the County has evolved over time creating a more stable balance. A greater diversity has developed among the various business sectors. Agriculture, manufacturing, wholesale, retail, services, transportation and construction all make appreciable contributions to this balance. The hospitality industry has continued to bolster many of the other sectors.

Growing outdoor sports, such as snowmobiling, have also added economic stimulus to other regions of the County during the winter months. The County continued to invest in the trail system during the 2024-2025 season, making the 342-mile trail system a destination in and of itself for the touring snowmobile market. The County administered the grant and works with the Cattaraugus County Federation of Snowmobile Clubs, Inc. and its eight member clubs to ensure the trail system is safe, well signed, and properly groomed.

Allegany State Park has long been the County's largest tourism attraction (based on visitation) with over 1.5 million visitors per year. Recently, Allegany State Park has been listed among the 100 Most Amazing Places in the United States by Preserve America. Allegany State Park has recently begun the process of converting six campsites to be accessible campsites. The neighbor to Allegany State Park, the Seneca Allegany Casino continues to be a major tourism attraction. Since its completion in 2007, the gaming floor, 400 plus room hotel and three restaurants employ almost 1,300 workers. The casino consistently sees well over 2 million visitors annually.

Evidence of a healthy tourism industry in the County is illustrated by occupancy tax revenues. Occupancy tax revenues for 2025 amounted to \$1,749,429. The 5% bed tax was implemented in January 2004 and is used by the County for economic development and tourism promotion purposes. This fund coupled with casino revenue sharing (a portion of which is also dedicated to economic development activities) is now putting the County in a position to make greater strides in economic development.

Trails serve as a critical catalyst for economic development and tourism in Cattaraugus County driving visitor spending, supporting small businesses along local main streets, and creating a connected network of outdoor recreation across the county and Western NY. The County's commitment to capitalization on this outdoor tourism industry includes key initiatives and resources that play an active role in moving the Southern Tier Trail from vision to reality with the support of a \$7 million federal RAISE grant. This project will complete the planning, environmental, design, and permitting for the construction of an approximate 52-mile trail that will connect the Erie / Cattaraugus Rail Trail in Erie County with the Genesee Valley Greenway in Allegany County.

The key features of the planning project include:

- Route Alignment: Finalizing the pathway connecting Erie / Catt Rail Trail in Erie County down into Cattaraugus County terminating at the Genesee Valley Greenway in Hinsdale.
- Local Access: Creating a safe active transportation option connecting residents to jobs, schools, and essential services.
- Design Execution: Producing actionable construction documents for trailheads, signage, and environmental reviews.

Entrepreneurship assistance is a key factor for the Department of Economic Development, Planning & Tourism. The clientele comes from a wide range of business sectors, mirroring the County's diverse economy. In addition to providing extensive classroom training and one on one counseling for small businesses, the County continues to make low interest loan funds available to finance these new ventures.

Agriculture has been a long-standing pillar of the economy in the County. The County updated and approved their Agriculture and Farmland Protection Plan in 2020 that focuses heavily on maintaining and boosting the viability of agriculture operations. With this plan, the County has been eligible to apply for substantial "implementation" funding, intended to preserve farms and farmland in the County, which is a critical part of the economy, natural beauty and way of life. Agriculture has and continues to diversify throughout the County including many spin-offs that fit well into the tourism economy. Niche Farming is on the rise in the County in areas such as hops, bees, alpacas and many others.

The County has long awaited the transportation improvement of a U.S Route 219 Four Lane Expressway. Construction on the first 3.5-mile section of the expressway from Springville to the Town of Ashford commenced in the spring of 2007 and opened for traffic in the Fall of 2010. Another transportation success story has been the renovation of the east west rail line (former Conrail line), which has experienced resurgence in both local service traffic and through service coal train traffic every year since 2001. Carload volumes on the line have increased from 75 in 2000 to over 54,000 currently. The through traffic subsidizes the local service to County shippers, providing rail shipping access that is both lower cost and improved with respect to time-sensitivity. The through service coal traffic also enhances the economic viability for the WNYR Railroad, the short-line railroad operator of the Southern Tier Extension line. Corporate shippers attest that the ideal scenario is having a service oriented short-line operator such as WNYR with direct connections to more than one Class 1 railroad. In 2007, WNYR and STERA, the railroad authority created to reinvigorate the Southern Tier Extension, once again teamed together to similarly reinvigorate the north-south railroad line from Machias to the Pennsylvania state line in Portville. This initiative will improve rail-shipping access to this line, and also establish a larger regional short line system that should improve cross border business relationships and enhance overall railroad system efficacy. This initiative also has had the effect of relocating WNYR base operations to the Constitution Avenue railroad yard in Allegany and Olean, which will lead to enhanced rail-related business development in this area of the County.

Property values in Cattaraugus County, in aggregate, increased by almost 10.41% on a year over year basis. This is being driven by New York State issued equalization rates, which compare actual sales to assessed values of properties. While this phenomenon may not repeat itself into perpetuity, this is the second consecutive year of substantial growth in the area. Thirty-one towns and two cities have seen growth on a year over year basis.

Major Initiatives

The economy of the County continues into a balanced mix of economic sectors. A greater diversity has developed among these various business sectors, which include: agriculture, manufacturing, wholesale, hospitality, retail, services, transportation and construction. The hospitality industry continues to grow along with support industries as can be seen from the increasing bed tax revenue that is realized by the County.

Skiing and resort development in the resort town of Ellicottville has continued to remain a strong and vital part of the tourism economy. Holiday Valley Ski Resort was again ranked among the top ski experiences in the Eastern United States. Ski Magazine ranked Holiday Valley as the 4th best resort in the East in their 2025 Resort Guide. HoliMont, also located in Ellicottville, is considered the largest private ski resort in North America. Combined, the two resorts continue to create employment opportunities and small business development as well as a significant generator of vacation home construction in and around the Ellicottville area. Construction for numerous townhouses, condominium, and individual home projects started in 2006 and continue today. Holiday Valley Ski Resort reinforces its status as a top-tier destination with a \$5 million capital improvement initiative focused on sustainability and enhanced guest experience. This investment upgrades snowmaking technology for efficiency, lodging upgrades, mountain adventure attractions and athlete training facilities.

Economic Development

Initiatives completed in 2025 and 2026 include:

- 1641 River Street, LLC- \$6 million industrial development
- White Haven Holdings & 1 West Main, LLC- \$3.5 million commercial development
- Daich Coatings Corp- \$1.1 million manufacturing project
- 1378 Group, LLC- \$2.4 million commercial expansion
- Holimont, Inc.- \$1 million improvement project
- Hidden Gems Family Resorts/Creely Construction LLC- \$7.6 million commercial development
- Win-Sum Ski Corp- \$1.5 million commercial development
- Win-Sum Ski- Corp- \$5.1 million expansion project
- Mazza Mechanical Services- \$1.2 million expansion project
- TL Schwab & Schwab Aggregates- \$4 million expansion project
- Kinley Contractors, LLC- \$2.5 million expansion project
- Olean Union Sales Corp- \$750k expansion project
- Kless Boys Development, LLC- \$6.5 million commercial development (ongoing)
- Edelweiss Dairy, LLC- \$34 million agriculture/farming development (ongoing)
- North Park LLC- \$770,000 manufacturing expansion project (ongoing)
- QSKI, LLC- \$2 million commercial development (ongoing)
- Alle-Catt Wind Energy, LLC- \$619 million wind energy project (ongoing)
- Olean Manor Inc- \$9.8 million housing development (ongoing)
- Jamestown Macadam, Inc- \$2.5 industrial development (ongoing)
- FoxRES, LLC- \$2.5 million industrial project (ongoing)

County Nursing Facilities

The County currently operates two County-owned Skilled Nursing Facilities: a 120-bed facility located in Olean, and a 115-bed facility located in Machias, jointly called The Pines. The County is one of only two counties in the State that currently owns and operates two separate nursing homes. Together, these two facilities make up the Cattaraugus County Department of Nursing Homes. The two facilities provide 24/7 nursing and medical care, as well as physical, occupational and speech therapy and have combined operating budgets currently totaling approximately \$34.1 million. The nursing homes are independent enterprise funds, but the County is required to make up any shortfall.

Below is a summary of the Fund Balance of each Nursing Home facility as well as the County subsidy for the last five completed fiscal years and projected for the current fiscal year.

<u>Nursing Home Fund Balance and County Transfer Summary</u>						
Fiscal Year Ending						(Budgeted)
<u>December 31st</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Pines in Olean						
Fund Balance ⁽¹⁾	(\$8,571,002)	(\$10,928,203)	(\$12,464,547)	(\$16,381,216)	(\$7,642,235)	\$ (8,537,545)
County Subsidy	-	-	-	-	-	-
Pines in Machias						
Fund Balance ⁽¹⁾	(\$24,692,451)	(\$25,865,745)	(\$27,554,674)	(\$25,916,900)	(\$14,250,830)	\$ (14,250,830)
County Subsidy	-	-	-	-	-	-

The Pines in Olean currently has a \$8.6 million fund balance deficit. The total Olean nursing home budget for 2022 is \$14.3 million. The total Olean nursing home budget for 2023 is \$13.7 million. The total Olean nursing home budget for 2024 is \$17.0 million. The total Olean nursing home budget for 2025 is \$17.7 million.

The total Pines in Olean nursing home budget for 2026 is \$16,887,436. The total Pines in Machias nursing home budget for 2026 is \$17,150,440. The 2026 budget includes a \$833,688 transfer from Olean to Machias.

⁽¹⁾ Fund balance deficits are due to GASB 75 reporting of Other Post-Employment Benefit liabilities.

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 2006-2010, 2016-2020 and 2020-2024 U.S. Census Bureau, American Community Survey 5 Year Estimates.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>
Cattaraugus County	\$ 20,824	\$ 26,797	\$ 31,747	\$ 51,227	\$ 62,587	\$ 76,823
New York State	\$ 30,948	\$ 40,898	\$ 50,712	\$ 67,405	\$ 87,270	\$ 106,873

Note: 2021-2025 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, American Community 5 Year Survey data for 2016-2010, 2016-2020 and 2020-2024.

Population Trends

	<u>Cattaraugus County</u>	<u>New York State</u>
1980	85,697	17,558,072
1990	84,234	17,990,455
2000	83,955	18,976,457
2010	80,317	19,378,104
2020	77,042	20,201,249
2025 (estimate)	75,390	19,867,248

Source: U.S. Census Bureau.

Note: 2026 U.S. Census Bureau estimates are not available as of the date of this Official Statement.

Banking Facilities

The following commercial banks maintain offices in the County:

Cattaraugus County Bank	Bank of Cattaraugus
KeyBank, N.A.	Manufacturers & Traders Trust Company
Community Bank, N.A.	Northwest Savings Bank
Five Star Bank	Hamlin Bank & Trust

Unemployment Rate Statistics

	<u>Annual Averages</u>						
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Cattaraugus County	4.8%	9.1%	5.3%	4.1%	4.1%	4.1%	4.2%
New York State	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%	4.3%

<u>2026 Monthly Figures</u>							
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>
Cattaraugus County	5.3%	5.6%	4.9%	4.2%	4.1%	N/A	N/A
New York State	4.7%	5.2%	4.4%	4.2%	4.2%	N/A	N/A

Note: Unemployment rates for June and July 2026 are not available as of the date of this Official Statement.

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

Major Employers

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

<u>Employer</u>	<u>Business</u>	<u>Approximate # of Employees</u>
Seneca Nation of Indians	Seneca Nation Government Services	1,800
Cattaraugus County	Governmental Services	1,181
Seneca Allegany Casino	Casino Operations	1,200
Olean General Hospital	Medical Services	945
ALCAS	Household & Professional Cutlery Manufacturer	829
The Rehab Center/SubCon	Rehabilitation and Disability Services	650
Cattaraugus-Allegany BOCES	Educational Services	644
St. Bonaventure University	Educational Services	540
Gowanda Central School District	Educational Services	432
Walmart	Retail	415
Olean City School District	Educational Services	397
Siemens Energy (formerly Dresser-Rand, Inc.)	Manufacturing Services	350
West Valley Nuclear Services	Environmental Rehabilitation Services	350
Salamanca City Central School District	Educational Services	294
Olean Wholesale Grocery	Distribution Services	250
Allegany-Limestone Central School District	Educational Services	246
Allegany State Park	Recreational Services	246
Community Bank, N.A.	Banking and Financial Services	238
Cattaraugus Little Valley Central School District	Educational Services	235
Western NY Development Center	Disability Services	226
Randolph Central School District	Educational Services	221
Jamestown Community College	Educational Services	217
Skibeck Pipeline Co.	Water, Sewer, Utility Lines	200
Portville Central School District	Educational Services	200
Olean Medical Group	Medical Services	200
Franklinville Central School District	Educational Services	200
Cooper Power Systems	Manufacturing Services	200
Yorkshire-Pioneer Central School District	Educational Services	180
City of Olean	Governmental Services	142
Holiday Valley	Recreational Services	140
Hinsdale Central School District	Educational Services	126
Home Depot	Retail	125
Fitzpatrick & Weller	Lumber Manufacturing Services	125
Sol-E-Poxy	Manufacturing Services	112
Ellicottville Central School District	Educational Services	112
Randolph Academy Union Free School District	Educational Services	105
Rieds Food Barn	Grocery	104
Absolute Care of Salamanca	Nursing Home Services	99
West Valley Central School District	Educational Services	96
Cimolai-HY	Manufacturing Services	95

Source: County Officials.

Financial Organization

The County Legislature meets at both regular and special meetings throughout the year. The County Legislature reviews and adopts the annual County budget, levies taxes, reviews and approves any modifications to the budget, and authorizes all indebtedness of the County. The County Treasurer is the Chief Fiscal Officer. The County Administrator is the Budget Officer.

Form of County Government

The County is a municipal corporation of the State of New York. Subject to the State Constitution, the County operates in accordance with the County Law and general portions of state laws to the extent such laws are applicable to the County.

The County Legislature is the legislative branch of government and consists of 15 members who are elected every four years. One member of the County Legislature is elected Chairman of the County Legislature at the organizational meeting, to preside over the meetings of the County Legislature and to exercise limited administrative responsibilities. The County Legislature meets in both regular and special meetings throughout the year. The County Legislature has both legislative and executive powers.

The County Administrator is appointed by the County Legislature for a four-year term and is responsible for overall administration of County government. The County Administrator is also the Budget Officer, Clerk of the County Legislature, Auditor and Purchasing Agent for the County. The Treasurer, Clerk, Sheriff and District Attorney for the County are elected for four-year terms and are eligible to succeed themselves. The County Treasurer is the Chief Fiscal Officer of the County whose duty is to receive, disburse and account for all financial transactions.

Budgetary Procedures

The County Administrator, who is also the Budget Officer, is responsible for the preparation of the proposed County Budget and its submission to the County Legislature. After a public information meeting and a public hearing, the budget is adopted by the County Legislature on or before December 20 of each year. Expenditures during the fiscal year may only be made pursuant to appropriations from the General Fund and other special funds established by the County. However, the County Legislature during the fiscal year may by resolution make additional appropriations from any unencumbered balances in appropriations or contingent funds. The budget is not subject to referendum.

In fiscal years 2022 through and including 2026, the County voted to not exceed the tax cap.

The County's tax levy increase for the fiscal year end 2022 was -0.45% and the tax cap was 4.92%.

The County's tax levy increase for the fiscal year end 2023 was 0.00% and the tax cap was 3.59%.

The County's tax levy increase for the fiscal year end 2024 was 4.25% and the tax cap was 4.25%.

The County's tax levy increase for the fiscal year end 2025 was 2.36% and the tax cap was 2.36%.

The County's tax levy increase for the fiscal year end 2026 was 2.58% and the tax cap was 2.58%.

The County utilizes a quarterly budget tracking system to monitor its financial condition throughout the year. Key areas such as Treasury, Risk Management, Jail, Health, Community Services and Social Services are reviewed for how results of actual operations vary from budget.

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 accounts in or certificates of deposits issued by 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 New York public benefit corporations 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.

The above State statutes govern the County's investment policies. 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 obligation of the U.S. Treasury and U.S. agencies and obligations of New York State.

State Aid

The County receives financial assistance from the State. 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").

Employees

The County provides services through approximately 1,181 full and part-time employees. The bargaining units, approximate number of members and contract expiration dates are as follows:

<u>Bargaining Unit</u>	<u>Number of Members</u>	<u>Term of Contract</u>
General Employees' Unit	525	December 31, 2026
Supervisory Unit	110	December 31, 2026
Sheriff's Unit	93	December 31, 2026
Sheriff's Supervisory Unit	13	December 31, 2026
Deputy Sheriff's Unit	97	December 31, 2026
Corrections Supervisory Unit	11	December 31, 2026
Part Time Unit	83	December 31, 2026

Source: County officials.

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 known as the "Common Retirement Fund". The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute, and the benefits to employees, are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement System offers several 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 the 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 Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 must contribute 3% of gross annual salary towards the cost of retirement programs during their first ten years of service.

On December 12, 2009, a new Tier V was signed into law. The law is effective for new ERS hires beginning on January 1, 2010. Tier V ERS employees contribute 3 percent of their salaries. There is no provision for these contributions to cease after a certain period of service. Overtime pay in excess of \$15,000 will not be subject to ERS either in contribution from the County or the employee.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

The County's contributions to ERS since 2021 and the 2026 budgeted payments are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 8,894,439
2022	8,482,042
2023	8,546,565
2024	10,387,673
2025	11,376,997
2026 (Budgeted)	12,184,369

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% of payroll for the ERS. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS rates (2023 to 2027) is shown below:

<u>Year</u>	<u>ERS</u>
2023	11.6
2024	13.1
2025	15.2
2026	16.5
2027	17.6

Chapter 57 of the Laws of 2010 (Part TT) ("Chapter 57") 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.

The County opted not to amortize any of its contributions.

The 2013-14 State Enacted Budget included a provision that provides 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. For 2014 and 2015 the rate is 12.0%; the rates applicable to 2016 and thereafter are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers but will require higher than normal contributions in later years.

The County is not participating in the stable rate pension contribution option nor has the intent to do so in the foreseeable future.

The investment of monies and assumptions underlying same, of the Retirement Systems 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 Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

It should be noted that the County does not provide post-retirement healthcare benefits to various categories of former employees age 65 or older.

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 has contracted with an actuarial firm to prepare its post-retirement benefits valuation for the fiscal years ending December 31, 2024 and December 31, 2025 in accordance with GASB 75. The following outlines the changes to the Total OPEB Liability during each fiscal year, by source.

	Balance beginning at:	January 1, 2024	January 1, 2025
		\$ 259,468,395	\$ 276,047,455
<u>Changes for the year:</u>			
Service cost		8,753,151	7,791,396
Interest		9,943,765	10,518,836
Differences between expected and actual experience		-	(26,660,975)
Changes in benefit terms		-	(113,856,583)
Changes in assumptions or other inputs		6,804,578	11,921,450
Benefit payments		(8,922,434)	(8,642,459)
Net Changes		\$ 16,579,060	\$ (118,928,335)
	Balance ending at:	December 31, 2024	December 31, 2025
		\$ 276,047,455	\$ 157,119,120

Source: GASB 75 Actuarial Valuation report of the County. The above tables are not audited.

Under GASB 75, an actuarial valuation will be required every two years for all plans; however, the alternative measurement method will continue to be available for plans with less than 100 members.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The County has reserved \$0 towards its OPEB liability. The County funds this liability on a pay-as-you-go basis.

The County's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the County's finances and could force the County to reduce services, raise taxes or both.

Other Information

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes for which the Bonds are to be issued, is the County Law and the Local Finance Law.

The County has complied with the procedure for the validation of the Bonds 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 the calendar year.

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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2025 is attached hereto as APPENDIX – C.

In addition, 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 searched on the Office of the State Comptroller website using the following link: <https://www.osc.state.ny.us/local-government/audits>.

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

Recent New York State Comptroller Reports 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 State Comptroller's Office released an audit report of the County on September 29, 2023. The purpose of the audit was to determine whether County employees and elected officials completed annual sexual harassment prevention training (SHP Training) for the period October 1, 2020 through September 30, 2021.

Key Findings

- SHP Training was provided to employees and elected officials. However, of the 150 total individuals we tested (125 selected employees and all 25 elected officials), 36 employees or 29 percent of employees tested, and 18 elected officials did not complete the annual SHP Training.

Key Recommendation

- County officials should monitor the completion of annual SHP Training by all employees and elected officials.

The County provided a response to the State Comptroller's office. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

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

Source: Website of the Office of the New York State Comptroller and County officials.

Note: Reference to website implies no warranty of accuracy of information therein nor inclusion herein by reference.

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:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	10.0
2023	No Designation	10.0
2022	No Designation	6.7
2021	No Designation	3.3
2020	No Designation	0.0

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

Note: Reference to website implies no warranty of accuracy of information therein nor inclusion herein by reference.

TAX INFORMATION

Valuations

<u>Years Ending December 31:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Assessed Valuation	\$ 4,018,018,320	\$ 4,281,218,753	\$ 4,696,835,015	\$ 5,054,083,440	\$ 5,271,752,916
New York State Equalization Rate	80.76%	77.86%	73.76%	71.00%	71.00%
Full Valuation	\$ 4,975,111,537	\$ 5,498,524,197	\$ 6,440,056,384	\$ 7,110,158,560	\$ 7,424,923,548

Tax Rate Per M (Assessed)

<u>Years Ending December 31:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
General County	\$ 11.10	\$ 10.05	\$ 8.94	\$ 8.29	\$ 8.15

Tax Collection Record

<u>Years Ending December 31:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Tax Levy ⁽¹⁾	\$ 81,437,408	\$ 82,597,076	\$ 85,139,903	\$ 88,284,130	\$ 90,669,667
Unpaid End of Fiscal Year	3,123,326	3,809,407	3,952,398	6,128,308	N/A
% Unpaid End of Fiscal Year	3.8%	4.6%	4.6%	6.9%	N/A

⁽¹⁾ Includes County, Town and Special District taxes.

Tax Collection Procedure

The County-wide property tax is levied by the County upon the taxable real property in the towns and cities in the County. The levy is effective January 1, the lien date, and is based on the assessed valuation of property located in the County as of the preceding March 31. Such taxes are collected by the respective collection officers in each town and city.

County taxes are due by February 1, and penalties are imposed as follows: 1% prior to March 1, and 1% additional each month thereafter. All towns first retain their share of taxes from collections and remit the balance to the County. Also, a 5% penalty is charged when the taxes are returned to the County by the tax collectors on April 1 of each year. The cities of Olean and Salamanca each levy and collect their city taxes; however, the County is responsible for any unpaid City taxes for the City of Olean. The County has no such responsibility for City of Salamanca taxes. The County is responsible for uncollected County taxes levied in Olean; however, the City of Salamanca guarantees collection of all County taxes levied in Salamanca.

The County is responsible for uncollected school district taxes. Additionally, the County is responsible for uncollected taxes of all towns and villages.

The real property in the City of Salamanca is presently owned by the Seneca Nation of Indians who lease the property to the residents on the real property. The lease between the Indians and the residents expires in the year 2031, with an option to extend the lease agreement to the year 2071. The City assesses only the improvements on the property because of the Indians' tax-exempt property status.

Sales and Other Non-Property Taxes

The County's sales and other non-property tax revenues are comprised of the State Sales Tax and County Sales and Use Tax. The State Sales Tax is 4% and the County imposes an additional 3% County Sales Tax with one-half of that 3% County Sales Tax being retained by the County. The remaining one-half of the 3% County Sales Tax is apportioned among the cities, towns and villages of the County. The cities' portions are based on their actual collections and the towns and villages portions are based on their real property assessed values. Through legislation approved by Cattaraugus County and the State of New York, the County imposed an additional 1% Sales and Compensation Use Tax effective March 1, 1986. Revenue obtained from the additional 1% is retained by the County. The enabling legislation allowing this additional tax expires November 30, 2027. The State Legislature permits the County to extend such sales tax by passage by the County Legislature.

Sales Tax Revenue History:

<u>Year</u>	<u>Amount</u>
2016	\$ 24,737,319
2017	25,913,203
2018	27,579,909
2019	28,036,242
2020	28,539,702
2021	34,110,725
2022	35,287,488
2023	35,584,128
2024	36,066,657
2025	36,918,272
2026 (Budgeted)	38,288,832

Source: County officials.

Largest Taxpayers –2025 Assessment Roll for 2026 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Highest County Taxable Valuation</u>
State of New York	Government	\$ 364,318,780
National Grid	Utility	185,551,330
National Fuel Gas Supply	Utility	109,627,318
NYS Electric & Gas Corp	Utility	30,568,921
Win-Sum Ski Corp	Resort	24,982,800
Armstrong Telecommunications	Utility	24,932,162
Olean 2020, LLC	Retail	14,851,400
Pengilly Corp	Utility	11,486,500
Indeck-Olean LP Total	Industry	10,600,000
Agree Stores LLC	Retail	9,349,400

The ten largest taxpayers, listed above, have a total taxable valuation of \$786,268,611 that represents approximately 10.59% of the County tax base.

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

Additional Tax Information

Real property subject to County taxes is assessed by the component towns and cities.

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

The total property tax bill of the typical \$100,000 residential property located in the County is approximately \$3,478 including State, County, Town 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 (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.

COUNTY 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 the Bonds include the following:

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 or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The County may contract indebtedness only for a County purpose and shall pledge its faith and credit for the payment of principal of and 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 the County Legislature authorizes and utilizes the issuance of bonds with substantially level or declining annual debt service. 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 notes.

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 estate 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 specifically the County Law and the General Municipal Law.

Pursuant to the Local Finance Law, the County authorizes the issuance of bonds by the adoption of a bond resolution approved by at least two-thirds of the members of the County Legislature, the finance board of the County. Customarily, the County Legislature 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 where a bond resolution 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 an action contesting such validity is commenced within twenty days after the date of such publication, or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the County complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution 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 Legislature, as the finance board of the County, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may, and generally does, delegate the power to sell the obligations to the County Treasurer, the chief fiscal officer of the County, pursuant to the Local Finance Law.

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 notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" 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 bond anticipation notes, deficiency notes and budget notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

<u>Years Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 41,318,099	\$ 47,388,000	\$ 44,829,782	\$ 38,830,000	\$ 33,540,000
Bond Anticipation Notes	0	0	0	6,382,950	10,753,699
Leases ⁽¹⁾	0	2,051,210	2,948,236	3,101,142	2,638,615
SBITAS ⁽²⁾	0	0	280,191	173,442	64,539
Operating Leases	456,051	0	0	0	0
Capital Leases	<u>1,108,894</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 42,883,044</u>	<u>\$ 49,439,210</u>	<u>\$ 48,058,209</u>	<u>\$ 48,487,534</u>	<u>\$ 46,996,853</u>

Note: In 2022, the County implemented GASB Statement No. 87 for accounting and reporting leases. See “Leases and Subscription Based Information Technology Liabilities” for additional information herein.

⁽¹⁾ Long term lease agreements as the lessee for the acquisition and use of various buildings and equipment.

⁽²⁾ Subscription-based information technology arrangements.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the County as of July 27, 2026:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount Outstanding</u>
<u>Bonds</u>	2027-2040	\$ 28,565,000
<u>Bond Anticipation Notes</u>		
Various County Project	August 19, 2026	<u>10,753,699⁽¹⁾</u>
Total Indebtedness		<u>\$ 39,318,699</u>

⁽¹⁾To be permanently financed at maturity with the proceeds of the Bonds and \$221,098 available funds of the County.

Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 27, 2026:

Five-Year Average Full Valuation	\$ 6,289,754,845
Debt Limit - 7% thereof.....	440,282,839

Inclusions:

Bonds.....	\$ 28,565,000
Bond Anticipation Notes (BANs):	<u>10,753,699</u>
Total Inclusions prior to issuance of the Notes	<u>39,318,699</u>
Less: BANs being redeemed from appropriations (Total)	(221,098)
Add: New money proceeds of the Bonds (Total)	<u>6,553,456</u>
Total Net Inclusions after issuance of the Bonds	<u>\$ 45,651,057</u>

Exclusions:

Appropriations ⁽¹⁾	\$ 0
Total Exclusions.....	<u>\$ 0</u>

Total Net Indebtedness	<u>\$ 45,651,057</u>
Net Debt-Contracting Margin.....	<u>\$ 394,631,782</u>
The percent of debt contracting power exhausted is.....	10.37%

Note: The proceeds of the Bonds will increase the net indebtedness of the County by \$6,332,358.

⁽¹⁾ Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

Bonded Debt Service

A schedule of Bonded Debt Service, including the principal of the Bonds, may be found in APPENDIX - B to this Official Statement.

Leases and Subscription Based Information Technology Liabilities

The County has entered into Subscription Based Information Technology Agreements (“SBITA”) and lease agreements. Future principal and interest payments for governmental activities as of December 31, 2025 were as follows:

Fiscal Year Ending December 31st	Leases		SBITA		Total
	Principal	Interest	Principal	Interest	
2026	\$ 601,714	\$ 84,656	\$ 64,539	\$ 431	\$ 751,340
2027	570,709	64,245	-	-	634,954
2028	548,944	44,480	-	-	593,424
2029	476,446	26,045	-	-	502,491
2030	440,802	9,174			449,976
Total	\$ 2,638,615	\$ 228,600	\$ 64,539	\$ 431	\$ 2,932,185

Source: 2025 Annual Comprehensive Financial Report.

Capital Project Plans

The County currently has \$10,753,699 bond anticipation notes outstanding which mature on August 19, 2026, for various County projects. The proceeds of the Bonds, along with \$221,098 available funds of the County, will permanently finance the outstanding bond anticipation notes maturing August 19, 2026 and will provide \$6,553,456 new money for various projects.

The County routinely authorizes and issues approximately \$2.0 to \$4.0 million annually for improvements to its roads, bridges, and culverts. Other than these routine authorizations, no other projects are currently authorized nor are any contemplated at this time.

Estimated Overlapping Indebtedness

In addition to the County, the following subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the County. Estimated bonds and bond anticipation notes outstanding are listed of the respective municipalities.

	Indebtedness ⁽¹⁾	Net Indebtedness
Towns	\$ 20,446,171	\$ 20,446,171
Villages	26,485,970	26,485,970
Cities	33,579,312	33,579,312
School Districts	198,935,422	198,935,422
Fire Districts	2,676,571	2,676,571
		<u>\$ 282,123,446</u>

⁽¹⁾ Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.

Note: Gross indebtedness sourced from local government data provided by the State Comptroller’s office. Information regarding applicable exclusions, such as water debt, sewer debt, and budgeted appropriations for respective municipalities is not currently available from source.

Debt Ratios

The following table sets forth certain ratios relating to the County's indebtedness as of June 30, 2026:

	Amount of <u>Indebtedness</u>	Per <u>Capita</u> ⁽¹⁾	Percentage of Full <u>Valuation</u> ⁽²⁾
Net Direct Indebtedness ⁽³⁾	\$ 45,651,057	\$ 605.53	0.61%
Net Direct Plus Gross Overlapping Indebtedness ⁽⁴⁾	327,774,503	4,347.72	4.41%

Note: ⁽¹⁾ The County's 2025 estimated population is 75,390 (See "Population Trends" herein.)

⁽²⁾ The County's full valuation of taxable real estate for 2026 is \$7,424,923,548. (See "Valuations, Rates and Tax Levies" herein.)

⁽³⁾ See "Calculation of Net Direct Indebtedness" herein.

⁽⁴⁾ The County's estimated applicable share of gross overlapping indebtedness is \$282,123,446. (See "Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Bond 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 Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

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 Bonds 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 Bonds 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 Bonds) 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 City 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, described below, 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 crises 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.

HISTORICAL CONTINUING DISCLOSURE COMPLIANCE

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 a Continuing Disclosure Undertaking Certificate, the form of which is attached hereto as “APPENDIX – E.”

Historical Compliance

The County has in the previous five years complied, in all material respects, with any previous undertakings pursuant to the Rule; however, the County failed to file its audited annual financial statements for certain years within 180 days of the end of the fiscal year as required by the continuing disclosure undertaking for the serial bonds issued through the Municipal Bond Bank Agency in 2010. The audited annual financial statements for fiscal years ending 2020 through and including 2023 were not filed within 180 days of the end of the fiscal year.

It should be noted that the County’s audited financial statements may not be completed and made publicly available within 180 days of the end of the fiscal year and therefore the County could not file such documents within the timeframe stated.

The annual information, unaudited financial statements and audited financial statements were submitted to EMMA for the fiscal years ending December 31, 2020 through and including December 31, 2023 as follows:

<u>Fiscal Year Ending</u>	<u>Annual Information</u>	<u>Unaudited Financial Statements</u>	<u>Audited Financial Statements</u>
December 31, 2020	June 29, 2021	May 21, 2021	July 13, 2021
December 31, 2021	June 29, 2022	June 26, 2022	June 29, 2022
December 31, 2022	June 29, 2023	June 2, 2023	July 10, 2023
December 31, 2023	July 18, 2024	-	July 16, 2024

Failure to File notice relating to the late filings was submitted to EMMA on July 13, 2021, July 10, 2023 and July 11, 2024.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. 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 investment risk.

The financial and economic condition of the County as well as the market for the Bonds 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, 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 Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its 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 Bonds 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 any year, 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 some 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 "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 Bonds.

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 Bonds should elect to sell a Bond 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 Bonds. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds 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 Bonds and other debt issued by the County. Any such future legislation would have an adverse effect on the market value of the Bonds (See "TAX MATTERS" herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the County and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the County and hence upon the market price of the Bonds. See "TAX LEVY LIMITATION LAW" 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, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds 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 Bonds is not a specific preference item for purposes of the individual federal alternative minimum tax. Interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – D".

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

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 Bonds. The County has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds. 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 Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. 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 Bonds.

Certain 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 Bonds) 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 Bonds 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 Bonds 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 Bonds 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.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. 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 Bonds. Prospective purchasers of the Bonds 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.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The County has covenanted, however, to comply with the requirements of the Code.

Bond Counsel’s engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the County legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the County or the owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Bonds may be subject to backup withholding with respect to “reportable payments,” which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP as Bond Counsel. Bond Counsel’s opinion will be in substantially the form attached hereto as “APPENDIX – D.”

LITIGATION

The County is subject to a number of lawsuits in the ordinary conduct of its affairs. The County Attorney 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 Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the County taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the County.

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 Bonds. The advice on the plan of financing and the structuring of the Bonds 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 Bonds.

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 Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds 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.

BOND RATING

The County has applied to Moody's Ratings for a rating on the Bonds. Such rating action is pending, and the rating is expected to be released on or about July 29, 2026.

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 rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

MISCELLANEOUS

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 assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and 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", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases 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 Bonds.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the County, expresses no opinion 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 Bonds, 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 Bonds, 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 limitation as to information in the Official Statement obtained from sources other than the County, as to which no representation can be made.

The Official Statement is submitted only in connection with the sale of the Bonds 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.

The County contact information is as follows: Mr. Matthew J. Keller, County Treasurer, 303 Court Street, Little Valley, New York 14755, Phone: (716) 938-9111, Fax: (716) 938-6897, Email: mkeller@cattco.org.

Additional copies of the Notice of Competitive Bond 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.

COUNTY OF CATTARAUGUS

Dated: July 27, 2026

BY: MATTHEW J. KELLER
County Treasurer

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 11,228,133	\$ 4,852,992	\$ 5,080,884	\$ 1,282,133	\$ 13,938,471
Restricted cash and cash equivalents	8,397,405	-	-	-	-
Investments	36,217,186	37,753,890	31,285,135	28,840,024	23,033,708
Restricted investments	-	9,586,154	11,905,797	12,516,277	11,573,929
Receivables:					
Taxes, Interest, Penalties and Liens	9,681,160	10,006,667	10,839,250	11,874,865	12,280,158
Accounts	3,371,699	4,976,814	4,445,338	5,237,837	5,449,763
Intergovernmental	15,599,713	18,027,503	21,213,875	24,407,649	25,782,822
Due from Other Governments	-	-	-	-	-
Due from Other Funds	74,985	-	-	842,909	2,669,321
Miscellaneous Current Assets	-	-	-	-	-
Prepaid Items	1,681,917	1,821,590	2,497,261	2,724,972	125,925
TOTAL ASSETS	<u>\$ 86,252,198</u>	<u>\$ 87,025,610</u>	<u>\$ 87,267,540</u>	<u>\$ 87,726,666</u>	<u>\$ 94,854,097</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Accounts Payable	\$ 6,850,739	\$ 10,004,679	\$ 10,185,971	\$ 10,757,023	\$ 15,240,747
Accrued Liabilities	4,341,883	3,396,617	4,283,526	4,563,431	4,447,417
Other Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Intergovernmental payable	9,543,205	8,027,901	7,652,439	8,572,806	16,430,412
Retained Percentages & Overpayments	-	-	-	-	-
Unearned Revenue	2,532,826	2,946,749	4,445,320	5,610,220	3,933,268
TOTAL LIABILITIES	<u>\$ 23,268,653</u>	<u>\$ 24,375,946</u>	<u>\$ 26,567,256</u>	<u>\$ 29,503,480</u>	<u>\$ 40,051,844</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable Revenue - Property Taxes	\$ 3,452,765	\$ 3,103,983	\$ 3,887,071	\$ 4,421,654	\$ 4,547,200
Unavailable Revenue - State Aid	1,126,928	1,191,739	1,396,084	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 4,579,693</u>	<u>\$ 4,295,722</u>	<u>\$ 5,283,155</u>	<u>\$ 4,421,654</u>	<u>\$ 4,547,200</u>
<u>FUND BALANCES</u>					
Nonspendable	\$ 1,681,917	\$ 1,821,590	\$ 2,497,261	\$ 2,724,972	\$ 125,925
Restricted	4,737,651	5,447,666	6,064,393	6,906,057	7,640,661
Committed	517,403	1,372,321	1,622,877	1,629,923	1,882,667
Assigned	3,519,152	2,961,605	5,089,566	3,814,475	2,265,674
Unassigned	47,947,729	46,750,760	40,143,032	38,726,105	38,340,126
TOTAL FUND BALANCES	<u>\$ 58,403,852</u>	<u>\$ 58,353,942</u>	<u>\$ 55,417,129</u>	<u>\$ 53,801,532</u>	<u>\$ 50,255,053</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 86,252,198</u>	<u>\$ 87,025,610</u>	<u>\$ 87,267,540</u>	<u>\$ 87,726,666</u>	<u>\$ 94,854,097</u>

Source: Audited financial statements of the County.
This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES					
Real Property Taxes and Tax Items	\$ 56,046,326	\$ 59,410,356	\$ 56,926,620	\$ 54,860,720	\$ 57,938,693
Non Property Tax Items	31,530,150	37,149,594	39,244,883	39,544,146	40,304,170
Departmental Income	14,984,479	15,209,001	17,083,558	15,987,572	16,665,338
Intergovernmental Charges	5,689,249	5,850,837	5,893,041	6,425,849	6,597,954
Use of Money & Property	3,857,472	(2,194,630)	(861,394)	3,963,220	2,658,012
Sale of Property and					
Compensation for Loss	1,786,533	2,925,187	2,839,557	2,141,375	1,772,865
Licenses and Permits	56,436	63,206	58,060	63,751	34,398
Fines and Forfeitures	129,566	87,469	95,935	78,762	97,134
Miscellaneous	1,260,701	1,394,632	3,575,491	3,690,157	4,238,268
Interfund Revenues	29,268,006	29,897,838	33,893,513	32,943,591	33,669,608
State aid	18,654,048	18,951,864	24,467,391	27,205,377	32,789,681
Federal aid	17,583,109	18,079,555	22,869,222	23,250,800	20,210,390
Total Revenues	<u>\$ 180,846,075</u>	<u>\$ 186,824,909</u>	<u>\$ 206,085,877</u>	<u>\$ 210,155,320</u>	<u>\$ 216,976,511</u>
EXPENDITURES					
General Government Support	\$ 53,400,270	\$ 59,281,466	\$ 64,304,524	\$ 68,145,391	\$ 71,585,083
Education	6,038,502	8,024,148	7,646,179	8,265,477	9,242,767
Public Safety	22,473,191	21,892,038	26,123,057	27,861,344	29,087,978
Health	21,051,184	21,845,039	24,042,829	25,551,218	24,364,426
Transportation	17,659	85,000	85,000	95,000	-
Economic Assistance and					
Opportunity	54,436,531	52,184,146	59,312,858	62,897,587	72,503,459
Culture and Recreation	817,294	943,520	960,771	857,308	952,900
Home and Community Services	2,698,852	2,801,127	3,453,147	2,581,212	2,872,916
Employee Benefits	6,656,889	6,439,412	7,851,791	7,935,181	7,286,776
Intergovernmental Transfers	-	-	-	-	-
Debt Service	261,257	337,301	474,368	712,339	1,217,304
Total Expenditures	<u>\$ 167,851,629</u>	<u>\$ 173,833,197</u>	<u>\$ 194,254,524</u>	<u>\$ 204,902,057</u>	<u>\$ 219,113,609</u>
Excess of Revenues Over (Under)					
Expenditures	<u>\$ 12,994,446</u>	<u>\$ 12,991,712</u>	<u>\$ 11,831,353</u>	<u>\$ 5,253,263</u>	<u>\$ (2,137,098)</u>
Other Financing Sources (Uses):					
Capital Lease	493,533	181,394	493,250	-	-
Issuance of leases	-	-	-	1,165,992	1,183,674
Issuance of SBITAs	-	-	-	384,827	-
Operating Transfers In	571,468	540,877	-	800,000	3,376,166
Operating Transfers Out	(7,538,187)	(10,279,798)	(12,374,513)	(10,540,895)	(10,980,379)
Total Other Financing	<u>(6,473,186)</u>	<u>(9,557,527)</u>	<u>(11,881,263)</u>	<u>(8,190,076)</u>	<u>(6,420,539)</u>
Excess of Revenues and Other					
Sources Over (Under) Expenditures					
and Other Uses	<u>6,521,260</u>	<u>3,434,185</u>	<u>(49,910)</u>	<u>(2,936,813)</u>	<u>(8,557,637)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	48,448,407	54,969,667	58,403,852	58,353,942	55,417,129
Prior Period Adjustments (net)	-	-	-	-	6,942,040
Fund Balance - End of Year	<u>\$ 54,969,667</u>	<u>\$ 58,403,852</u>	<u>\$ 58,353,942</u>	<u>\$ 55,417,129</u>	<u>\$ 53,801,532</u>

Source: Audited financial statements of the County.
This Appendix is not itself audited.

GENERAL FUND

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

Fiscal Years Ending December 31:

	2025			2026
	Original	Final		Adopted
	Budget	Budget	Actual	Budget
REVENUES				
Real Property Taxes	\$ 57,566,554	\$ 57,566,554	\$ 57,441,700	\$ 59,113,867
Real Property Tax Items	1,971,008	1,972,253	2,020,998	2,496,795
Non Property Tax Items	39,360,000	43,413,947	43,412,407	41,438,430
Departmental Income	17,925,298	18,081,700	16,080,416	14,490,467
Intergovernmental Charges	6,371,396	6,438,112	6,105,177	7,081,382
Use of Money & Property	3,136,894	4,489,967	4,168,941	2,964,394
Sale of Property and				
Compensation for Loss	1,172,470	1,489,323	1,785,031	1,385,383
Licenses and Permits	41,200	41,200	29,899	35,200
Fines and Forfeitures	61,600	61,600	94,347	
Miscellaneous	3,538,932	4,731,864	3,855,469	1,775,751
Interfund Revenues	35,148,154	35,384,723	35,343,698	39,079,994
State aid	32,440,576	37,498,098	32,456,223	33,814,118
Federal aid	25,302,514	27,495,445	25,463,791	27,364,652
Total Revenues	\$ 224,036,596	\$ 238,664,786	\$ 228,258,097	\$ 231,040,433
EXPENDITURES				
General Government Support	\$ 74,446,940	\$ 76,064,805	\$ 72,833,268	\$ 76,145,019
Education	8,450,257	10,213,800	10,213,800	9,144,592
Public Safety	29,472,885	30,792,049	29,643,070	30,760,233
Health	25,520,822	27,125,397	24,044,607	23,966,398
Transportation	190,000	178,841	178,841	95,000
Economic Assistance and				
Opportunity	72,412,267	77,823,008	75,815,890	77,059,354
Culture and Recreation	743,359	1,049,125	927,666	211,313
Home and Community Services	3,599,811	4,165,177	2,969,979	2,464,661
Employee Benefits	6,189,149	7,666,701	7,661,923	5,934,309
Debt Service	159,574	1,331,787	1,331,787	-
Total Expenditures	\$ 221,185,064	\$ 236,410,690	\$ 225,620,831	\$ 225,780,879
Excess of Revenues Over (Under)				
Expenditures	\$ 2,851,532	\$ 2,254,096	\$ 2,637,266	\$ 5,259,554
Other Financing Sources (Uses):				
Appropriation of Prior Years Fund Balance	-	-	-	3,814,475
Unappropriated Revenues	-	-	-	(3,640,498)
Issuance of leases	-	454,040	454,040	-
Issuance of SBITAs	-	-	-	-
Operating Transfer In	-	1,696,662	1,882,377	-
Operating Transfers Out	(6,666,007)	(8,683,404)	(8,520,162)	(5,433,531)
Total Other Financing	(6,666,007)	(6,532,702)	(6,183,745)	(5,259,554)
Excess of Revenues and Other				
Sources Over (Under) Expenditures				
and Other Uses	(3,814,475)	(4,278,606)	(3,546,479)	-
FUND BALANCE				
Fund Balance - Beginning of Year	3,814,475	4,278,606	53,801,532	-
Restatement for Change in Accounting Policy	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 50,255,053	\$ -

Source: 2025 audited financial statements and 2026 budget (unaudited) of the County.
This Appendix is not itself audited.

APPENDIX - B
Cattaraugus County

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2026	\$ 4,975,000	\$ 1,016,003	\$ 5,991,003
2027	4,620,000	876,044	5,496,044
2028	3,855,000	747,788	4,602,788
2029	3,410,000	634,238	4,044,238
2030	3,045,000	530,688	3,575,688
2031	3,115,000	431,350	3,546,350
2032	2,780,000	333,925	3,113,925
2033	1,275,000	262,688	1,537,688
2034	1,320,000	213,763	1,533,763
2035	1,370,000	163,038	1,533,038
2036	1,410,000	110,600	1,520,600
2037	1,460,000	56,450	1,516,450
2038	480,000	20,825	500,825
2039	210,000	9,600	219,600
2040	215,000	3,225	218,225
TOTALS	\$ 33,540,000	\$ 5,410,222	\$ 38,950,222

Note: The table above does not include any leases or installment purchase indebtedness.

APPENDIX - B1
Cattaraugus County

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	\$12,911,145		\$6,460,000		\$4,500,000	
	2017		2013 Various Purposes		2016 Various Purposes	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,035,000	\$ 138,619	\$ 485,000	\$ 35,566	\$ 500,000	\$ 5,000
2027	1,060,000	115,050	500,000	22,325	-	-
2028	675,000	94,688	515,000	7,725	-	-
2029	690,000	75,900	-	-	-	-
2030	710,000	54,900	-	-	-	-
2031	730,000	33,300	-	-	-	-
2032	745,000	11,175	-	-	-	-
TOTAL	\$ 5,645,000	\$ 523,631	\$ 1,500,000	\$ 65,616	\$ 500,000	\$ 5,000

APPENDIX - B2
Cattaraugus County

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	\$7,890,651 2019		\$3,511,494 2020		\$7,785,000 2021 Refunding		\$3,513,099 2021	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 560,000	\$ 120,163	\$ 290,000	\$ 40,000	\$ 890,000	\$ 151,600	\$ 350,000	\$ 40,700
2027	575,000	105,256	295,000	34,150	935,000	115,100	360,000	33,600
2028	590,000	88,500	300,000	28,200	485,000	86,700	365,000	26,350
2029	610,000	70,500	305,000	22,150	475,000	67,500	370,000	19,000
2030	160,000	58,950	310,000	16,000	490,000	48,200	380,000	11,500
2031	165,000	54,075	320,000	9,700	485,000	28,700	385,000	3,850
2032	170,000	49,050	325,000	3,250	475,000	9,500	-	-
2033	175,000	43,875	-	-	-	-	-	-
2034	180,000	38,550	-	-	-	-	-	-
2035	185,000	33,075	-	-	-	-	-	-
2036	190,000	27,450	-	-	-	-	-	-
2037	195,000	21,675	-	-	-	-	-	-
2038	200,000	15,750	-	-	-	-	-	-
2039	210,000	9,600	-	-	-	-	-	-
2040	215,000	3,225	-	-	-	-	-	-
TOTAL	\$ 4,380,000	\$ 739,694	\$ 2,145,000	\$ 153,450	\$ 4,235,000	\$ 507,300	\$ 2,210,000	\$ 135,000

Fiscal Year Ending December 31st	\$11,648,000 2022		\$3,289,782 2023	
	Principal	Interest	Principal	Interest
2026	\$ 680,000	\$ 383,800	\$ 185,000	\$ 100,556
2027	705,000	356,100	190,000	94,463
2028	725,000	327,500	200,000	88,125
2029	755,000	297,900	205,000	81,288
2030	780,000	267,200	215,000	73,938
2031	810,000	235,400	220,000	66,325
2032	835,000	202,500	230,000	58,450
2033	865,000	168,500	235,000	50,313
2034	895,000	133,300	245,000	41,913
2035	930,000	96,800	255,000	33,163
2036	960,000	59,000	260,000	24,150
2037	995,000	19,900	270,000	14,875
2038	-	-	280,000	5,075
TOTAL	\$ 9,935,000	\$ 2,547,900	\$ 2,990,000	\$ 732,631

COUNTY OF CATTARAUGUS, NEW YORK

AUDITED COMPREHENSIVE FINANCIAL REPORT

DECEMBER 31, 2025

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 CATTARAUGUS
NEW YORK



ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FISCAL YEAR ENDED
DECEMBER 31, 2025

COUNTY OF CATTARAUGUS, NEW YORK
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

PREPARED BY:
COUNTY OF CATTARAUGUS
TREASURER'S OFFICE
MATTHEW J. KELLER, TREASURER

COUNTY OF CATTARAUGUS, NEW YORK
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INTRODUCTORY SECTION



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OFFICE OF THE TREASURER

Matthew J. Keller
County Treasurer

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June 10, 2026

To the Citizens of Cattaraugus County and members of the County Legislature:

The annual comprehensive financial report of Cattaraugus County, New York (the "County") for the fiscal year ended December 31, 2025, is hereby submitted. This report consists of management's representation concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of financial statements in conformity with generally accepted accounting principles ("GAAP"). Because the cost of internal control should not outweigh their benefits, the County's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Drescher & Malecki LLP, a firm of licensed certified public accountants, has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2025 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements as of and for the fiscal year ended December 31, 2025 are fairly stated. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basis financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the independent auditors' report.

The independent audit of the basic financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to not only report on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

Profile of the Government

The County, incorporated in 1808, is a municipal corporation of the State of New York. Subject to the State Constitution, the County operates in accordance with County Law and general portions of state laws to the extent such laws are applicable to the County.

The County Legislature is the legislative branch of government and consists of 15 members who are elected every four years. One member of the County Legislature is elected Chairman of the County Legislature at the annual meeting, to preside over the meeting of the County Legislature and exercise limited administrative responsibilities. The County Legislature meets in both regular and special meetings throughout the year. The County Legislature has both legislative and executive powers.

The County Administrator is appointed by the County Legislature for a four-year term and is responsible for overall administration of County government. The County Administrator is also the Budget Officer, Clerk of the County Legislature, Auditor, and Purchasing Agent for the County. The Treasurer, Clerk, Sheriff, and District Attorney for the County are elected for four-year terms and are eligible to succeed themselves. The County Treasurer is the Chief Fiscal Officer of the County whose duty is to receive, disburse, and account for all financial transactions.

The annual budget serves as the foundation for the County's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's governing body. Budgets are adopted on a basis consistent with generally accepted accounting principles. Activities of the General Fund, special revenues funds, and enterprise funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Project Fund. These budgets are adopted on a basis consistent with GAAP, except that encumbrances are treated as budgeted expenditures in the year in which the purchase commitment is made in the General and special revenue funds. Encumbrances outstanding at year-end for governmental funds are accounted for as an assignment of fund balance and are re-established in the next fiscal year. All unencumbered appropriations lapse at the end of the fiscal year.

The appropriated budget is prepared by fund, function, and department. The County's department heads may make transfers of appropriations within a department. The Administrator's Office is authorized by the County Legislature to transfer up to a total of \$10,000 per year into any budgetary account, with the following exceptions: (1) Departments of Social Services and Public Works, transfers can be made in excess of \$10,000 with the approval of the Chairman of the Finance Committee and the County Administrator, (2) transfers without limitation for the purpose of budgeting or amending appropriations and revenues for the Workforce Investment Board, upon notification from the federal government of the grant amount, and (3) transfers within the budget in connection with settlements of collective bargaining agreements. After November 1 of each budget year, the Administrator's Office is authorized to transfer without limitations for the purpose of closure of the County's financial books for the fiscal year, with the approval of the Chairman of the Finance Committee and the County Administrator. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

General Information

The County is a rural county located in the southwestern portion of upstate New York, approximately 35 miles south of the City of Buffalo. The cities of Olean and Salamanca are located within the boundaries of the County. The County has an estimated 2025 population of 75,390 and an area of 1,356 square miles.

The County provides a full range of services and facilities, some of which include:

- Recreational, cultural activities, and events including a 270-acre marina, Allegany State Park, the largest state park in New York State and third largest state park in the nation with 65,000 acres of multi-recreational area, as well as HoliMont and Holiday Valley Ski Resorts in Ellicottville, two of the largest ski resorts in New York State.
- Public safety and judiciary services including criminal justice, district attorney, correction and probation programs, and a coroner.
- Housing and community development programs, as well as land use and environmental planning services.
- Health services through the Pines Healthcare and Rehabilitation Centers (Machias and Olean Campus) and the County Health Department, as well as emergency medical services and community health care services.
- Mental health services including the provision of counseling and residential programs to the mentally ill, handicapped, or chemically dependent individuals.
- Social services including administration of state and federally assisted public assistance programs, veterans assistance, and employment and training services.
- Maintenance of County highways, roads, bridges, and other infrastructure.

Also located within the County are excellent educational facilities, including St. Bonaventure University and Jamestown Community College.

Economic Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

The economy of the County has evolved over time creating a more stable balance. A greater diversity has developed among the various business sectors. Agriculture, manufacturing, wholesale, retail, services, transportation and construction all make appreciable contributions to this balance. The tourism and hospitality industry has continued to bolster many of the other sectors.

Growing outdoor sports, such as snowmobiling, have also added economic stimulus to other regions of the County during the winter months. The County continued to invest in the trail system during the 2024-2025 season, making the 342-mile trail system a destination in and of itself for the touring snowmobile market. The County administered the grant and works with the Cattaraugus County Federation of Snowmobile Clubs, Inc. and its eight member clubs to ensure the trail system is safe, well signed, and properly groomed.

Allegany State Park has long been the County's largest tourism attraction (based on visitation) with over 1.5 million visitors per year. Recently, Allegany State Park has been listed among the 100 Most Amazing Places in the United States by Preserve America. Allegany State Park has recently begun the process of converting six campsites to be accessible campsites. The neighbor to Allegany State Park, the Seneca Allegany Casino continues to be a major tourism attraction. Since its completion in 2007, the gaming floor, 400 plus room hotel and three restaurants employs 1,300 workers. The casino consistently sees well over 2 million visitors annually.

Evidence of a healthy tourism industry in the County is illustrated by occupancy tax revenues. Occupancy tax revenues for 2025 amounted to \$1,749,429, which exceeded budget expectations by nearly \$100,000. The 5% bed tax was implemented in January 2004 and is used by the County for economic development and tourism promotion purposes. This fund coupled with casino revenue sharing (a portion of which is also dedicated to economic development activities) continues to put the County in a position to make greater strides in economic development.

Trails serve as a critical catalyst for economic development and tourism in Cattaraugus County driving visitor spending, supporting small businesses along local main streets, and creating a connected network of outdoor recreation across the county and Western New York. The County's commitment to capitalization on this outdoor tourism industry includes key initiatives and resources that play an active role in moving the Southern Tier Trail from vision to reality with the support of a seven-million-dollar federal RAISE grant. This project will complete the planning, environmental, design, and permitting for the construction of an approximate 52-mile trail that will connect the Erie / Cattaraugus Rail Trail in Erie County, New York with the Genesee Valley Greenway in Allegany County, New York.

The key features of the planning project include:

- **Route Alignment:** Finalizing the pathway connecting Erie / Cattaraugus Rail Trail in Erie County, New York down into Cattaraugus County terminating at the Genesee Valley Greenway in Hinsdale, New York.
- **Local Access:** Creating a safe active transportation option connecting residents to jobs, schools, and essential services.
- **Design Execution:** Producing actionable construction documents for trailheads, signage, and environmental reviews.

Entrepreneurship assistance is a key factor for the Department of Economic Development, Planning & Tourism. The clientele comes from a wide range of business sectors, mirroring the County's diverse economy. In addition to providing extensive classroom training and one on one counseling for small businesses, the County continues to make low interest loan funds available to finance these new ventures.

Agriculture has been a long-standing pillar of the economy in the County. The County updated and approved their Agriculture and Farmland Protection Plan in 2020 that focuses heavily on maintaining and boosting the viability of agriculture operations. With this plan, the County has been eligible to apply for substantial "implementation" funding, intended to preserve farms and farmland in the County, which is a critical part of the economy, natural beauty and way of life. Agriculture has and continues to diversify throughout the County including many spin-offs that fit well into the tourism economy. Niche Farming is on the rise in the County in areas such as hops, bees, alpacas and many others.

The County has long awaited the transportation improvement of a U.S Route 219 Four Lane Expressway. Construction on the first 3.5-mile section of the expressway from Springville, New York to the Town of Ashford commenced in the spring of 2007 and opened for traffic in the Fall of 2010. Another transportation success story has been the renovation of the east west rail line (former Conrail line), which has experienced resurgence in both local service traffic and through service coal train traffic every year since 2001. Carload volumes on the line have increased from 75 in 2000 to over 54,000 currently. The through traffic subsidizes the local service to County shippers, providing rail shipping access that is both lower cost and improved with respect to time-sensitivity. The through service coal traffic also enhances the economic viability for the WNYP Railroad, the short-line railroad operator of the Southern Tier Extension line. Corporate shippers attest that the ideal scenario is having a service oriented short-line operator such as WNYP with direct connections to more than one Class 1 railroad. In 2007, WNYP and STERA, the railroad authority created to reinvigorate the Southern Tier Extension, once again teamed together to similarly reinvigorate the north-south railroad line from Machias to the Pennsylvania state line in Portville. This initiative will improve rail-shipping access to this line, and also establish a larger regional short line system that should improve cross border business relationships and enhance overall railroad system efficacy. This initiative also has had the effect of relocating WNYP base operations to the

Constitution Avenue railroad yard in Allegany and Olean, which will lead to enhanced rail-related business development in this area of the County.

Property values in Cattaraugus County, in aggregate, increased by almost 10.41% on a year over year basis. This is being driven by New York State issued equalization rates, which compare actual sales to assessed values of properties. While this phenomenon may not repeat itself into perpetuity, this is the second consecutive year of substantial growth in the area. Thirty-one towns and two cities have seen growth on a year over year basis.

Major Initiatives

The economy of the County continues into a balanced mix of economic sectors. A greater diversity has developed among these various business sectors, which include: agriculture, manufacturing, tourism and hospitality, wholesale, retail, services, transportation and construction. The tourism and hospitality industry continues to grow along with support industries as can be seen from the increasing bed tax revenue that is realized by the County.

Skiing and resort development in the resort town of Ellicottville has continued to remain a strong and vital part of the tourism economy. Holiday Valley Ski Resort was again ranked among the top ski experiences in the Eastern United States. Ski Magazine ranked Holiday Valley as the 4th best resort in the East in their 2025 Resort Guide. HoliMont, also located in Ellicottville, is considered the largest private ski resort in North America. Combined, the two resorts continue to create employment opportunities and small business development as well as a significant generator of vacation home construction in and around the Ellicottville area. Construction for numerous townhouse, condominium, and individual home projects started in 2006 and continue today. Holiday Valley Ski Resort reinforces its status as a top-tier destination with a \$5 million capital improvement initiative focused on sustainability and enhanced guest experience. This investment upgrades snowmaking technology for efficiency, lodging upgrades, mountain adventure attractions and athlete training facilities.

Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its annual comprehensive financial report for the fiscal year ended December 31, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year. We believe the County's annual comprehensive financial report for fiscal year 2025 continues to meet the Certificate of Achievement Program's requirements and we will submit the document to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efforts of the Treasurer's Office, and other cooperating County departments, and Drescher & Malecki LLP. Furthermore, I extend my appreciation to everyone who assisted and contributed to the preparation of the County's annual comprehensive financial report for fiscal year 2025.

Respectfully submitted,



Matthew J. Keller
County Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Cattaraugus County
New York**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO

COUNTY OF CATTARAUGUS, NEW YORK
List of Elected and Appointed Officials
December 31, 2025

County Officials:

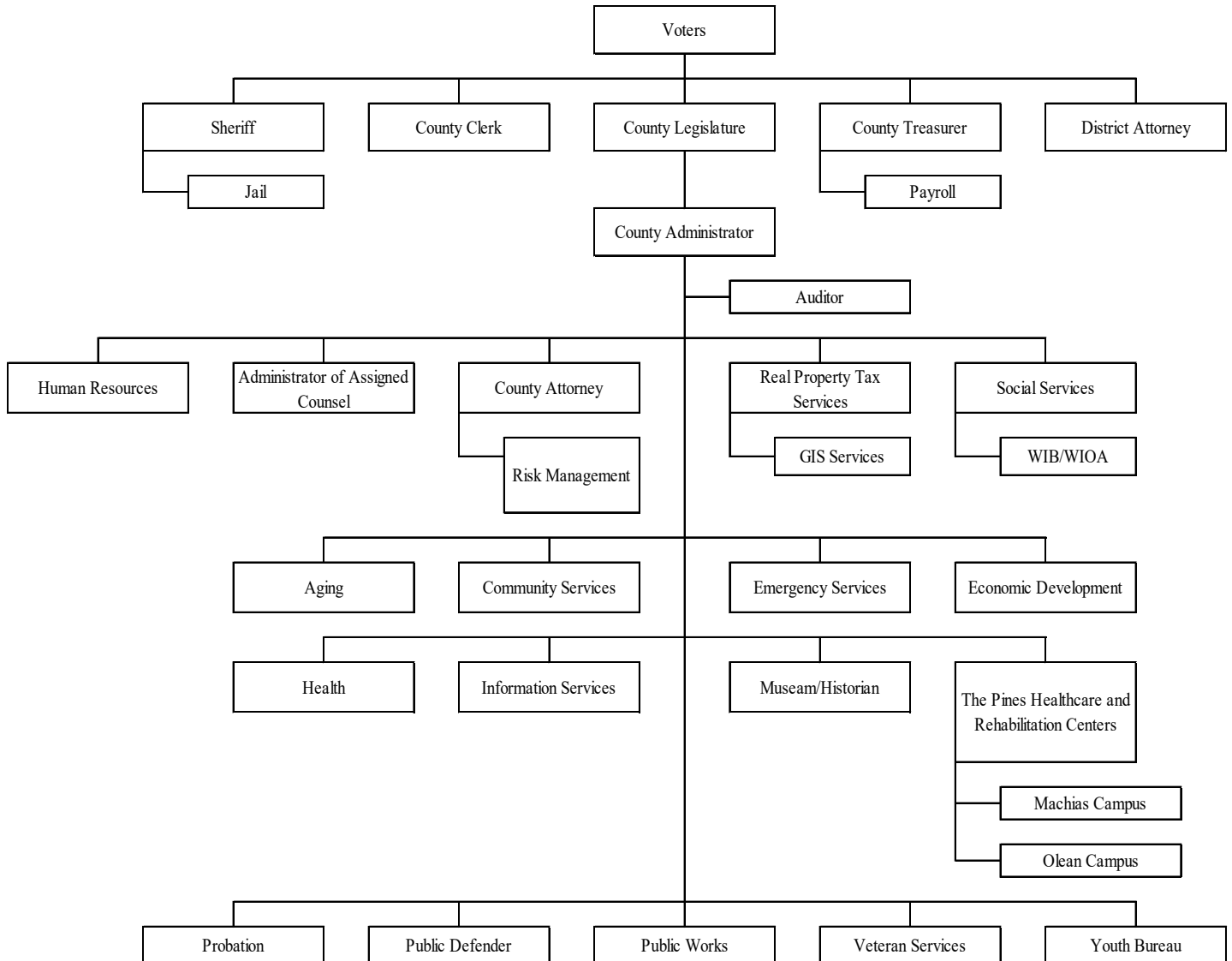
Chairman M. Andrew Burr
Vice Chairman Ginger D. Schroder
Majority Leader Kelly J. Andreano
Minority Leader N/A

Legislators:

District 1 M. Andrew Burr
District 1 Jeffrey Stoltenberg
District 2 Joseph F. Boberg
District 2 Brenda Hanson
District 2 Richard F. Helmich, Jr.
District 2 Ginger D. Schroder
District 3 Laurie A. Hunt
District 3 Norman L. Marsh
District 3 Timothy Nagle
District 4 R. Donald Benson
District 4 Robert A. Parker
District 5 Kelly J. Andreano
District 5 Frank H. Higgins
District 5 Richard C. Smith
District 5 Steven Teachman

County Administrator Kelly J. Reed
County Treasurer Matthew J. Keller

COUNTY OF CATTARAUGUS, NEW YORK
Organization Chart
December 31, 2025



FINANCIAL SECTION

DRESCHER & MALECKI LLP

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



INDEPENDENT AUDITORS' REPORT

Honorable County Legislature and County Administrator
County of Cattaraugus, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Cattaraugus, New York (the "County"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the County of Cattaraugus Industrial Development Agency (the "CCIDA"), which is shown as a discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included CCIDA, is based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

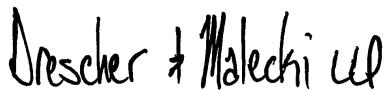
Supplementary Information

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

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the Introductory Section, the Other Information Section, and the Statistical Section, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



June 10, 2026

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

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

Financial Highlights

- The assets and deferred outflows of resources of the County's primary government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$3,345,650 (*net position*). This consists of \$160,325,839 net investment in capital assets and \$9,736,004 restricted for specific purposes, offset by an unrestricted net position of \$(166,716,193).
- The County's primary government net position increased by \$117,946,475 during the year ended December 31, 2025. Governmental activities increased the County's net position by \$97,082,507 and business-type activities increased the County's net position by \$20,867,477.
- At the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$59,052,173, a decrease of \$8,031,850 in comparison with the prior year's fund balance of \$67,084,023. Approximately 55.5 percent, \$32,778,231, of the combined fund balances is unassigned.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$38,340,126, or approximately 16.4 percent of General Fund expenditures and transfers out. This total amount is *available for spending* at the County's discretion and constitutes approximately 76.3 percent of the General Fund's total fund balance of \$50,255,053.
- The County's primary government bonded indebtedness decreased by \$5,290,000 as a result of scheduled principal payments.

Overview of the Financial Statements

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

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

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

improving or deteriorating. Nonfinancial factors, such as changes in the County's property tax base and the condition of the County's roads, should also be considered to assess the overall health of the County.

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government support, education, public safety, health, transportation, economic assistance and opportunity, culture and recreation, home and community services, and interest and fiscal charges. The business-type activities of the County are the Pines Machias Campus nursing home, the Pines Olean Campus nursing home, the Onoville Marina, the Land Bank Corporation, and Sustainability and Growth Corporation. The Land Bank Corporation and the Sustainability and Growth Corporation are blended component units.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate development agency (County of Cattaraugus Industrial Development Agency) for which the County is financially accountable. Financial information presented for this discretely presented component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 22-23 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and Economic Development Fund, which are considered to be major funds. Data from the other six governmental funds are

combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Supplementary Information section of this report.

The County adopts an annual appropriated budget for its General Fund, Debt Service Fund, County Road Fund, Road Machinery Fund, and Conewango Watershed Fund. Budgetary comparison schedules have been provided within the required supplementary information (General Fund) and other information sections of this report (other nonmajor funds) to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 24-27 of this report.

Proprietary funds—The County maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Pines Olean Campus and Pines Machias Campus nursing homes, Onoville Marina, the Land Bank Corporation, and the Sustainability and Growth Corporation. When the County charges customers for the services it provides, whether to outside customers or to other units of the County, these services are generally reported in Proprietary Funds.

The County's enterprise funds represent its business-type activities, reported in the government-wide financial statements but provides more detail and additional information, such as cash flows for Proprietary Funds.

The basic proprietary fund financial statements can be found on pages 28-30 of this report.

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

The fiduciary funds financial statements can be found on page 31-32 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-70 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County's net pension liability, the changes in the County's total other postemployment benefits ("OPEB") obligation and the County's budgetary comparison schedule for the General Fund. Required supplementary information and the related notes can be found on pages 71-75 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented as supplementary information immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 76-79.

Other Information is included in these financial statements, specifically, the Schedules of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual for the County's nonmajor funds. The Other Information can be found on pages 80-83 of this report.

Finally, the Statistical Section can be found on pages 84-105 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the County's primary government, assets and deferred outflows of resources exceeded liabilities and deferred inflows resulting in a net position of \$3,345,650 at the close of the most recent fiscal year, as compared to \$(114,604,334) at the close of the fiscal year ended December 31, 2024.

Table 1—Condensed Statements of Net Position—Primary Government

	Governmental activities		Business-type activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 116,884,935	\$ 113,726,749	\$ 14,886,165	\$ 14,250,853	\$ 131,771,100	\$ 127,977,602
Capital assets	199,987,766	200,913,724	7,922,266	8,530,339	207,910,032	209,444,063
Total assets	316,872,701	314,640,473	22,808,431	22,781,192	339,681,132	337,421,665
Deferred outflows of resources	66,222,997	80,651,450	8,566,285	11,725,778	74,789,282	92,377,228
Liabilities:						
Current liabilities	53,447,336	42,785,590	1,876,209	1,617,033	55,323,545	44,402,623
Noncurrent liabilities	228,562,716	330,266,591	33,090,169	54,449,559	261,652,885	384,716,150
Total liabilities	282,010,052	373,052,181	34,966,378	56,066,592	316,976,430	429,118,773
Deferred inflows of resources	79,744,477	97,981,080	14,403,857	17,303,374	94,148,334	115,284,454
Net Position:						
Net investment in capital assets	156,419,568	154,929,617	3,906,271	3,977,044	160,325,839	158,906,661
Restricted	9,736,004	15,747,447	-	-	9,736,004	15,747,447
Unrestricted	(144,814,403)	(246,418,402)	(21,901,790)	(42,840,040)	(166,716,193)	(289,258,442)
Total net position	\$ 21,341,169	\$ (75,741,338)	\$ (17,995,519)	\$ (38,862,996)	\$ 3,345,650	\$ (114,604,334)

The largest positive portion of the County's net position at December 31, 2025, \$160,325,839, reflects its investment in capital assets (e.g. land, buildings and improvements, infrastructure and machinery and equipment), net of accumulated depreciation/amortization, and less any debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$9,736,004, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining portion of the County's net position, \$(166,716,193), is considered to be unrestricted. This deficit does not mean that the County does not have resources available to meet its obligations in the ensuing year. Rather, it reflects liabilities not related to the County's capital assets and are not expected to be repaid from current resources. These long-term liabilities including compensated absences, other postemployment benefits ("OPEB") obligation, and net pension liability, are funded annually within the funds.

Table 2, as presented below, shows the changes in net position for the year ended December 31, 2025 and December 31, 2024.

Table 2—Condensed Statements of Activities—Primary Government

	Governmental activities		Business-type activities		Total Primary Government	
	Year ended December 31,		Year ended December 31,		Year ended December 31,	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues	\$ 129,593,098	\$ 128,104,752	\$ 23,199,636	\$ 21,495,110	\$ 152,792,734	\$ 149,599,862
General revenues	132,842,476	122,995,011	13,403,158	12,040,648	146,245,634	135,035,659
Total revenues	262,435,574	251,099,763	36,602,794	33,535,758	299,038,368	284,635,521
Total expenses	165,353,067	256,771,686	15,735,317	35,495,199	181,088,384	292,266,885
Change in net position	97,082,507	(5,671,923)	20,867,477	(1,959,441)	117,949,984	(7,631,364)
Net position—beginning	(75,741,338)	(70,069,415)	(38,862,996)	(36,903,555)	(114,604,334)	(106,972,970)
Net position—ending	\$ 21,341,169	\$ (75,741,338)	\$ (17,995,519)	\$ (38,862,996)	\$ 3,345,650	\$ (114,604,334)

Governmental Activities—Governmental activities increased the County’s net position by \$97,082,507. A summary of revenues for governmental activities for the years ended December 31, 2025 and 2024 is presented below in Table 3.

Table 3—Summary of Sources of Revenues—Governmental Activities

	Year Ended December 31,		Increase/(decrease)	
	2025	2024	Dollars	Percent (%)
Charges for services	\$ 63,130,635	\$ 61,484,475	\$ 1,646,160	2.7
Operating grants and contributions	58,968,836	56,387,324	2,581,512	4.6
Capital grants and contributions	7,493,627	10,232,953	(2,739,326)	(26.8)
Real property taxes	57,567,246	56,393,375	1,173,871	2.1
Real property tax items	2,020,998	2,079,901	(58,903)	(2.8)
Non property tax items	60,222,288	55,156,193	5,066,095	9.2
Use of money and property	4,996,790	3,043,989	1,952,801	64.2
Sale of property and compensation for loss	1,802,568	1,900,059	(97,491)	(5.1)
Miscellaneous	6,232,586	4,421,494	1,811,092	41.0
Total revenues	\$ 262,435,574	\$ 251,099,763	\$ 11,335,811	4.5

The most significant source of revenues is charges for services, which account for \$63,130,635, or 24.1 percent, of total governmental activities revenues. The next largest source of revenue is non property taxes, which comprise \$60,222,288, or 22.9 percent, for the year ended December 31, 2025. For the year ended December 31, 2024, the most significant source of revenue was charges for services, which accounted for \$61,484,475, or 24.5 percent, of total government activities revenues. The next largest source of revenue was real property taxes, which comprise \$56,393,375, or 22.5 percent, of total governmental activities revenues.

During the year ended December 31, 2025, total revenues for governmental activities increased by 4.5 percent, primarily due to increases in non property tax items related to increased sales tax collections, increases in operating grants and contributions related to state and federal aid for social services, and increases in use of money and property related to interest earned on investments.

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

Table 4—Program Expenses—Governmental Activities

	Year Ended December 31,		Increase/(decrease)	
	2025	2024	Dollars	Percent (%)
General government support	\$ 47,109,644	\$ 74,447,175	\$ (27,337,531)	(36.7)
Education	6,290,317	9,670,896	(3,380,579)	(35.0)
Public safety	19,626,250	30,732,663	(11,106,413)	(36.1)
Public health	14,899,846	25,584,688	(10,684,842)	(41.8)
Transportation	25,793,542	33,536,230	(7,742,688)	(23.1)
Economic assistance and opportunity	47,681,363	76,382,181	(28,700,818)	(37.6)
Culture and recreation	647,200	2,042,637	(1,395,437)	(68.3)
Home and community services	2,148,589	3,124,382	(975,793)	(31.2)
Interest and other fiscal charges	1,156,316	1,250,834	(94,518)	(7.6)
Total program expenses	<u>\$ 165,353,067</u>	<u>\$ 256,771,686</u>	<u>\$ (91,418,619)</u>	(35.6)

For the year ended December 31, 2025, the County's most significant expense category for governmental activities is economic assistance and opportunity of \$47,681,363, or 28.8 percent of program expenses. The other significant expenses include general government support of \$47,109,644, or 28.5 percent of total expenses, and transportation of \$25,793,542, or 15.6 percent of total expenses. Similarly, for the year ended December 31, 2024, the County's most significant expense category for governmental activities was economic assistance and opportunity of \$76,382,181, or 29.7 percent of program expenses. The other significant expenses include general government support of \$74,447,175, or 29.0 percent of total expenses and transportation of \$33,536,230, or 13.1 percent of total expenses.

As shown above, total governmental activities program expenses decreased 35.6 percent from the year ended December 31, 2024. The overall decrease was primarily due to a decrease in allocable other postemployment benefits expense as a result of a change in plan benefit terms. The largest decreases in expenses were recognized in economic assistance and opportunity and general government support, due to those functions containing the largest number of County personnel associated with the change in other postemployment benefits.

Business-type Activities—Business-type activities increased the County's net position by \$20,867,477. The major activities are for the Pines Machias Campus, the Pines Olean Campus, Onoville Marina, the Land Bank Corporation, and the Sustainability and Growth Corporation.

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

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

	Year Ended December 31,		Increase/(decrease)	
	2025	2024	Dollars	Percent %
Revenues:				
Service, property sales, and other operating revenue	\$ 22,824,636	\$ 21,495,110	\$ 1,329,526	6.2
Grants and intergovernmental transfer	13,724,855	12,012,958	1,711,897	14.3
Investment and miscellaneous income	53,303	32,114	21,189	66.0
Total revenues	<u>\$ 36,602,794</u>	<u>\$ 33,540,182</u>	<u>\$ 3,062,612</u>	9.1
Expenses:				
The Pines Machias Campus	\$ 7,556,084	\$ 17,958,769	\$ (10,402,685)	(57.9)
The Pines Olean Campus	7,540,111	16,406,411	(8,866,300)	(54.0)
Onoville Marina	386,778	694,620	(307,842)	(44.3)
Land Bank Corporation	249,144	241,185	7,959	3.3
Sustainability and Growth Corporation	3,200	194,214	(191,014)	(98.4)
Total expenses	<u>\$ 15,735,317</u>	<u>\$ 35,495,199</u>	<u>\$ (19,759,882)</u>	(55.7)

During the year ended December 31, 2025, total business-type activities revenues increased by 9.1 percent, primarily due to increased grants and intergovernmental transfer revenue related to state Medicaid reimbursement assistance and service, property sales, and other operating revenue related to increased nursing home charges.

As detailed above, the County's business-type activities total expenses for the year ended December 31, 2025 decreased 55.7 percent from the previous year. The overall decrease was primarily due to a decrease in allocable other postemployment benefits expense as a result of a change in plan benefit terms.

The County's business-type activities most significant expense programs for the year ended December 31, 2025 are The Pines Machias Campus, which accounts for \$7,556,084 of total expenses, and The Pines Olean Campus, which accounts for \$7,540,111 of total expenses. Similarly, for the year ended December 31, 2024, most significant expense programs were The Pines Machias Campus, which accounts for \$17,958,769 of total expenses and The Pines Olean Campus, which accounts for \$16,406,411 of total expenses.

Financial Analysis of Governmental Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds—The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the County Legislature.

At December 31, 2025, the County's governmental funds reported combined ending fund balances of \$59,052,173, a decrease of \$8,031,850 from the prior year. Approximately 55.5 percent of this amount, \$32,778,231, constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is: (1) not in spendable form, \$125,925, (2) restricted for particular purposes, \$9,736,004, (3) committed for a particular purpose, \$1,882,667, or (4) assigned for particular purposes, \$14,529,346.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$38,340,126, while total fund balance was \$50,225,053. The General Fund balance decreased \$3,546,479 from the prior year, primarily as a result of planned appropriation of fund balance in the 2025 fiscal year budget. Although revenue increased from the prior year primarily due to additional federal aid as a result of grants for health and social services and non property tax increased as a result of an increase in sales tax collections, economic assistance and opportunity significantly increased as a result of increased payments to beneficiaries and general government support increased as a result of increased salary and contractual costs. As a measure of the General Fund's liquidity, it may be useful to compare both the *unassigned fund balance* and total fund balance to the total General Fund expenditures and transfers out. *Unassigned fund balance* represents approximately 16.4 percent of the total General Fund expenditures and transfers out, while total fund balance represents approximately 21.5 percent of that same amount.

The fund balance in the Capital Projects Fund decreased \$7,203,145 from the prior year ended December 31, 2024 due to capital outlay exceeding state and federal aid, and transfers in from other funds. The ending fund balance in the Capital Projects Fund was \$(5,561,895).

The fund balance in the Economic Development Fund increased \$563,480 from the prior year ended December 31, 2024 due to increases in casino revenue sharing. The ending fund balance in the Economic Development Fund was \$10,388,161. The appropriations of this fund are approved based on grants received and vary from year to year.

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

Overall net position of the proprietary funds increased \$20,867,477. The Pines Machias Campus, Pines Olean Campus, Onoville Marina's, Land Bank Corporation's, and Sustainability and Growth Corporation's net position increased \$11,666,070, \$8,738,681, \$282,547, \$173,314 and \$6,865, respectively.

General Fund Budgetary Highlights

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

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

Table 6—Summary of General Fund Results of Operations

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 224,036,596	\$ 240,815,488	\$ 230,594,514	\$ (10,220,974)
Expenditures and other financing uses	227,851,071	245,094,094	234,140,993	10,953,101
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (3,814,475)</u>	<u>\$ (4,278,606)</u>	<u>\$ (3,546,479)</u>	<u>\$ 732,127</u>

Original budget compared to final budget—During the year, the budget is modified, primarily to reflect the acceptance of new state and federal grants. These grants explain the majority of the increases in appropriations and revenue from the original adopted budget final budget. Additionally, various appropriations of fund balance were made throughout the year ended December 31, 2025 to support ongoing operations.

Final budget compared to actual results—The General Fund had a favorable variance from the final budget of \$732,127. This is primary the result of spending less than anticipated in general government support on personnel costs and spending less than anticipated in health on contractual costs for various public health projects.

Capital Assets and Debt Administration

Capital assets—The County’s investment in capital assets for its governmental and business-type activities as of December 31, 2025 amounts to \$207,910,032 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, right-to-use leased assets, SBITA assets, and infrastructure assets. All depreciable/amortizable capital assets were depreciated/amortized from acquisition date to the end of the current year as outlined in the County’s capital asset policy.

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

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

	Governmental activities		Business-type activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2025	2024	2025	2024	2025	2024
Land	\$ 1,918,632	\$ 1,918,632	\$ 813,215	\$ 813,215	\$ 2,731,847	\$ 2,731,847
Construction in progress	21,050,122	54,728,224	61,351	61,351	21,111,473	54,789,575
Infrastructure	155,893,467	121,025,830	-	-	155,893,467	121,025,830
Buildings and improvements	4,833,653	5,434,127	5,281,979	5,793,275	10,115,632	11,227,402
Machinery and equipment	13,333,320	16,234,027	1,606,129	1,743,691	14,939,449	17,977,718
Right-to-use lease asset - buildings	568,417	911,923	-	-	568,417	911,923
Right-to-use lease asset - vehicles	2,327,510	490,922	159,592	118,807	2,487,102	609,729
SBITA asset - software	62,645	170,039	-	-	62,645	170,039
Total	<u>\$ 199,987,766</u>	<u>\$ 200,913,724</u>	<u>\$ 7,922,266</u>	<u>\$ 8,530,339</u>	<u>\$ 207,910,032</u>	<u>\$ 209,444,063</u>

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

Long-term liabilities—The County currently has \$30,160,000 in total bonded debt for governmental activities.

The County's business-type activities, the Pines Machias, the Pines Olean and the Onoville Marina, also have issued bonded debt and recorded as a long-term liability. The amount outstanding consists of public improvement serial bonds totaling \$3,380,000 as of December 31, 2025.

The County carries an Aa3 rating from Moody's Investors Service.

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

Table 8—Summary of Long-Term Liabilities

	Governmental activities		Business-type activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2025	2024	2025	2024	2025	2024
Serial bonds	\$ 30,160,000	\$ 34,970,000	\$ 3,380,000	\$ 3,860,000	\$ 33,540,000	\$ 38,830,000
Premium on serial bonds	491,579	604,570	454,275	519,171	945,854	1,123,741
Bonds payable, net	30,651,579	35,574,570	3,834,275	4,379,171	34,485,854	39,953,741
Lease liability	2,638,615	3,101,142	127,047	111,641	2,765,662	3,212,783
SBITA liability	64,539	173,442	-	-	64,539	173,442
Compensated absences	15,035,521	15,310,780	1,237,874	1,147,210	16,273,395	16,457,990
OPEB	135,249,292	233,550,353	21,869,828	42,497,102	157,119,120	276,047,455
Noncurrent workers' compensation	4,922,425	5,946,918	1,115,583	1,314,389	6,038,008	7,261,307
Net pension liability	40,000,745	36,609,386	4,905,562	5,000,046	44,906,307	41,609,432
Total	\$ 228,562,716	\$ 330,266,591	\$ 33,090,169	\$ 54,449,559	\$ 261,652,885	\$ 384,716,150

For additional information on the County's long-term liabilities, refer to Note 12 of this report.

Economic Factors and Next Year's Budgets and Rates

Factors considered in preparing Cattaraugus County's budget for the 2026 year included:

- Full-value assessments increased 4.4%.
- Tax levy increased 2.6%.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Hon. Matthew J. Keller
County Treasurer
303 Court Street
Little Valley, New York 14755

BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Industrial Development Agency
ASSETS				
Cash and cash equivalents	\$ 26,101,470	\$ 5,187,679	\$ 31,289,149	\$ 2,037,003
Restricted cash and cash equivalents	2,171,687	309,174	2,480,861	-
Investments	23,033,708	-	23,033,708	1,427,892
Restricted investments	20,809,562	-	20,809,562	-
Receivables (net of allowances):				
Taxes receivable	12,280,158	-	12,280,158	-
Accounts receivable	5,797,357	2,295,527	8,092,884	10,428
Intergovernmental receivables	26,565,068	6,732,731	33,297,799	-
Inventory	-	126,253	126,253	-
Prepaid items	125,925	1,724	127,649	2,775
Notes receivable	-	233,077	233,077	-
Capital assets not being depreciated/amortized	22,968,754	874,566	23,843,320	149,299
Capital assets, net of accumulated depreciation/amortization	177,019,012	7,047,700	184,066,712	609,629
Total assets	<u>316,872,701</u>	<u>22,808,431</u>	<u>339,681,132</u>	<u>4,237,026</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows—relating to pensions	25,094,447	3,077,500	28,171,947	57,424
Deferred outflows—relating to OPEB	41,123,593	5,488,785	46,612,378	-
Deferred charge on refunding	4,957	-	4,957	-
Total deferred outflows of resources	<u>66,222,997</u>	<u>8,566,285</u>	<u>74,789,282</u>	<u>57,424</u>
LIABILITIES				
Accounts payable	17,153,485	936,214	18,089,699	130
Retainages payable	1,766	-	1,766	-
Accrued liabilities	4,864,698	797,963	5,662,661	8,716
Accrued interest payable	160,008	28,600	188,608	-
Intergovernmental payables	16,430,412	3,587	16,433,999	-
Bond anticipation notes payable	10,753,699	-	10,753,699	-
Unearned revenue	4,083,268	109,845	4,193,113	-
Noncurrent liabilities:				
Due within one year	15,477,627	4,101,320	19,578,947	-
Due in more than one year	213,085,089	28,988,849	242,073,938	158,959
Total liabilities	<u>282,010,052</u>	<u>34,966,378</u>	<u>316,976,430</u>	<u>167,805</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows—relating to pensions	5,255,296	644,493	5,899,789	7,868
Deferred inflows—relating to OPEB	74,489,181	13,704,691	88,193,872	-
Deferred gain on refunding	-	54,673	54,673	-
Total deferred inflows of resources	<u>79,744,477</u>	<u>14,403,857</u>	<u>94,148,334</u>	<u>7,868</u>
NET POSITION				
Net investment in capital assets	156,419,568	3,906,271	160,325,839	731,871
Restricted for:				
MDLF loan fund	343,081	-	343,081	-
Insurance	1,700,947	-	1,700,947	-
Workers' compensation	4,837,230	-	4,837,230	-
Other	759,403	-	759,403	-
Debt	2,094,817	-	2,094,817	-
Trust accounts	526	-	526	-
Unrestricted	(144,814,403)	(21,901,790)	(166,716,193)	3,386,906
Total net position	<u>\$ 21,341,169</u>	<u>\$(17,995,519)</u>	<u>\$ 3,345,650</u>	<u>\$ 4,118,777</u>

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

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

					Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Expenses	Program Revenues			Primary Government			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Industrial Development Agency
Primary government:								
Governmental activities:								
General government support	\$ 47,109,644	\$ 42,893,769	\$ 5,338,549	\$ 70,032	\$ 1,192,706	\$ -	\$ 1,192,706	\$ -
Education	6,290,317	-	4,791,807	-	(1,498,510)	-	(1,498,510)	-
Public safety	19,626,250	4,815,015	2,879,307	287,830	(11,644,098)	-	(11,644,098)	-
Health	14,899,846	7,351,021	10,140,651	-	2,591,826	-	2,591,826	-
Transportation	25,793,542	3,423,824	-	7,135,765	(15,233,953)	-	(15,233,953)	-
Economic assistance and opportunity	47,681,363	2,676,324	35,204,979	-	(9,800,060)	-	(9,800,060)	-
Culture and recreation	647,200	796,026	398,918	-	547,744	-	547,744	-
Home and community services	2,148,589	1,174,656	214,625	-	(759,308)	-	(759,308)	-
Interest and other charges	1,156,316	-	-	-	(1,156,316)	-	(1,156,316)	-
Total governmental activities	165,353,067	63,130,635	58,968,836	7,493,627	(35,759,969)	-	(35,759,969)	-
Business-type activities:								
The Pines Machias Campus	7,556,084	12,632,734	-	-	-	5,076,650	5,076,650	-
The Pines Olean Campus	7,540,111	9,516,777	-	-	-	1,976,666	1,976,666	-
Onoville Marina	386,778	669,325	-	-	-	282,547	282,547	-
Land Bank Corporation	249,144	5,800	-	375,000	-	131,656	131,656	-
Sustainability and Growth Corporation	3,200	-	-	-	-	(3,200)	(3,200)	-
Total business-type activities	15,735,317	22,824,636	-	375,000	-	7,464,319	7,464,319	-
Total primary government	\$ 181,088,384	\$ 85,955,271	\$ 58,968,836	\$ 7,868,627	(35,759,969)	7,464,319	(28,295,650)	-
Component unit:								
Cattaraugus County Industrial Development Agency	\$ 458,722	\$ 2,069,145	\$ -	\$ -				1,610,423
Total component unit	\$ 458,722	\$ 2,069,145	\$ -	\$ -				1,610,423
General revenues:								
					57,567,246	-	57,567,246	-
					2,020,998	-	2,020,998	-
					60,222,288	-	60,222,288	-
					4,996,790	-	4,996,790	-
					1,802,568	53,303	1,855,871	65,384
					-	13,349,855	13,349,855	-
					6,232,586	-	6,232,586	120,039
					132,842,476	13,403,158	146,245,634	185,423
					97,082,507	20,867,477	117,949,984	1,795,846
					(75,741,338)	(38,862,996)	(114,604,334)	2,322,931
					\$ 21,341,169	\$ (17,995,519)	\$ 3,345,650	\$ 4,118,777

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

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

	General	Capital Projects	Economic Development	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 13,938,471	\$ -	\$ 10,400,974	\$ 1,762,025	\$ 26,101,470
Restricted cash and cash equivalents	-	-	-	2,171,687	2,171,687
Investments	23,033,708	-	-	-	23,033,708
Restricted investments	11,573,929	9,235,633	-	-	20,809,562
Receivables (net of allowances):					
Taxes receivable	12,280,158	-	-	-	12,280,158
Accounts receivable	5,449,763	-	-	347,594	5,797,357
Due from other funds	2,669,321	-	-	-	2,669,321
Intergovernmental receivables	25,782,822	92,368	-	689,878	26,565,068
Prepaid items	125,925	-	-	-	125,925
Total assets	<u>\$ 94,854,097</u>	<u>\$ 9,328,001</u>	<u>\$ 10,400,974</u>	<u>\$ 4,971,184</u>	<u>\$ 119,554,256</u>
LIABILITIES					
Accounts payable	\$ 15,240,747	\$ 1,473,953	\$ 12,813	\$ 425,972	\$ 17,153,485
Accrued liabilities	4,447,417	5,974	-	411,307	4,864,698
Intergovernmental payables	16,430,412	-	-	-	16,430,412
Due to other funds	-	2,656,270	-	13,051	2,669,321
Bond anticipation notes payable	-	10,753,699	-	-	10,753,699
Unearned revenue	3,933,268	-	-	150,000	4,083,268
Total liabilities	<u>40,051,844</u>	<u>14,889,896</u>	<u>12,813</u>	<u>1,000,330</u>	<u>55,954,883</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue—property taxes	4,547,200	-	-	-	4,547,200
Total deferred inflows of resources	<u>4,547,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,547,200</u>
FUND BALANCES (DEFICIT)					
Nonspendable	125,925	-	-	-	125,925
Restricted	7,640,661	-	-	2,095,343	9,736,004
Committed	1,882,667	-	-	-	1,882,667
Assigned	2,265,674	-	10,388,161	1,875,511	14,529,346
Unassigned	38,340,126	(5,561,895)	-	-	32,778,231
Total fund balances (deficit)	<u>50,255,053</u>	<u>(5,561,895)</u>	<u>10,388,161</u>	<u>3,970,854</u>	<u>59,052,173</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 94,854,097</u>	<u>\$ 9,328,001</u>	<u>\$ 10,400,974</u>	<u>\$ 4,971,184</u>	<u>\$ 119,554,256</u>

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

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

Amounts reported for governmental activities in the statement of net position (page 22) are different because:

Total fund balances—governmental funds (page 24)		\$ 59,052,173
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$418,960,321 and the accumulated depreciation/amortization is \$218,972,555.		199,987,766
Deferred charges associated with refunding of bonds are not reported in the governmental fund statements. The charge is reported as a deferred outflow of resources on the statement of net position and is recognized as a component of interest expense over the life of the related debt.		4,957
Uncollected property taxes of \$4,547,200 are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the fund statements.		4,547,200
Deferred outflows and inflows of resources related to pensions and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	\$ 8,002,964	
Deferred outflows related to experience and investment earnings	17,091,483	
Deferred inflows related to pension plans	(5,255,296)	
Deferred outflow related to OPEB	41,123,593	
Deferred inflows related to OPEB	<u>(74,489,181)</u>	(13,526,437)
Retained percentages are not a current liability and, therefore, are not reported in the fund statements.		(1,766)
Accrued interest expense for serial bonds, bond anticipation notes, leases and SBITAs is not reported in the fund statements.		(160,008)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:		
Serial bonds	\$ (30,160,000)	
Premium on serial bonds	(491,579)	
Lease liability	(2,638,615)	
Subscription based information technology arrangement ("SBITA") liability	(64,539)	
Compensated absences	(15,035,521)	
OPEB obligation	(135,249,292)	
Noncurrent workers' compensation	(4,922,425)	
Net pension liability	<u>(40,000,745)</u>	(228,562,716)
Total net position of governmental activities		<u>\$ 21,341,169</u>

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

COUNTY OF CATTARAUGUS, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds
Year Ended December 31, 2025

	<u>General</u>	<u>Capital Projects</u>	<u>Economic Development</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Real property taxes	\$ 57,441,700	\$ -	\$ -	\$ -	\$ 57,441,700
Real property tax items	2,020,998	-	-	-	2,020,998
Non property tax items	43,412,407	-	-	16,809,881	60,222,288
Departmental income	16,080,416	-	3,030	20,394	16,103,840
Intergovernmental charges	6,105,177	-	-	833,442	6,938,619
Use of money and property	4,168,941	639,699	182,128	6,022	4,996,790
Licenses and permits	29,899	-	-	-	29,899
Fines and forfeitures	94,347	-	-	-	94,347
Sale of property and compensation for loss	1,785,031	-	-	17,537	1,802,568
Miscellaneous	3,855,469	-	1,934,634	442,483	6,232,586
Interfund revenues	35,343,698	-	-	4,641,832	39,985,530
State aid	32,456,223	6,971,164	-	7,050	39,434,437
Federal aid	25,463,791	515,413	-	1,027,222	27,006,426
Total revenues	<u>228,258,097</u>	<u>8,126,276</u>	<u>2,119,792</u>	<u>23,805,863</u>	<u>262,310,028</u>
EXPENDITURES					
Current:					
General government support	72,833,268	-	-	1,027,222	73,860,490
Education	10,213,800	-	-	-	10,213,800
Public safety	29,643,070	-	-	771,315	30,414,385
Health	24,044,607	-	-	-	24,044,607
Transportation	178,841	-	-	20,423,962	20,602,803
Economic assistance and opportunity	75,815,890	-	1,439,034	-	77,254,924
Culture and recreation	927,666	-	117,278	-	1,044,944
Home and community services	2,969,979	-	-	7,301	2,977,280
Employee benefits	7,661,923	-	-	-	7,661,923
Debt service:					
Principal	1,025,470	-	-	4,810,000	5,835,470
Interest and other charges	306,317	-	-	1,071,833	1,378,150
Capital outlay	-	15,507,142	-	-	15,507,142
Total expenditures	<u>225,620,831</u>	<u>15,507,142</u>	<u>1,556,312</u>	<u>28,111,633</u>	<u>270,795,918</u>
Excess (deficiency) of revenues over expenditures	<u>2,637,266</u>	<u>(7,380,866)</u>	<u>563,480</u>	<u>(4,305,770)</u>	<u>(8,485,890)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,882,377	177,721	-	11,891,386	13,951,484
Transfers out	(8,520,162)	-	-	(5,431,322)	(13,951,484)
Issuance of leases	454,040	-	-	-	454,040
Total other financing sources (uses)	<u>(6,183,745)</u>	<u>177,721</u>	<u>-</u>	<u>6,460,064</u>	<u>454,040</u>
Net change in fund balances	(3,546,479)	(7,203,145)	563,480	2,154,294	(8,031,850)
Fund balances—beginning	<u>53,801,532</u>	<u>1,641,250</u>	<u>9,824,681</u>	<u>1,816,560</u>	<u>67,084,023</u>
Fund balances (deficit)—ending	<u>\$ 50,255,053</u>	<u>\$ (5,561,895)</u>	<u>\$ 10,388,161</u>	<u>\$ 3,970,854</u>	<u>\$ 59,052,173</u>

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

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

Amounts reported for governmental activities in the statement of activities (page 23) are different because:

Net change in fund balances—total governmental funds (page 26) \$ (8,031,850)

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

Capital asset additions	\$ 18,317,523	
Loss on disposition of capital assets	(3,040,399)	
Depreciation/amortization expense	<u>(16,203,082)</u>	(925,958)

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

Change in property taxes receivable		125,546
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Net difference between pension contributions recognized on the fund financial statements and the government-wide statements are as follows:

Direct pension contributions	\$ 10,289,728	
Cost of benefits earned net of employee contributions	<u>(8,166,625)</u>	2,123,103

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

Change in OPEB assumptions	\$ 1,526,813	
Differences between expected and actual experience	<u>(3,230,646)</u>	(1,703,833)

Governmental funds report retained percentages expenditures on construction contracts when such retained percentage is paid. However, in the statement of activities retained percentages on construction contracts is reported as an expense as it accrues.

291,422

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

111,322

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

Principal payments on serial bonds	\$ 4,810,000	
Amortization of premiums on serial bonds	112,991	
Amortization of deferred charge on refunding	(2,479)	
Issuance of leases	(454,040)	
Principal payments on lease liability	916,567	
Principal payments on SBITA liability	108,903	
Change in compensated absences	275,259	
Change in OPEB obligation	98,301,061	
Change in noncurrent workers' compensation	<u>1,024,493</u>	<u>105,092,755</u>

Change in net position of governmental activities		<u>\$ 97,082,507</u>
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The notes to financial statements are an integral part of this statement.

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

	Business-type Activities					
	The Pines Machias Campus	The Pines Olean Campus	Onoville Marina	Land Bank Corporation	Economic Sustainability and Growth Corporation	Total Enterprise Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ -	\$ 2,231,292	\$ 981,177	\$ 1,534,568	\$ 440,642	\$ 5,187,679
Restricted cash and cash equivalents	110,796	88,533	109,845	-	-	309,174
Receivables (net of allowance)	928,533	1,366,994	-	-	-	2,295,527
Intergovernmental receivables	3,581,647	3,151,084	-	-	-	6,732,731
Inventory	50,203	53,843	22,207	-	-	126,253
Prepaid assets	862	862	-	-	-	1,724
Total current assets	4,672,041	6,892,608	1,113,229	1,534,568	440,642	14,653,088
Noncurrent assets:						
Notes receivable	-	-	-	-	233,077	233,077
Capital assets, not being depreciated	-	61,351	813,215	-	-	874,566
Capital assets, net of accumulated depreciation	4,512,830	2,251,463	283,407	-	-	7,047,700
Total noncurrent assets	4,512,830	2,312,814	1,096,622	-	233,077	8,155,343
Total assets	9,184,871	9,205,422	2,209,851	1,534,568	673,719	22,808,431
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows—relating to pensions	1,712,871	1,311,809	52,820	-	-	3,077,500
Deferred outflows—relating to OPEB	2,347,713	3,126,866	14,206	-	-	5,488,785
Total deferred outflows of resources	4,060,584	4,438,675	67,026	-	-	8,566,285
LIABILITIES						
Current liabilities:						
Accounts payable	377,451	441,455	24,062	93,246	-	936,214
Accrued liabilities	445,473	346,415	6,075	-	-	797,963
Accrued interest payable	28,600	-	-	-	-	28,600
Intergovernmental payables	-	-	3,587	-	-	3,587
Unearned revenue	-	-	109,845	-	-	109,845
Noncurrent liabilities due within one year:						
Serial bonds, net	539,896	-	-	-	-	539,896
Lease liability	8,288	21,051	-	-	-	29,339
Workers' compensation	384,402	415,034	3,411	-	-	802,847
Compensated absences	252,266	203,021	-	-	-	455,287
Other postemployment benefits obligation	1,564,233	709,718	-	-	-	2,273,951
Total current liabilities	3,600,609	2,136,694	146,980	93,246	-	5,977,529
Noncurrent liabilities:						
Serial bonds, net	3,294,379	-	-	-	-	3,294,379
Lease liability	28,740	68,968	-	-	-	97,708
Workers' compensation	233,265	70,276	9,195	-	-	312,736
Compensated absences	425,989	336,443	20,155	-	-	782,587
Other postemployment benefits obligation	10,061,473	9,329,634	204,770	-	-	19,595,877
Net pension liability	2,730,329	2,091,038	84,195	-	-	4,905,562
Total noncurrent liabilities	16,774,175	11,896,359	318,315	-	-	28,988,849
Total liabilities	20,374,784	14,033,053	465,295	93,246	-	34,966,378
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows—relating to pensions	358,711	274,720	11,062	-	-	644,493
Deferred inflows—relating to OPEB	6,708,117	6,978,859	17,715	-	-	13,704,691
Deferred gain on refunding	54,673	-	-	-	-	54,673
Total deferred inflows of resources	7,121,501	7,253,579	28,777	-	-	14,403,857
NET POSITION						
Net investment in capital assets	586,854	2,222,795	1,096,622	-	-	3,906,271
Unrestricted	(14,837,684)	(9,865,330)	686,183	1,441,322	673,719	(21,901,790)
Total net position	\$ (14,250,830)	\$ (7,642,535)	\$ 1,782,805	\$ 1,441,322	\$ 673,719	\$ (17,995,519)

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

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

	Business-type Activities				Economic Sustainability and Growth Corporation	Total Enterprise Funds
	The Pines Machias Campus	The Pines Olean Campus	Onoville Marina	Land Bank Corporation		
Operating revenues:						
Net service revenue	\$ 10,936,072	\$ 11,213,439	669,325	\$ -	\$ -	\$ 22,818,836
Property sales	-	-	-	5,800	-	5,800
Total operating revenues	10,936,072	11,213,439	669,325	5,800	-	22,824,636
Operating expenses:						
Personnel services	6,559,976	5,442,982	251,412	-	-	12,254,370
Employee benefits	3,701,636	3,112,798	73,289	-	-	6,887,723
Other employee benefit expenses	(10,773,036)	(9,633,101)	(219,965)	-	-	(20,626,102)
Contractual expenses	7,566,839	8,111,097	236,567	-	-	15,914,503
Depreciation, including indirect charges	404,013	463,409	45,475	-	-	912,897
Program services	-	-	-	154,686	-	154,686
Management and general	-	-	-	94,458	3,200	97,658
Total operating expenses	7,459,428	7,497,185	386,778	249,144	3,200	15,595,735
Operating gain (loss)	3,476,644	3,716,254	282,547	(243,344)	(3,200)	7,228,901
Nonoperating revenues (expenses):						
Transfer from (to) General Fund	1,696,662	(1,696,662)	-	-	-	-
Grants and other revenue	6,588,157	6,761,698	-	375,000	-	13,724,855
Investment income	1,263	317	-	41,658	10,065	53,303
Interest expense	(71,637)	(5,291)	-	-	-	(76,928)
Loss on disposal of capital assets	(25,019)	(22,208)	-	-	-	(47,227)
Other nonoperating expenses	-	(15,427)	-	-	-	(15,427)
Total nonoperating revenues (expenses)	8,189,426	5,022,427	-	416,658	10,065	13,638,576
Change in net position	11,666,070	8,738,681	282,547	173,314	6,865	20,867,477
Total net position—beginning	(25,916,900)	(16,381,216)	1,500,258	1,268,008	666,854	(38,862,996)
Total net position—ending	\$ (14,250,830)	\$ (7,642,535)	\$ 1,782,805	\$ 1,441,322	\$ 673,719	\$ (17,995,519)

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

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

	Business-type Activities					Total Enterprise Funds
	The Pines Machias Campus	The Pines Olean Campus	Onoville Marina	Land Bank Corporation	Economic Sustainability and Growth Corporation	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from services provided	\$ 12,676,003	\$ 10,991,033	\$ 682,769	\$ -	\$ -	\$ 24,349,805
Receipts from property sales	-	-	-	5,800	-	5,800
Payments to suppliers and service providers	(8,797,839)	(8,208,908)	(225,029)	(155,898)	(3,200)	(17,390,874)
Payments to employees for salaries and benefits	(10,159,451)	(8,443,663)	(350,813)	-	-	(18,953,927)
Net cash (used for) provided by operating activities	(6,281,287)	(5,661,538)	106,927	(150,098)	(3,200)	(11,989,196)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Receipts of grants and other revenue	4,546,872	4,895,637	-	375,000	-	9,442,509
Receipts from (payments to) other funds	1,696,662	(1,696,662)	-	-	-	-
Receipts from operating grants and contributions	691,482	724,115	-	-	-	1,415,597
Net cash provided by noncapital financing activities	6,935,016	3,923,090	-	375,000	-	11,233,106
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal payments on serial bonds	(480,000)	-	-	-	-	(480,000)
Principal payments on lease	(7,596)	(17,784)	-	-	-	(25,380)
Interest and other fiscal charges paid	(148,405)	(5,291)	-	-	-	(153,696)
Acquisition and construction of capital assets	(78,334)	(185,704)	-	-	-	(264,038)
Net cash used for capital and related financing activities	(714,335)	(208,779)	-	-	-	(923,114)
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts from investments	1,263	317	-	41,658	12,214	55,452
Receipts from notes receivable	-	-	-	-	53,180	53,180
Net cash provided by investing activities	1,263	317	-	41,658	65,394	108,632
Net change in cash and cash equivalents	(59,343)	(1,946,910)	106,927	266,560	62,194	(1,570,572)
Cash and cash equivalents—beginning	170,139	4,266,735	984,095	1,268,008	378,448	7,067,425
Cash and cash equivalents—ending	\$ 110,796	\$ 2,319,825	\$ 1,091,022	\$ 1,534,568	\$ 440,642	\$ 5,496,853
Reconciliation of operating gain (loss) to net cash provided by (used for) operating activities:						
Operating gain (loss)	\$ 3,476,644	\$ 3,716,254	\$ 282,547	\$ (243,344)	\$ (3,200)	\$ 7,228,901
Adjustments to reconcile operating gain (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	404,013	463,409	45,475	-	-	912,897
Decrease (increase) in accounts receivable	415,147	(222,406)	-	-	-	192,741
Decrease (increase) in inventories	545	(19,347)	(6,023)	-	-	(24,825)
(Increase) in other assets	(17)	(17)	-	-	-	(34)
Decrease in deferred outflows of resources	1,768,481	1,376,558	14,454	-	-	3,159,493
Increase (decrease) in accounts payable	93,256	(78,447)	16,611	93,246	-	124,666
Increase in accrued items	99,995	153,192	564	-	-	253,751
Increase in intergovernmental payables	-	-	950	-	-	950
(Decrease) in other current liabilities	(59,343)	(70,235)	-	-	-	(129,578)
Increase in unearned revenue	-	-	13,444	-	-	13,444
(Decrease) in workers' compensation	(90,081)	(93,756)	(14,969)	-	-	(198,806)
Increase in accrued compensated absences	61,509	29,160	-	-	-	90,669
(Decrease) in other postemployment benefits	(10,937,158)	(9,463,133)	(226,983)	-	-	(20,627,274)
(Decrease) increase in net pension liability/(asset)	(186,629)	91,134	1,011	-	-	(94,484)
(Decrease) in deferred inflows of resources	(1,327,649)	(1,543,904)	(20,154)	-	-	(2,891,707)
Total adjustments	(9,757,931)	(9,377,792)	(175,620)	93,246	-	(19,218,097)
Net cash (used for) provided by operating activities	\$ (6,281,287)	\$ (5,661,538)	\$ 106,927	\$ (150,098)	\$ (3,200)	\$ (11,989,196)

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

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

	<u>Custodial Fund</u>
ASSETS	
Restricted cash and cash equivalents	\$ 3,376,905
Due from other governments	<u>74,702</u>
Total assets	<u>3,451,607</u>
 LIABILITIES	
Accounts payable	<u>898</u>
Total liabilities	<u>898</u>
 NET POSITION	
Restricted for bail and courts	631,822
Other restricted net position	<u>2,818,887</u>
Total net position	<u><u>\$ 3,450,709</u></u>

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

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

	Custodial Fund
ADDITIONS	
Funds collected on behalf of others	\$ 3,342,422
Total additions	<u>3,342,422</u>
DEDUCTIONS	
Funds distributed on behalf of others	<u>2,821,702</u>
Total deductions	<u>2,821,702</u>
Change in fiduciary net position	520,720
Net position—beginning	<u>2,929,989</u>
Net position—ending	<u>\$ 3,450,709</u>

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

COUNTY OF CATTARAUGUS, NEW YORK
Notes to the Financial Statements
Year Ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the County of Cattaraugus, New York (the “County”) have been prepared in conformity with the accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Government 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.

Description of Government-wide Financial Statements

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

Reporting Entity

The County was established in 1808 and is governed by the County Law and other laws of the State of New York. Independently elected officials of the County include the County Legislature, County Treasurer, County Clerk, Sheriff, and District Attorney. The Legislature is the governing body of the County. It consists of 15 members elected from 5 legislative districts for four-year terms. The County Legislature appoints a County Administrator to coordinate fiscal and operational functions.

Units of local government, which operate within the boundaries of the County, include the cities of Olean and Salamanca, as well as 32 towns and 9 villages. Public education is provided by the various city and other school districts.

The scope of activities included within the accompanying financial statements are those transactions which comprise County operations, and are governed by, or significantly influenced by, the County Legislature. The County provides mandated social service programs such as Medicaid, food stamps and other public assistance. Additionally, the County provides services and facilities in the areas of culture, recreation, police, youth, health, senior services and roads. The County also operates the Pines Healthcare and Rehabilitation Centers (Machias and Olean Campuses) and the Onoville Marina.

Blended Component Unit—The following blended component unit is a legally separate entity from the County, but is, in substance, part of the County’s operations and therefore data from this unit is combined with data of the primary government.

Cattaraugus County Land Bank Corporation—The Cattaraugus County Land Bank Corporation (the “Land Bank”) was created in September of 2016 by the Cattaraugus County

Board of Legislature under the provisions of the 1973 Laws of New York State. The Land Bank is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Land Bank is a blended component unit because the County is the sole corporate member of the Land Bank. The Land Bank's annual financial report can be obtained by writing the Cattaraugus County Land Bank Corporation, 303 Court Street, Little Valley, NY 14755.

Cattaraugus County Economic Sustainability and Growth Corporation—The Cattaraugus County Economic Sustainability and Growth Corporation (the “Sustainability and Growth Corporation”) was created in April of 2015 by the Cattaraugus County Legislature under the provisions of Section 201 of the Not-for-Profit Corporation Law of New York. The Sustainability and Growth Corporation is a nonprofit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The general purposes of the Sustainability and Growth Corporation are the planning and implementation of programs, projects, and activities designed to create or stimulate economic and community development in the County of Cattaraugus. The Sustainability and Growth Corporation is a blended component unit because the County is the sole corporate member of the Sustainability and Growth Corporation. Further information can be obtained by writing the Cattaraugus County Economic Sustainability and Growth Corporation, 303 Court Street, Little Valley, New York 14755.

Discretely Presented Component Unit—The component unit column in the basic financial statements includes the financial data of the County's discretely presented component unit. This unit is reported in a separate column to emphasize that it is legally separate from the County.

County of Cattaraugus Industrial Development Agency—The County of Cattaraugus Industrial Development Agency (the “CCIDA”) was created in 1971 by the Cattaraugus County Legislature under the provisions of Chapter 536 of the laws of New York State for the purpose of encouraging economic growth in Cattaraugus County. CCIDA is exempt from federal and state income taxes. CCIDA is a discretely presented component unit because members of CCIDA's Board are appointed by the County Legislature and the CCIDA need County Legislature approval for various actions. CCIDA's annual financial report can be obtained by writing the County of Cattaraugus Industrial Development Agency, 9 East Washington Street, P.O. Box 1749, Ellicottville, New York 14731.

Excluded from the Financial Reporting Entity—Although the following are related to the County, they are not included in the County reporting entity.

Jamestown Community College—Jamestown Community College (the “College”) is a locally sponsored, two-year community college founded in 1950. The College is part of a statewide system of two-year institutions designed to provide technical, para-professional, and university parallel education. The College is one of thirty community colleges within the State University of New York (“SUNY”). SUNY Community Colleges are financed by New York State, student tuition, and sponsor contributions. In 1996, the State of New York amended Article 126 of the Education Law through Chapter 144 of the Laws of 1996. The law changed sponsorship of the College from the City of Jamestown to the Jamestown Community College Region, effective September 1, 1996. This region is made up of the City of Jamestown and Chautauqua and Cattaraugus Counties. The College is excluded from the financial reporting entity because the County is unable to appoint a voting majority of the Board of Trustees and the College is not fiscally dependent on the County. Further information can be obtained by writing Jamestown Community College, Administration Office, 525 Falconer Street, Jamestown, New York 14701.

Cattaraugus County Soil & Water Conservation District—The Cattaraugus County Soil & Water Conservation District (the “District”) was formed by an act of the Cattaraugus County Board of Supervisors on April 24, 1941, under the provisions of Article 3, Section 30, of the General Municipal Law. The District is a nonprofit corporation set up to coordinate state and federal conservation programs on a local level. The District provides education and technical assistance on managing soil, water, and related natural resources to municipalities, farmers, business owners, and homeowners. The District is excluded from the reporting entity because although the County appoints a voting majority of the Board of Directors of the District, the District is not fiscally dependent on the County. Further information can be obtained by writing Cattaraugus County Soil & Water Conservation District, 8 Martha Street Suite 2, P.O. Box 1765, Ellicottville, NY 14731.

Basis of Presentation—Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements.

As discussed earlier, the County has one discretely presented component unit. While the CCIDA is not considered to be a major component unit, it is shown in a separate column in the government-wide statements.

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

Basis of Presentation—Fund Financial Statements

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

The County reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the County and accounts for all financial resources of the general government, except those required to be accounted for in other funds. The principal sources of revenue for the General Fund are property taxes and sales tax.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment other than those financed by enterprise funds.

- *Economic Development Fund*—The Economic Development Fund is used to account for and report revenue and expenditures related economic development projects, primarily related to Tribal Compact revenues related to a casino located on the Cattaraugus Reservation.

The County reports the following major enterprise funds:

- *The Pines Healthcare and Rehabilitation Center Fund—Machias Campus*—(“The Pines Machias Campus”) Nursing facility delivering long-term care and short-term rehabilitation services to the citizens of Cattaraugus County and neighboring communities.
- *The Pines Healthcare and Rehabilitation Center Fund—Olean Campus*—(“The Pines Olean Campus”) Nursing facility delivering long-term care and short-term rehabilitation services to the citizens of Cattaraugus County and neighboring communities.
- *Onoville Marina*—Marina maintained and operated by the Cattaraugus County Department of Public Works.
- *Land Bank Corporation*—The Cattaraugus County Land Bank, a blended component unit, is used to account for operations aimed to help communities recover from the effects of foreclosures.
- *Economic Sustainability and Growth Corporation*—The Cattaraugus County Economic Sustainability and Growth Corporation, a blended component unit, was formed to promote economic growth and attract new business to the County.

These entities are financed and operated in a manner similar to a private business enterprise. The intent of the County is that the operating expenses (including depreciation and amortization expense) of providing goods or services to the general public on a continuous basis are to be financed or recovered primarily through user charges. The County may provide administrative, legal and operational assistance to the proprietary funds, which are not charged. Additionally, the General Fund periodically provides advances to the proprietary funds for operational needs.

Additionally, the County reports the following fund type:

- *Fiduciary Fund*—These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary funds include the *Custodial Fund*. Activities reported in the fiduciary fund include monies from outside entities, controlled and administered by the County for the benefit of others.

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

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

Measurement Focus and Basis of Accounting

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

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

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

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

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

The Custodial Fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

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

Cash and Cash Equivalents and Investments—Cash and cash equivalents include cash on hand, demand deposits, time deposits and short-term, highly liquid investments which are readily convertible to known amounts of cash and have maturities of three months or less from the date of acquisition. The County's investments are recorded at fair value in accordance with GASB.

Restricted Cash and Cash Equivalents and Investments—Restricted cash and cash equivalents and investments represent amounts to support fund balance restrictions, unspent proceeds of debt, and resources received in advance relating to unearned revenue.

Receivables—Receivables are stated net of estimated allowances for uncollectible amounts. Amounts due from state and federal governments represent amounts owed to the County to reimburse it for expenditures incurred pursuant to state and federally funded programs. All major revenues of the County are considered "susceptible to accrual" under the modified accrual basis. These include property tax, sales tax, State and Federal aid, and various grant program revenues.

Inventory—Inventory, which is comprised of medical supplies and gasoline, is valued at the lower of cost using the first in, first out (FIFO) method or market value.

Prepaid Items—Certain payments to reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Notes Receivable—The Sustainability and Growth Corporation, a blended component unit of the County, records a note receivable at year-end. This note receivable represents a loan that is operated by the Sustainability and Growth Corporation for the purpose of making operating and capital loans to existing and potential companies located or locating operations within the County. These loans are made to create or retain jobs.

Capital Assets—Capital assets, which include property, plant, equipment, infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), right-to-use lease assets, and subscription assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements, as well as within the individual proprietary fund. Capital assets are defined by the County as assets with an initial, individual cost as defined below and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of acquisition. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are incurred.

The County depreciates capital assets using the straight-line method over the estimated useful lives presented on the following page.

Class of Assets	Useful Life	Capitalization Threshold
Land	None	\$ 5,000
Construction in progress	None	50,000
Buildings and improvements	40	50,000
Facilities and other improvements	30-40	50,000
Infrastructure	10-40	50,000
Computers	5	1
Software	3	5,000
Equipment and vehicles	2-20	1,000
Right-to-use lease assets	2-5	15,000
Subscription assets	2-5	15,000

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

Unearned Revenue—Certain cash receipts have not met the revenue recognition criteria for government-wide or fund financial statement purposes. At December 31, 2025, the County reported \$3,933,268 of unearned revenues in the General Fund, \$150,000 in nonmajor governmental funds, and \$109,845 in business-type activities. These funds receive overpayments and grant money in advance but have not performed the related services, and therefore recognize a liability.

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2025, the County has three items that qualified for reporting in this category. The first item is related to pensions reported in the government-wide financial statements, as well as within individual proprietary funds. This represents the effect of the net change in the County's proportion of the collective net pension liability, the difference during the measurement period between the County's contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension system made subsequent to the measurement date. The second item is related to OPEB and is reported in the government-wide financial statements, as well as within individual proprietary funds, and represents the effects of the change in the County's proportion of the collective OPEB liability and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability. The third item is related to a deferred charge on refunding, which the County reports within its governmental activities.

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has four items which qualify for reporting in this category. The first item, taxes receivable, arises only under a

modified accrual basis of accounting. Accordingly, a deferred inflow of resources for taxes receivable is reported only on the governmental funds balance sheet. The second item represents the effect of the net change in the County's proportion of the collective net pension liability and the difference during the measurement periods between the County's contributions and its proportionate share of total contributions to the pension systems not included in pension expense and is reported on the government-wide financial statements, as well as within the individual proprietary funds. The third item represents the effects of the change in the County's proportion of the collective OPEB liability and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability and is reported on the government-wide financial statements, as well as within the individual proprietary funds. The final item represents a deferred gain on refunding being recognized over the life of the new debt and is reported on the government-wide financial statements and proprietary funds.

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

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

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

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

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The County Legislature has by resolution authorized the County Treasurer to assign fund balance. The County Legislature may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional resolution is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

Program Revenues—Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Departmental and Interfund Revenues—Departmental revenues represent charges for services received by the County from providing services for various external purposes and interfund revenues represent reimbursements and charges for services between County functions.

Proprietary Funds Operating and Nonoperating Revenues and Expenses—Proprietary funds distinguish *operating* revenues and expense from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the Pines, Onoville Marina, Land Bank Corporation, and Sustainability and Growth Corporation are elderly assistance and healthcare related services, dock and marina charges, property grants, and economic development grants, respectively. Operating expenses for the Pines are nursing, dietary, ancillary, housekeeping, laundry, maintenance, fiscal, assessments and administrative services. Operating expenses for the Onoville Marina include contractual services and fringe benefits. Operating expenses for the Land Bank Corporation include program services and management and general expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Property Taxes—The Countywide property tax is levied by the County upon the taxable real property, in the towns and cities in the County. Town taxes are levied along with the County tax while cities are levied separately. The levy is effective January 1st, the lien date, on the assessed valuation of property located in the County as of the preceding March 1st. The respective collection officers in each town and city collect such taxes.

County taxes are payable through January 31st without interest. After that, penalties are imposed on unpaid taxes by charging 1% interest in February, and an additional 1% interest in March. Unpaid taxes are returned to the County for collection April 1st. At that time, a return penalty of 5% is added to the original tax amount with 3% interest for the month of April. An additional 1% interest is added each month that the tax remains unpaid. County taxes within the City of Salamanca do not get returned to the County for collection. The City of Salamanca guarantees collection of all County taxes. Town taxes, levied along with the County tax, include special district, fire district and highway taxes. All towns first retain their share of taxes from collection and then remit the balance to the County. The City of Olean levies a city tax May 1st. Unpaid City of Olean taxes are returned to the County for collection on November 1st. The City of Salamanca taxes are levied and collected only by the city. Cattaraugus County does not collect City of Salamanca taxes. The County levies taxes for school districts throughout the County and is responsible for uncollected school district taxes. Additionally, at the option of the villages within the County, the County is responsible for uncollected village taxes. Therefore, if there are any unpaid and returned school, City of Olean, or village taxes, they will be relieved onto the County tax.

A petition and notice of foreclosure is filed in the Cattaraugus County Clerk's office in October for any property that has an unpaid tax lien at least twenty-one months old. A judgment of foreclosure is obtained if the property is not redeemed by a date in January, a date that is fixed and identified in the

petition and notice of foreclosure. A property tax auction is held, usually in May, following that judgment of foreclosure. All actions, along with necessary notices and advertisements are carried out according to Article 11 of the Real Property Tax Law.

Compensated Absences—The County’s union contracts and agreements permit employees to accumulate earned but unused vacation and sick benefits, which are eligible for payment upon separation from government service. Leave that has not been used is recognized as a liability when it is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Payment of sick leave and compensatory time is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of sick leave and compensatory time when such payment becomes due.

Pension Plan—The County is mandated by New York State law to participate in the New York State Local Employees’ Retirement System (“ERS”). For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plan, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 6.

Other Postemployment Benefits—In addition to providing pension benefits, the County provides payments for fractional values of unused sick leave for certain retired employees at the time of retirement as discussed in Note 7.

Other

Estimates—The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues, expenditures, assets, liabilities, deferred outflows/inflows of resources, and disclosures of contingent liabilities at the date of the financial statements and during the reported period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended December 31, 2025, the County implemented GASB Statement No. 102, *Certain Risk Disclosures*. GASB Statement No. 102 provides users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The implementation of GASB Statements No. 102 did not have a material impact on the County’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The County has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 103, *Financial Reporting Model Improvements*; and No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending December 31, 2026, and No. 105 *Subsequent Events*, effective for the year ending December 31, 2027. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 103, 104, and 105 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Legal Compliance—Budgets and Budgetary Accounting—Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, County Road Fund, Road Machinery Fund, Conewango Watershed Fund, and Debt Service Fund. The Capital Projects Fund is appropriated on a project-length basis. Other special revenue funds and the permanent fund do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, department, function, program, and sub-program. The County's department heads may make transfers of appropriations within a department. The Administrator's Office is authorized by the County Legislature to transfer up to a total of \$10,000 per year into any budgetary sub-program, with the following exceptions: (1) Departments of Social Services and Public Works, transfers can be made in excess of \$10,000 with the approval of the Chairman of the Finance Committee and the County Administrator, (2) transfers without limitation for the purpose of budgeting or amending appropriations and revenues for the Workforce Investment Board, upon notification from the federal government of the grant amount, and (3) transfers within the budget in connection with settlements of collective bargaining agreements. After November 1 of each budget year, the Administrator's Office is authorized to transfer without limitations for the purpose of closure of the County's financial books for the fiscal year, with the approval of the Chairman of the Finance Committee and the County Administrator. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Deficit Net Position—The Pines Machias Campus and the Pines Olean Campus proprietary funds reported net position deficits of \$14,250,830 and \$7,642,535, respectively. The County anticipates that this deficit will be remedied through enhanced operations or future subsidies from the County.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The County deposits cash into a number of bank accounts. Various statutes require some of these accounts and borrowing restrictions for specific funds, while the remainder is used for a combination of pooled County operating cash and investment purposes. Cash and cash equivalents represent demand deposits with banks and certificates of deposit held by financial institutions all having original maturities of less than three months. Management is responsible for accounting and safeguarding the patient trust funds, however the funds are not accessible by the County.

The County's investment policies are governed by State statutes. In addition, the County has its own written investment policy. County monies must be deposited in FDIC-insured commercial banks or trust companies located within New York State. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The County has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Cash and cash equivalents (including restricted cash and cash equivalents) at December 31, 2025, are as follows:

	Governmental Activities	Business-type Activities	Fiduciary Fund	Total Balance
Petty cash (uncollateralized)	\$ 44,022	\$ 2,050	\$ -	\$ 46,072
Cash and cash equivalents	28,229,135	5,494,803	3,376,905	37,100,843
Total	<u>\$ 28,273,157</u>	<u>\$ 5,496,853</u>	<u>\$ 3,376,905</u>	<u>\$ 37,146,915</u>

Deposits—All deposits are carried at fair value and are classified by custodial credit risk at December 31, 2025 as follows:

	December 31, 2025	
	Bank Balance	Carrying Amount
FDIC Insured	\$ 21,574,936	\$ 21,231,603
Uninsured:		
Collateral held by bank's agent in the County's name	16,093,508	15,869,240
Total	<u>\$ 37,668,444</u>	<u>\$ 37,100,843</u>

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

Restricted Cash and Cash Equivalents and Investments—The County reports restricted cash and cash equivalents for certain fund balance restrictions, unspent proceeds of debt and resources received in advance relating to unearned revenue and unavailable revenue—state aid, and amounts held on behalf of others. At December 31, 2025, the County reported \$22,981,249 of restricted cash and cash equivalents and investments within its governmental activities, \$309,174 within its business-type activities, and \$3,376,905 within its Custodial Fund.

Investments—All investments are reported using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as presented below:

- Level 1. Quotes prices for identical assets or liabilities in active markets to which the County has access at the measurement date.
- Level 2. Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets in markets that are not active;

- Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value to the extent that observable inputs are not available.

Investments reported within governmental activities at December 31, 2025 are as follows:

	12/31/2025	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
GNMA bonds	\$ 27,327,773	\$ 27,327,773	\$ -	\$ -
Treasury notes	16,275,119	16,275,119	-	-
Municipal bonds	240,378	240,378	-	-
	<u>\$ 43,843,270</u>	<u>\$ 43,843,270</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of deposits and investments. The County's investment policy minimizes the risk by structuring the investment portfolio so that the deposits and investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell deposits and investments on the open market prior to maturity. Deposits are primarily invested in short-term securities or similar investment pools with maturities less than one year. Investments are invested in long-term securities or similar investment pools with maturities greater than one year.

Custodial Credit Risk—Investments—Credit risk is defined as the risk that an issuer or other counterpart to an investment in debt securities will not fulfill its obligation. The County's investment policy minimizes credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the County does business, and diversifying the investment portfolio so that potential losses on individual securities are minimized. GNMA bonds and U.S. Treasury notes are backed by the full faith and credit of the U.S. government and are considered to be of the highest credit quality.

Concentration of Credit Risk—Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's policy places limits on the amount the County may invest in any one issuer of \$35 million. As of December 31, 2025, the County's investments in any single issuer do not exceed the limit established by its policy. Investments issued or explicitly guaranteed by the U.S. government are excluded from this requirement.

County of Cattaraugus Industrial Development Agency

The carrying amount and bank balance of cash and investments held by the CCIDA at December 31, 2025 was \$2,037,003 and \$1,427,892, respectively. The CCIDA's deposits were either fully covered by FDIC insurance or collateralized with securities held by the pledging bank's agent in CCIDA's name at December 31, 2025. The CCIDA's investments were measured using level 1 inputs.

3. RECEIVABLES

Revenues accrued by the County at December 31, 2025:

Taxes Receivable—Represents unpaid county, school, and village taxes. At December 31, 2025, the General Fund reported taxes receivable of \$12,280,158.

Accounts Receivable—Represents amounts due from various sources. The County's accounts receivable at December 31, 2025 are presented below:

General Fund:

Various fees and charges	\$ 5,449,763
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Nonmajor Governmental Funds:

County Road	\$ 158,883	
Road Machinery	108,936	
Conewango Watershed	1,928	
Debt Service	77,847	347,594
Total governmental funds		<u>\$ 5,797,357</u>

Proprietary Funds:

Resident accounts receivable, net	<u>\$ 2,295,527</u>
Total proprietary funds	<u>\$ 2,295,527</u>

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State, or other local municipalities. Intergovernmental receivables at December 31, 2025 are presented below:

Governmental Funds:

General Fund:

Due From New York State and federal governments	\$ 25,782,822
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Capital Projects Fund:

Due From New York State and federal governments	92,368
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Nonmajor Governmental Funds:

County Road:

Due From New York State	689,878
Total governmental funds	<u>\$ 26,565,068</u>

Proprietary Funds:

Due From New York State	<u>\$ 6,732,731</u>
Total proprietary funds	<u>\$ 6,732,731</u>

Cattaraugus County Sustainability and Growth Corporation

Notes Receivable—The Sustainability and Growth Corporation has two notes receivable in the amount of \$107,459 and \$125,618 due from local companies. The terms of the notes call for monthly payments of principal and interest totaling \$2,602 and \$2,829, respectively. The final payments of the notes are due in May 2029.

4. CAPITAL ASSETS

Governmental activities—Capital asset activity for governmental activities for fiscal year ending December 31, 2025 was as follows:

	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025
Capital assets, not being depreciated/amortized:				
Land	\$ 1,918,632	\$ -	\$ -	\$ 1,918,632
Construction in progress	54,728,224	9,145,845	42,823,947	21,050,122
Total capital assets, not being depreciated/amortized	<u>56,646,856</u>	<u>9,145,845</u>	<u>42,823,947</u>	<u>22,968,754</u>
Capital assets, being depreciated/amortized:				
Infrastructure	283,224,518	47,842,215	687,671	330,379,062
Buildings and improvements	27,164,469	-	747	27,163,722
Machinery and equipment	35,314,303	1,066,149	5,065,377	31,315,075
Books	497,658	-	-	497,658
Right-to-use lease asset - buildings	2,073,225	-	116,526	1,956,699
Right-to-use lease asset - vehicles	2,173,513	3,087,261	966,250	4,294,524
Subscription asset - software	384,827	-	-	384,827
Total capital assets, being depreciated/amortized	<u>350,832,513</u>	<u>51,995,625</u>	<u>6,836,571</u>	<u>395,991,567</u>
Less accumulated depreciation/amortization for:				
Infrastructure	162,198,688	12,357,546	70,639	174,485,595
Buildings and improvements	21,730,342	600,474	747	22,330,069
Machinery and equipment	19,080,276	1,660,015	2,758,536	17,981,755
Books	497,658	-	-	497,658
Right-to-use lease asset - buildings	1,161,302	226,980	-	1,388,282
Right-to-use lease asset - vehicles	1,682,591	1,250,673	966,250	1,967,014
Subscription asset - software	214,788	107,394	-	322,182
Total accumulated depreciation/amortization	<u>206,565,645</u>	<u>16,203,082</u>	<u>3,796,172</u>	<u>218,972,555</u>
Total capital assets, being depreciated/amortization	<u>144,266,868</u>	<u>35,792,543</u>	<u>3,040,399</u>	<u>177,019,012</u>
Governmental activities capital assets, net	<u>\$ 200,913,724</u>	<u>\$ 44,938,388</u>	<u>\$ 45,864,346</u>	<u>\$ 199,987,766</u>

Construction in progress at December 31, 2025 is comprised primarily of County roads, bridges, culverts, and building projects in which the project was not complete at year end.

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

Governmental activities:	
General government support	\$ 1,393,694
Education	293
Public safety	895,983
Health	92,316
Transportation	13,397,021
Economic assistance and opportunity	105,016
Culture and recreation	3,686
Home and community services	315,073
Total depreciation expense—governmental activities	<u>\$ 16,203,082</u>

Business-type activities—*The Pines Machias Campus*—Capital assets for the primary government's business-type activities—*The Pines Machias Campus*—at December 31, 2025 are presented below:

	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025
Capital assets, being depreciated/amortized				
Buildings and building improvements	\$ 17,256,336	\$ 32,732	\$ -	\$ 17,289,068
Fixed and movable equipment	3,143,187	70,621	58,813	3,154,995
Right-to-use lease asset - equipment	45,227	-	-	45,227
Total capital assets, being depreciated/amortized	<u>20,444,750</u>	<u>103,353</u>	<u>58,813</u>	<u>20,489,290</u>
Less accumulated depreciation/amortization for:				
Buildings and building improvements	13,014,132	302,644	23,750	13,293,026
Fixed and movable equipment	2,591,355	101,369	10,044	2,682,680
Right-to-use lease asset - equipment	754	-	-	754
Total accumulated depreciation/amortization	<u>15,606,241</u>	<u>404,013</u>	<u>33,794</u>	<u>15,976,460</u>
Total capital assets, being depreciated/amortized, net	<u>4,838,509</u>	<u>(300,660)</u>	<u>25,019</u>	<u>4,512,830</u>
Capital assets, net	<u>\$ 4,838,509</u>	<u>\$ (300,660)</u>	<u>\$ 25,019</u>	<u>\$ 4,512,830</u>

Business-type activities—*The Pines Olean Campus*—Capital assets for the primary government's business-type activities—*The Pines Olean Campus*—at December 31, 2025 are presented on the following page.

	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025
Capital assets, not being depreciated/amortized				
Construction in progress	\$ 61,351	\$ -	\$ -	\$ 61,351
Total capital assets, not being depreciated/amortized	<u>61,351</u>	<u>-</u>	<u>-</u>	<u>61,351</u>
Capital assets, being depreciated/amortized				
Buildings and building improvements	7,569,734	35,958	-	7,605,692
Fixed and movable equipment	8,716,088	171,954	87,640	8,800,402
Right-to-use lease asset - equipment	75,593	40,786	-	116,379
Total capital assets, being depreciated/amortized	<u>16,361,415</u>	<u>248,698</u>	<u>87,640</u>	<u>16,522,473</u>
Less accumulated depreciation/amortization for:				
Buildings and building improvements	6,320,802	286,003	23,750	6,583,055
Fixed and movable equipment	7,550,971	177,406	41,682	7,686,695
Right-to-use lease asset - equipment	1,260	-	-	1,260
Total accumulated depreciation/amortization	<u>13,873,033</u>	<u>463,409</u>	<u>65,432</u>	<u>14,271,010</u>
Total capital assets, being depreciated/amortized, net	<u>2,488,382</u>	<u>(214,711)</u>	<u>22,208</u>	<u>2,251,463</u>
Capital assets, net	<u>\$ 2,549,733</u>	<u>\$ (214,711)</u>	<u>\$ 22,208</u>	<u>\$ 2,312,814</u>

Business-type activities—Onoville Marina—Capital assets for the primary government’s business-type activities—Onoville Marina—for the year ended December 31, 2025 as presented below:

	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025
Capital assets, not being depreciated:				
Land	\$ 813,215	\$ -	\$ -	\$ 813,215
Total capital assets, not being depreciated	<u>813,215</u>	<u>-</u>	<u>-</u>	<u>813,215</u>
Capital assets, being depreciated:				
Buildings and improvements	2,588,595	-	-	2,588,595
Machinery and equipment	335,076	-	-	335,076
Total capital assets, being depreciated	<u>2,923,671</u>	<u>-</u>	<u>-</u>	<u>2,923,671</u>
Less accumulated depreciation for:				
Buildings and improvements	2,286,456	38,840	-	2,325,296
Machinery and equipment	308,333	6,635	-	314,968
Total accumulated depreciation	<u>2,594,789</u>	<u>45,475</u>	<u>-</u>	<u>2,640,264</u>
Total capital assets, being depreciated	<u>328,882</u>	<u>(45,475)</u>	<u>-</u>	<u>283,407</u>
Governmental activities capital assets, net	<u>\$ 1,142,097</u>	<u>\$ (45,475)</u>	<u>\$ -</u>	<u>\$ 1,096,622</u>

County of Cattaraugus Industrial Development Agency

Capital asset activity for the CCIDA for the year ended December 31, 2025 was as follows:

	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025
Capital assets, not being depreciated:				
Land	\$ 149,299	\$ -	\$ -	\$ 149,299
Total capital assets, not being depreciated	<u>149,299</u>	<u>-</u>	<u>-</u>	<u>149,299</u>
Capital assets, being depreciated:				
Improvements	929,373	488,452	-	1,417,825
Furniture and equipment	38,424	-	-	38,424
Right-to-use lease asset - buildings	<u>73,709</u>	<u>-</u>	<u>-</u>	<u>73,709</u>
Total capital assets, being depreciated	<u>1,041,506</u>	<u>488,452</u>	<u>-</u>	<u>1,529,958</u>
Less accumulated depreciation	<u>(902,213)</u>	<u>(18,116)</u>	<u>-</u>	<u>(920,329)</u>
CCIDA capital assets, net	<u>\$ 288,592</u>	<u>\$ 470,336</u>	<u>\$ -</u>	<u>\$ 758,928</u>

As of December 31, 2025, all recorded assets have been fully depreciated and there is no depreciation expense in the current year. Amounts representing railroad line improvements have been depreciated to salvage value which will be reviewed periodically for reasonableness.

5. ACCRUED LIABILITIES

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

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Salaries and employee benefits	\$ 2,422,417	\$ 5,974	\$ 411,307	\$ 2,839,698
Workers' compensation	<u>2,025</u>	<u>-</u>	<u>-</u>	<u>2,025</u>
Total accrued liabilities	<u>\$ 2,424,442</u>	<u>\$ 5,974</u>	<u>\$ 411,307</u>	<u>\$ 2,841,723</u>

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

	The Pines Machias Campus	The Pines Olean Campus	Onoville Marina	Total Proprietary Funds
Salaries and employee benefits	\$ 445,473	\$ 346,415	\$ 6,075	\$ 797,963
Accrued interest payable	<u>28,600</u>	<u>-</u>	<u>-</u>	<u>28,600</u>
Total accrued liabilities	<u>\$ 474,073</u>	<u>\$ 346,415</u>	<u>\$ 6,075</u>	<u>\$ 826,563</u>

6. PENSION PLAN

Plan Descriptions and Benefits Provided

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

The System is noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010, who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

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

	ERS		
	Governmental Activities	Business-type Activities	Primary Government
Measurement date	March 31, 2025	March 31, 2025	March 31, 2025
Net pension liability	\$ 40,000,745	\$ 4,905,562	\$ 44,906,307
County's portion of the Plan's total net pension liability	0.2332987%	0.0286110%	0.2619097%

For the year ended December 31, 2025, the County recognized pension expense of \$7,954,965 and \$975,571 for governmental and business-type activities, respectively. The deferred outflows of resources and deferred inflows of resources related to pensions reported at December 31, 2025 are presented on the following page.

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	Governmental Activities	Business-type Activities	Primary Government	Governmental Activities	Business-type Activities	Primary Government
Differences between expected and actual experiences	\$ 9,928,455	\$ 1,217,591	\$ 11,146,046	\$ 468,331	\$ 57,435	\$ 525,766
Changes in assumptions	1,677,552	205,730	1,883,282	-	-	-
Net difference between projected and actual earnings on pension plan investments	3,138,346	384,877	3,523,223	-	-	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	2,347,130	287,844	2,634,974	4,786,965	587,058	5,374,023
County contributions subsequent to the measurement date	8,002,964	981,458	8,984,422	-	-	-
Total	<u>\$ 25,094,447</u>	<u>\$ 3,077,500</u>	<u>\$ 28,171,947</u>	<u>\$ 5,255,296</u>	<u>\$ 644,493</u>	<u>\$ 5,899,789</u>

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

Year Ending December 31,	ERS		
	Governmental Activities	Business-type Activities	Primary Government
2026	\$ 6,244,488	\$ 765,804	\$ 7,010,292
2027	9,707,719	1,190,522	10,898,241
2027	(3,715,240)	(455,625)	(4,170,865)
2029	(400,780)	(49,152)	(449,932)

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

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

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. The actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

Measurement date	ERS	
	Target	Long-Term Expected
	Allocation	Real Rate of Return
	March 31, 2025	
Asset class:		
Domestic equities	25.0 %	3.5 %
International equities	14.0	6.6
Private equity	15.0	7.3
Real estate	12.0	5.0
Absolute return strategies	3.0	5.3
Credit	4.0	5.4
Real assets	4.0	5.6
Fixed income	22.0	2.0
Cash	1.0	0.3
Total	100.0 %	

Discount Rate—The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the ERS' 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 Asset to the Discount Rate Assumption—The chart on the following page presents the County's proportionate share of the net pension asset calculated using the discount rate of 5.9%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Governmental Activities:			
Employer's proportionate share of the net pension liability/(asset)	\$ 115,767,192	\$ 40,000,745	\$ (23,264,287)
Business-type Activities:			
Employer's proportionate share of the net pension liability/(asset)	\$ 14,197,313	\$ 4,905,562	\$ (2,853,057)
Primary Government:			
Employer's proportionate share of the net pension liability/(asset)	\$ 129,964,505	\$ 44,906,307	\$ (26,117,344)

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

	(Dollars in Thousands)
	ERS
Valuation date	April 1, 2024
Employers' total pension liability	\$ 247,600,239
Plan fiduciary net position	<u>230,454,512</u>
Employers' net pension liability	<u>\$ 17,145,727</u>
System fiduciary net position as a percentage of total pension liability	93.1%

County of Cattaraugus Industrial Development Agency

At December 31, 2025, the CCIDA reported proportionate share of the net pension asset on the following page for the System. The net pension liability was measured as of March 31, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The CCIDA's long-term share of contributions to the System relative to the projection of the CCIDA's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the NYSLRS in a report provided to the CCIDA.

	ERS
Actuarial Valuation Date	April 1, 2024
Net pension liability	\$ 131,902
CCIDA's portion of the Plan's total net pension liability	0.0007693%

For the year ended December 31, 2025 the CCIDA recognized pension expense of \$29,235. The CCIDA's deferred outflows and deferred inflows of resources related to pensions reported at December 31, 2025 are presented on the following page.

	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 32,739	\$ 1,544
Changes of Assumptions	5,532	-
Net difference between projected and actual earnings on pension investments	10,349	-
Changes in proportion and differences between the CCIDA's contributions and proportionate share of contributions	8,804	6,324
CCIDA contributions subsequent to the measurement date	-	-
Total	<u>\$ 57,424</u>	<u>\$ 7,868</u>

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	ERS
2026	\$ 23,702
2027	35,307
2028	(9,627)
2029	174

7. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

Plan Description—The County administers the Cattaraugus County Retiree Health Insurance Plan (the "Plan") as a single-employer defined benefit other postemployment benefit plan. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the County subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Benefit provisions are based on individual contracts with the County, as negotiated from time to time. The Plan does not issue a publically available financial report. The County recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider.

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

Inactive employees or beneficiaries currently receiving benefit payments	682
Active employees	<u>873</u>
	<u>1,555</u>

Total OPEB Liability

The County's total OPEB liability of \$135,249,292 for governmental activities and \$21,869,828 for business-type activities was measured as of December 31, 2025, and was determined by an actuarial valuation as of January 1, 2025.

Actuarial Assumptions and Other Inputs—Calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the January 1, 2025 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 4.16% effective January 1, 2025 to 4.41% effective December 31, 2025. The salary scale remained unchanged at 2.00%. The mortality improvement scale remained unchanged from Scale MP-2021 mortality improvement scale on a generational basis. The annual rate of increase in healthcare costs was revised to better reflect future expectations, including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2025_1b (the Getzen model).

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

	Total OPEB Liability		
	Governmental Activities	Business-type Activities	Primary Government
Balances at December 31, 2024	\$ 233,550,353	\$ 42,497,102	\$ 276,047,455
Changes for the year:			
Service cost	6,667,334	1,124,062	7,791,396
Interest	8,889,439	1,629,397	10,518,836
Change of benefit terms*	(94,487,487)	(19,369,096)	(113,856,583)
Differences between expected and actual experience	(22,889,705)	(3,771,270)	(26,660,975)
Changes of assumptions or other inputs	10,798,434	1,123,016	11,921,450
Benefit payments	(7,279,076)	(1,363,383)	(8,642,459)
Net changes	(98,301,061)	(20,627,274)	(118,928,335)
Balances at December 31, 2025	\$ 135,249,292	\$ 21,869,828	\$ 157,119,120

*Adjustment related to a change in benefit terms is the result of the County transitioning Medicare eligible retirees from the County's self-funded health insurance plan to a Medicare advantage plan with a third party provider.

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

	1% Decrease (3.41%)	Current Discount Rate (4.41%)	1% Increase (5.41%)
Governmental Activities:			
OPEB Liability	\$ 155,490,457	\$ 135,249,292	\$ 118,715,788
Business-type Activities:			
OPEB Liability	\$ 25,142,827	\$ 21,869,828	\$ 19,196,358
Primary Government:			
OPEB Liability	\$ 180,633,284	\$ 157,119,120	\$ 137,912,146

Additionally, healthcare costs can be subject to considerable volatility over time. The table below presents the effect on the net OPEB liability of a 1% change in the initial (8.50%)/ultimate (4.04%) healthcare cost trend rates.

	1% Decrease (7.50%/3.04%)	Healthcare Cost Trend Rates (8.50%/4.04%)	1% Increase (9.50%/5.04%)
Governmental Activities:			
OPEB Liability	\$ 114,494,997	\$ 135,249,292	\$ 161,561,914
Business-type Activities:			
OPEB Liability	\$ 18,513,856	\$ 21,869,828	\$ 26,124,582
Primary Government:			
OPEB Liability	\$ 133,008,853	\$ 157,119,120	\$ 187,686,496

Funding Policy—Authorization for the County to pay a portion of retiree health insurance premiums was enacted through various union contracts as specified above, which were ratified by the County Legislature. The County recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. County governmental and business-type activities contributed \$7,279,076 and \$1,363,383 for the fiscal year ended December 31, 2025, respectively. The County's contributions to the OPEB plan are based on negotiated contracts with three bargaining units, as discussed in Note 16. Any amendments to the employer's contributions are subject to the collective bargaining agreements.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The County reports deferred outflows and inflows of resources due to differences during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability are required to be determined. The table on the following page presents the County's deferred outflows of resources and deferred inflows of resources at December 31, 2025.

	Deferred Outflows of Resources		
	Governmental Activities	Business-type Activities	Primary Government
Differences between expected and actual experience	\$ 888,631	\$ -	\$ 888,631
Changes of assumptions	40,234,962	5,488,785	45,723,747
Total	<u>\$ 41,123,593</u>	<u>\$ 5,488,785</u>	<u>\$ 46,612,378</u>

	Deferred Inflows of Resources		
	Governmental Activities	Business-type Activities	Primary Government
Differences between expected and actual experience	\$ 35,781,032	\$ 6,623,793	\$ 42,404,825
Changes of assumptions	38,708,149	7,080,898	45,789,047
Total	<u>\$ 74,489,181</u>	<u>\$ 13,704,691</u>	<u>\$ 88,193,872</u>

The amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31,	Governmental Activities	Business-type Activities	Primary Government
2026	\$ (7,112,655)	\$ (2,275,083)	\$ (9,387,738)
2027	(7,261,694)	(2,378,128)	(9,639,822)
2028	(11,162,458)	(2,010,190)	(13,172,648)
2029	(7,416,222)	(995,733)	(8,411,955)
2030	1,347,010	(325,611)	1,021,399
Thereafter	(1,759,569)	(231,161)	(1,990,730)

8. RISK MANAGEMENT

The County records its risk management activities in the General Fund. The County assumes the liability for most risk including, but not limited to workers' compensation, employee health insurance, property damage, and personal injury liability. The insurance policies obtained at this time include: property; boiler and machinery; faithful performance bonds; and auto liability on specific vehicles of the Sheriff's Department. For these insurance policies, no amount of settlements exceeded the insurance coverage during the past three years. In order to control losses due to risk exposure, the risk management department has developed a program to identify, evaluate, control and fund various municipal exposures. The County assumes the risk for its nursing homes, the Pines, workers' compensation liabilities. The Pines pay an annual premium to the County.

Risk Management—The County carries commercial excess liability insurance of \$10,000,000 per occurrence with a \$20,000,000 aggregate annual limit for its government operations. The County carries commercial property coverage insurance subject to a maximum limit of any one occurrence of \$10,000,000. The County is self-insured for workers' compensation and employers' liability with a specific excess maximum limit of indemnity per occurrence of \$1,000,000 and an aggregate maximum limit of liability with respect to all occurrences taking place within the liability period of

\$1,000,000. The County also carries employee dishonest coverage and commercial crime coverage insurance at varying limits dependent on the type of claim.

Litigation/Claims Payable—The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently able to be determined, in the opinion of the County's attorney and outside legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Cattaraugus County Health Plan—As of April 1, 1998, the County established a self-insured health plan for its eligible employees and retirees. The County's departments pay a "premium" to the plan based on the estimated costs, which is used to fund claims as they are incurred. The plan's current claims outstanding of \$1,891,874 are recorded within the General Fund as of December 31, 2025.

Workers' Compensation Plan—The County established a self-insured plan for workers' compensation by a local law on January 1, 1990. The plan is administered by the risk manager. The County is a participant in the plan and the cities of Olean and Salamanca, the towns and villages located within the County and other eligible public entities may elect to become a participant. The annual estimate of expense is apportioned among the participant's based on the total value of the participant's taxable real property bears to the aggregate full valuation of all participants. Since the County is the predominant participant in the plan, this is not considered a public entity risk pool per GASB. The workers' compensation activities of the County are recorded in the General Fund. At December 31, 2025, \$2,025,000 is reported as a fund liability in the General Fund as it is expected the claims will be paid within a reasonable time from year end.

All employees of the County participate in this program based on estimates of the amounts needed to pay prior and current year claims. During 2025, an actuarial study estimated the plan's noncurrent liability to be \$4,922,425 and \$1,115,583 for governmental and business-type activities, respectively, discounted at 1.5 percent. Changes in the noncurrent claims liability for governmental and business-type activities for the fiscal years 2023, 2024, and 2025 are as follows:

Governmental Activities				
	Beginning of Year	Changes in Estimates	Claims Payments	End of Year
2025	\$ 5,946,918	\$ 138,855	\$ 1,163,348	\$ 4,922,425
2024	6,723,273	1,076,426	1,852,781	5,946,918
2023	8,281,238	241,986	1,799,951	6,723,273

Business-type Activities				
	Beginning of Year	Changes in Estimates	Claims Payments	End of Year
2025	\$ 1,314,389	\$ 684,797	\$ 883,603	\$ 1,115,583
2024	1,485,978	863,911	1,035,500	1,314,389
2023	1,883,410	647,370	1,044,802	1,485,978

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

The County is a lessee for noncancellable leases of buildings, equipment, and an information technology agreement. Under GASB Statement No. 87, *Leases*, the County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. Under GASB Statement No. 96, *Subscription Based Information Technology Agreements*, the County recognized a SBITA liability and a SBITA asset in the government-wide financial statements. The County recognizes lease and SBITA liabilities if they are considered significant, individually or in the aggregate, to the financial statements.

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

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

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

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

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

The County has entered into long-term lease agreements as the lessee for the acquisition and use of various buildings and equipment. As of December 31, 2025, the value of the lease liabilities was \$2,638,615 and \$127,047 in governmental and business-type activities, respectively. The County is required to make annual principal and interest payments ranging from \$3,708 to \$202,567. The leases have interest rates ranging from 1.6% to 8.75%. The value of the right-to-use lease assets as of the end of the current fiscal year was \$6,251,223 and \$161,606 and had accumulated amortization of \$3,355,296 and \$39,970 for governmental and business-type activities, respectively.

The County has entered into a long-term SBITA for patient management software. As of December 31, 2025, the value of the SBITA liability was \$64,539 in governmental activities. The County is required to make annual principal and interest payments of \$108,903. The lease has an interest rate of 2.0 percent. The value of the right-to-use SBITA asset at the end of the current fiscal year was \$384,827 and had accumulated amortization of \$322,182.

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

Fiscal Year Ending December 31,	Governmental Activities				
	Leases		SBITA		Total
	Principal	Interest	Principal	Interest	
2026	\$ 601,714	\$ 84,656	\$ 64,539	\$ 431	\$ 751,340
2027	570,709	64,245	-	-	634,954
2028	548,944	44,480	-	-	593,424
2029	476,446	26,045	-	-	502,491
2030	440,802	9,174	-	-	449,976
Total	<u>\$ 2,638,615</u>	<u>\$ 228,600</u>	<u>\$ 64,539</u>	<u>\$ 431</u>	<u>\$ 2,932,185</u>

Fiscal Year Ending December 31,	Business-type Activities	
	Leases	
	Principal	Interest
2026	\$ 29,339	\$ 8,433
2027	30,471	7,301
2028	31,705	6,066
2029	28,530	2,736
2030	7,002	718
Total	<u>\$ 127,047</u>	<u>\$ 25,254</u>

10. SHORT-TERM DEBT

Liabilities for bond anticipation notes (“BANs”) are generally accounted for in the Capital Projects Fund as notes payable. Principal payments on BANs must be made annually. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date.

A summary of the County’s short-term debt for the fiscal year ended December 31, 2025 is presented below:

Description	Maturity Date	Interest Rate	Balance 1/1/2025	Issued	Redeemed	Balance 12/31/2025
County highway improvements	8/20/2025	3.75%	\$ 6,382,950	\$ -	\$ 6,382,950	\$ -
Various County improvements	8/19/2026	3.75%	-	10,753,699	-	10,753,699
Total bond anticipation notes			<u>\$ 6,382,950</u>	<u>\$ 10,753,699</u>	<u>\$ 6,382,950</u>	<u>\$ 10,753,699</u>

11. LONG-TERM LIABILITIES

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

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

The County's outstanding long-term liabilities include bonds payable, leases, SBITAs, compensated absences, OPEB obligation, noncurrent workers' compensation, and net pension liability.

A summary of changes in the County's long-term liabilities for the year ended December 31, 2025 is presented below:

	Balance 1/1/2025	Additions	Reductions	Balance 12/31/2025	Due Within One Year
Governmental activities:					
Serial bonds	\$ 34,970,000	\$ -	\$ 4,810,000	\$ 30,160,000	\$ 4,500,000
Premium on serial bonds	604,570	-	112,991	491,579	104,164
Bonds payable, net	35,574,570	-	4,922,991	30,651,579	4,604,164
Lease liability	3,101,142	454,040	916,567	2,638,615	601,714
SBITA liability	173,442	-	108,903	64,539	64,539
Compensated absences*	15,310,780	-	275,259	15,035,521	3,094,555
OPEB obligation	233,550,353	26,355,207	124,656,268	135,249,292	7,112,655
Noncurrent workers' compensation [^]	5,946,918	138,855	1,163,348	4,922,425	-
Net pension liability*	36,609,386	3,391,359	-	40,000,745	-
Total governmental activities	<u>\$ 330,266,591</u>	<u>\$ 30,339,461</u>	<u>\$ 132,043,336</u>	<u>\$ 228,562,716</u>	<u>\$ 15,477,627</u>
Business type activities:					
Serial bonds	\$ 3,860,000	\$ -	\$ 480,000	\$ 3,380,000	\$ 475,000
Premium on serial bonds	519,171	-	64,896	454,275	64,896
Bonds payable, net	4,379,171	-	544,896	3,834,275	539,896
Lease liability	111,641	40,786	25,380	127,047	29,339
Compensated absences*	1,147,210	90,664	-	1,237,874	455,287
OPEB obligation	42,497,102	3,876,475	24,503,749	21,869,828	2,273,951
Noncurrent workers' compensation	1,314,389	684,797	883,603	1,115,583	802,847
Net pension liability*	5,000,046	-	94,484	4,905,562	-
Total business-type activities	<u>\$ 54,449,559</u>	<u>\$ 4,692,722</u>	<u>\$ 26,052,112</u>	<u>\$ 33,090,169</u>	<u>\$ 4,101,320</u>

*Reductions to compensated absences and the net pension liability are shown net of additions.

[^]Amount is attributable to the portion of workers' compensation recognized by the County as a noncurrent liability on the government-wide financial statements. As discussed in Note 8, based on the timing of the payments, it is the County's policy to record the current portion as an accrued liability in the General Fund.

Serial Bonds—The County borrows money in order to acquire land or equipment or construction of buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government.

A listing of bonded indebtedness transactions for the year ended December 31, 2025 is presented below:

Purpose	Maturity Date	Interest Rate	Balance 1/1/2025	Additions	Reductions	Balance 12/31/2025
Governmental activities:						
Public improvement	2013/2028	2.25-3.00%	\$ 1,975,000	\$ -	\$ 475,000	\$ 1,500,000
Public improvement	2015/2025	2.00%	420,000	-	420,000	-
Public improvement	2016/2026	1.50%	990,000	-	490,000	500,000
Public improvement	2017/2032	2.00-3.00%	6,655,000	-	1,010,000	5,645,000
Public improvement	2019/2040	2.00-3.00%	4,925,000	-	545,000	4,380,000
Public improvement	2020/2032	2.00%	2,435,000	-	290,000	2,145,000
Public improvement	2021/2031	2.00%	2,555,000	-	345,000	2,210,000
Public improvement	2021/2032	2.00-4.00%	1,255,000	-	400,000	855,000
Public improvement	2022/2037	4.00%	10,590,000	-	655,000	9,935,000
Public improvement	2023/2038	3.00-3.63%	3,170,000	-	180,000	2,990,000
Total governmental activities			<u>\$ 34,970,000</u>	<u>\$ -</u>	<u>\$ 4,810,000</u>	<u>\$ 30,160,000</u>
Business-type activities						
Public improvement - Pines	2021/2032	2.00-4.00%	\$ 3,860,000	\$ -	\$ 480,000	\$ 3,380,000
Total business-type activities			<u>\$ 3,860,000</u>	<u>\$ -</u>	<u>\$ 480,000</u>	<u>\$ 3,380,000</u>

Annual debt service interest requirements on bonds payable are as follows:

Year	Governmental Activities	Business-type Activities	Total
2026	\$ 878,062	\$ 125,700	\$ 1,003,762
2027	755,144	106,300	861,444
2028	653,363	86,700	740,063
2029	566,738	67,500	634,238
2030	482,487	48,200	530,687
2031-2035	1,366,563	38,200	1,404,763
2036-2040	200,700	-	200,700
Total	<u>\$ 4,903,057</u>	<u>\$ 472,600</u>	<u>\$ 5,375,657</u>

Amortization of Bond Premium—Bond premiums are being amortized on a straight-line basis over the life of the bonds. The unamortized premium as of December 31, 2025 for governmental activities is \$491,579 and \$454,275 for business-type activities.

Lease Liability—The County enters into long-term leases for various pieces of buildings and equipment. The outstanding balance at December 31, 2025 for governmental and business-type activities was \$2,638,615 and \$127,047, respectively. The governmental activities liability is anticipated to be liquidated by the General Fund and the business-type activities liability is

anticipated to be liquidated by the Pines Machias Campus and Pines Olean Campus. Refer to Note 9 for additional information related to the County's leases.

SBITA Liability—During the year ended December 31, 2023, the County entered into a long-term SBITA. The outstanding balance at December 31, 2025 was \$64,539. Refer to Note 9 for additional information related to the County's SBITA liability.

Compensated Absences—As explained in Note 1, the County records the value of compensated absences (primarily accrued vacation and sick time benefits) in long-term liabilities in the governmental and proprietary fund types. The annual budget of the operating funds provides funding for the current portion of these benefits. The value recorded at December 31, 2025 for governmental activities is \$15,035,521. Typically, the General Fund, County Road Fund and Road Machinery Fund liquidate these compensated absences liabilities for governmental activities.

The value of compensated absences for the Pines Healthcare and Rehabilitation Centers (Machias and Olean Campus) and Onoville Marina is recorded as accrued liabilities in the proprietary funds. The amount recorded at December 31, 2025 is \$1,237,874.

In the governmental fund financial statements, none of the liability is reported, as it is not expected to be paid using expendable available resources. In proprietary funds, the entire amount of compensated absences related to employees of those funds is reported as a fund liability.

OPEB Obligation—As explained in Note 7, the County provides medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. The estimated OPEB liability for governmental and business-type activities is estimated to be \$135,249,292 and \$21,869,828, respectively, at December 31, 2025. For governmental activities, typically the General Fund, County Road Fund and Road Machinery Fund are used to liquidate the OPEB liability.

Workers' Compensation and Judgments and Claims—The liability of the County's noncurrent workers' compensation totaled \$4,922,425 and \$1,115,583 at December 31, 2025 for governmental and business-type activities, respectively. There was no long-term liability related to the County's judgments and claims at December 31, 2025. Further discussion of the County's risk management programs can be found in Note 9.

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

Year ending December 31,	Serial Bonds	Premium on Serial Bonds	Lease Liability	SBITA Liability	Compensated Absences	OPEB Obligation	Workers' Compensation	Net Pension Liability	Total
2026	\$ 4,500,000	\$ 104,164	\$ 601,714	\$ 64,539	\$ 3,094,555	\$ 7,112,655	\$ -	\$ -	\$ 15,477,627
2027	4,125,000	101,768	570,709	-	-	-	-	-	4,797,477
2028	3,370,000	41,629	548,944	-	-	-	-	-	3,960,573
2029	2,935,000	34,893	476,446	-	-	-	-	-	3,446,339
2030	2,555,000	34,894	440,802	-	-	-	-	-	3,030,696
2031-2035	8,900,000	116,734	-	-	-	-	-	-	9,016,734
2036-2040	3,775,000	57,497	-	-	-	-	-	-	3,832,497
Thereafter	-	-	-	-	11,940,966	128,136,637	4,922,425	40,000,745	185,000,773
Total	<u>\$ 30,160,000</u>	<u>\$ 491,579</u>	<u>\$ 2,638,615</u>	<u>\$ 64,539</u>	<u>\$ 15,035,521</u>	<u>\$ 135,249,292</u>	<u>\$ 4,922,425</u>	<u>\$ 40,000,745</u>	<u>\$ 228,562,716</u>

The following is a maturity schedule of the County's business-type activities' indebtedness:

Year ending December 31,	Serial Bonds	Premium on Serial Bonds	Lease Liability	Compensated Absences	OPEB Obligation	Workers' Compensation	Net Pension Liability	Total
2026	\$ 475,000	\$ 64,896	\$ 29,339	\$ 455,287	\$ 2,273,951	\$ 802,847	\$ -	\$ 4,101,320
2027	495,000	64,896	30,471	-	-	-	-	590,367
2028	485,000	64,896	31,705	-	-	-	-	581,601
2029	475,000	64,896	28,530	-	-	-	-	568,426
2030	490,000	64,896	7,002	-	-	-	-	561,898
2031-2035	960,000	129,795	-	-	-	-	-	1,089,795
Thereafter	-	-	-	782,587	19,595,877	312,736	4,905,562	25,596,762
Total	<u>\$ 3,380,000</u>	<u>\$ 454,275</u>	<u>\$ 127,047</u>	<u>\$ 1,237,874</u>	<u>\$ 21,869,828</u>	<u>\$ 1,115,583</u>	<u>\$ 4,905,562</u>	<u>\$ 33,090,169</u>

County of Cattaraugus Industrial Development Agency

Lease Liability—The Agency reports a lease liability for office space at 9 East Washington Street for the period of October 1, 2022 through September 30, 2027. As of December 31, 2025 the lease liability totaled \$27,057.

Net Pension Liability—The Agency reported a net pension liability of \$131,902. Further discussion of the Agency's net pension liability can be found in Note 6.

13. NET POSITION AND FUND BALANCE

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

- **Net Investment in Capital Assets**—This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. The table presented below is a reconciliation of the County's governmental activities net investment in capital assets.

Capital assets, net of accumulated depreciation	\$ 199,987,766
Related debt:	
Serial bonds issued	\$ (30,160,000)
Unamortized bond premium	(491,579)
Bond anticipation notes payable	(10,753,699)
Lease liability	(2,638,615)
SBITA liability	(64,539)
Capital Projects Fund—accounts payable	(1,473,953)
Retainages payable	(1,766)
Deferred charge on refunding	4,957
Unspent debt proceeds	<u>2,010,996</u>
Debt issued for capital assets	<u>(43,568,198)</u>
Net investment in capital assets	<u>\$ 156,419,568</u>

The table below is a reconciliation of the County's business-type activities net investment in capital assets:

Capital assets, net of accumulated depreciation	\$ 7,922,266
Related debt:	
Serial bonds issued	\$ (3,380,000)
Unamortized bond premium	(454,275)
Lease liability	(127,047)
Deferred charge on refunding	<u>(54,673)</u>
Debt issued for capital assets	<u>(4,015,995)</u>
Net investment in capital assets	<u>\$ 3,906,271</u>

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

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. As of December 31, 2025, the County reported nonspendable fund balance of \$125,925 for prepaid items within the General Fund.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as creditors, grantors, contributors, or laws and regulations of other governments) through constitutional provisions or enabling legislation. As of December 31, 2025, the County had the restricted funds as shown below:

	General Fund	Nonmajor Governmental Funds	Total
MDLF loan fund	\$ 343,081	\$ -	\$ 343,081
Insurance	1,700,947	-	1,700,947
Workers' compensation	4,837,230	-	4,837,230
Other	759,403	526	759,929
Debt	-	2,094,817	2,094,817
Total restricted fund balance	<u>\$ 7,640,661</u>	<u>\$ 2,095,343</u>	<u>\$ 9,736,004</u>

- ***Restricted for MDLF Loan Fund***—Represents funds required to be used for economic development loans.
- ***Restricted for Insurance***—Represents resources that have been legally restricted for payments under the County's self-insured healthcare program.

- ***Restricted for Workers' Compensation***—Represents resources that have been legally restricted for payments under the County's self-insured workers' compensation program.
- ***Restricted for Other***—Represents miscellaneous funds that are legally required to be used for specific purposes.
- ***Restricted for Debt***—Represents funds restricted for future debt service payments.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the County's highest level of decision-making authority, or by its designated body or official. As of December 31, 2025, the County Legislature had committed \$1,882,667 for economic development within the General Fund.

In the fund financial statements, assigned fund balances are amounts that are subject to a purpose constraint established by the County Legislature, or by the County Treasurer. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

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

	General Fund	Economic Development Fund	Nonmajor Governmental Funds	Total
Subsequent year's expenditures	\$ -	\$ -	\$ 16,800	\$ 16,800
Encumbrances:				
General government support	100,000	-	-	100,000
Public safety	57,992	-	-	57,992
Transportation	-	-	1,059,513	1,059,513
Home and community services	2,107,682	-	-	2,107,682
Transportation	-	-	744,116	744,116
Home and community services	-	-	55,082	55,082
Economic assistance and opportunity	-	10,388,161	-	10,388,161
Total assigned fund balance	<u>\$ 2,265,674</u>	<u>\$ 10,388,161</u>	<u>\$ 1,875,511</u>	<u>\$ 14,529,346</u>

The County will spend the most restricted dollars before less restricted where such spending is appropriate and the legal restriction does not limit the use of such restricted amount for the particular purpose in question in the following order: nonspendable (if funds become spendable), restricted, committed, assigned, and unassigned.

14. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short term in nature and exist because of temporary advances or payments made on behalf of other funds. Interfund transfers are used to (1) 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 (2) move receipts restricted to debt service from the funds collecting the receipts to the fund making payments when due.

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

Fund	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
Governmental funds:				
General Fund	\$ 2,669,321	\$ -	\$ 1,882,377	\$ 8,520,162
Capital Projects Fund	-	2,656,270	177,721	-
Nonmajor funds:				
County Road Fund	-	13,051	6,487,402	5,245,607
Road Machinery Fund	-	-	-	185,715
Conewango Watershed Fund	-	-	7,500	-
Debt Service Fund	-	-	5,396,484	-
Total governmental funds	<u>2,669,321</u>	<u>2,669,321</u>	<u>13,951,484</u>	<u>13,951,484</u>
Proprietary funds:				
Pines Machias Campus	-	-	1,696,662	-
Pines Olean Campus	-	-	-	1,696,662
Total proprietary funds	<u>-</u>	<u>-</u>	<u>1,696,662</u>	<u>1,696,662</u>
Total	<u>\$ 2,669,321</u>	<u>\$ 2,669,321</u>	<u>\$ 15,648,146</u>	<u>\$ 15,648,146</u>

Interfund transfers out of the General Fund to the Capital Projects, County Road, Road Machinery, and Conewango Watershed funds represents taxes collected by the General Fund that are distributed to other funds. Interfund transfers from the General Fund and County Road Fund to the Debt Service Fund represent long-term debt requirements incurred by the transferring funds and paid by the Debt Service Fund.

During the year ended December 31, 2025, the Pines Machias Campus transferred excess funds to the General Fund, which was subsequently transferred to the Pines Olean Campus as an operating subsidy.

15. DEFERRED COMPENSATION PLAN

The County offers all employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. All assets at December 31, 2025 were held by a third-party in trust for the exclusive benefit of participants.

16. LABOR CONTRACTS

The County's employees operate under seven collective bargaining units: the Civil Service Employees Association Supervisory Unit, the Deputies Association, the Civil Service Employees Association, Civil Service Employees Association Part-Time Employee Unit, Deputy Sheriff's Supervisory Unit, Civil Service Employees Association Sheriff's Department Employees Unit, and Corrections Supervisory Unit all have contracts settled through December 31, 2026.

17. CONTINGENCIES

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

Sales Tax—The State of New York periodically audits its distribution of sales tax revenues to counties throughout the state. Thus, revenues recorded as the fiscal year end are subject to revision should such an audit take place.

County of Cattaraugus Industrial Development Agency

The Agency is exposed to various risks of loss such as torts, theft, injuries, errors, omissions, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Any settled claims from these risks have not exceeded commercial insurance coverage for the past four years. In management's opinion, there are no material contingencies required to be accrued or disclosed.

18. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Open encumbrances are reported as an assignment of fund balance since such commitments will be honored through budget appropriations in the subsequent year. The County considers encumbrances to be significant for amounts that are encumbered in excess of \$100,000. Significant encumbrances as of December 31, 2025 are as listed below:

Fund	Purpose	Amount Encumbered
General	Professional services-Raise Grant	\$ 1,030,723
General	Thatcher Brook Flood Mitigation Project	800,000
General	Consulting services	190,000
General	Professional services	100,000
Road Machinery	Vehicles	636,309
Road Machinery	Road equipment	322,584

19. TAX ABATEMENTS

The County is subject to tax abatements granted by the County of Cattaraugus Industrial Development Agency (“CCIDA”). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the CCIDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the County, the abatements have resulted in reductions of property taxes, which the County administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by CCIDA, the County collected \$296,009 during 2025 in payments in lieu of taxes (“PILOT”), these collections were made in lieu of \$445,867 in property taxes.

20. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 10, 2026, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Year Ended December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Plan fiduciary net position as a percentage of the total pension liability	93.1%	93.9%	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%
Governmental activities:										
County's proportion of the net pension liability/(asset)	0.2332987%	0.2486367%	0.2127555%	0.2020974%	0.1788646%	0.1823251%	0.1752744%	0.1731715%	0.1809586%	0.1876835%
County's proportionate share of the net pension liability/(asset)	<u>\$ 40,000,475</u>	<u>\$ 36,609,386</u>	<u>\$ 45,623,376</u>	<u>\$ (16,520,633)</u>	<u>\$ 178,102</u>	<u>\$ 48,280,758</u>	<u>\$ 12,418,731</u>	<u>\$ 5,589,017</u>	<u>\$ 17,003,277</u>	<u>\$ 30,123,714</u>
County's covered payroll	\$ 61,334,103	\$ 58,816,766	\$ 62,803,626	\$ 48,819,253	\$ 45,584,248	\$ 43,421,670	\$ 43,165,559	\$ 40,315,085	\$ 37,291,706	\$ 39,168,416
County's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	65.2%	62.2%	72.6%	(33.8%)	0.4%	111.2%	28.8%	13.9%	45.6%	76.9%
Business-type activities:										
County's proportion of the net pension liability/(asset)	0.0286110%	0.0339584%	0.0306588%	0.0376386%	0.0450240%	0.0372115%	0.0344342%	0.0351677%	0.0355250%	0.0357492%
County's proportionate share of the net pension liability/(asset)	<u>\$ 4,905,562</u>	<u>\$ 5,000,046</u>	<u>\$ 6,574,474</u>	<u>\$ (3,076,796)</u>	<u>\$ 44,833</u>	<u>\$ 9,853,810</u>	<u>\$ 2,439,764</u>	<u>\$ 1,135,017</u>	<u>\$ 3,338,004</u>	<u>\$ 5,737,850</u>
County's covered payroll	\$ 7,521,816	\$ 8,033,092	\$ 9,050,203	\$ 9,092,079	\$ 9,366,372	\$ 10,713,423	\$ 8,480,236	\$ 8,187,183	\$ 7,320,934	\$ 7,460,650
County's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	65.2%	62.2%	72.6%	(33.8%)	0.5%	92.0%	28.8%	13.9%	45.6%	76.9%
Total primary government:										
County's proportion of the net pension liability/(asset)	0.261910%	0.282595%	0.243414%	0.239736%	0.223889%	0.219537%	0.209709%	0.208339%	0.216484%	0.223433%
County's proportionate share of the net pension liability/(asset)	<u>\$ 44,906,307</u>	<u>\$ 41,609,432</u>	<u>\$ 52,197,850</u>	<u>\$ (19,597,429)</u>	<u>\$ 222,935</u>	<u>\$ 58,134,568</u>	<u>\$ 14,858,495</u>	<u>\$ 6,724,034</u>	<u>\$ 20,341,281</u>	<u>\$ 35,861,564</u>
County's covered payroll	\$ 68,855,919	\$ 66,849,858	\$ 71,853,829	\$ 57,911,332	\$ 54,950,620	\$ 54,135,093	\$ 51,645,795	\$ 48,502,268	\$ 44,612,640	\$ 46,629,066
County's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	65.2%	62.2%	72.6%	(33.8%)	0.4%	107.4%	28.8%	13.9%	45.6%	76.9%
Discretely Presented Component Unit										
Cattaraugus County Industrial Development Agency (the "Agency")										
Agency's proportion of the net pension liability/(asset)	0.0007693%	0.0007661%	0.0006216%	0.0006139%	0.0006226%	0.0006642%	0.0006841%	0.0007056%	0.0007131%	0.0007382%
Agency's proportionate share of the net pension liability/(asset)	<u>\$ 131,902</u>	<u>\$ 112,808</u>	<u>\$ 133,287</u>	<u>\$ (50,186)</u>	<u>\$ 620</u>	<u>\$ 175,874</u>	<u>\$ 48,470</u>	<u>\$ 22,774</u>	<u>\$ 67,000</u>	<u>\$ 118,480</u>
Agency's covered payroll	\$ 228,595	\$ 201,254	\$ 182,054	\$ 168,839	\$ 161,695	\$ 149,986	\$ 148,003	\$ 143,813	\$ 140,006	\$ 137,781
Agency's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	57.7%	56.1%	73.2%	(29.7%)	0.4%	117.3%	32.7%	15.8%	47.9%	86.0%

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

	Year Ended December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities:										
Contractually required contribution	\$ 10,289,728	\$ 8,932,754	\$ 7,647,334	\$ 6,083,474	\$ 6,993,245	\$ 6,424,562	\$ 6,059,572	\$ 6,075,650	\$ 6,183,891	\$ 7,019,630
Contributions in relation to the contractually required contribution	(10,289,728)	(8,932,754)	(7,647,334)	(6,083,474)	(6,993,245)	(6,424,562)	(6,059,572)	(6,075,650)	(6,183,891)	(7,019,630)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 60,101,884	\$ 61,235,968	\$ 62,089,847	\$ 59,344,595	\$ 52,742,508	\$ 49,069,420	\$ 43,940,579	\$ 42,421,513	\$ 37,778,925	\$ 39,351,687
Contributions as a percentage of covered payroll	17.1%	14.6%	12.3%	10.3%	13.3%	13.1%	13.8%	14.3%	16.4%	17.8%
Business-type activities:										
Contractually required contribution	\$ 1,293,781	\$ 1,235,616	\$ 1,162,308	\$ 1,250,427	\$ 1,683,541	\$ 1,299,102	\$ 1,190,454	\$ 1,233,842	\$ 1,213,993	\$ 1,337,072
Contributions in relation to the contractually required contribution	(1,293,781)	(1,235,616)	(1,162,308)	(1,250,427)	(1,683,541)	(1,299,102)	(1,190,454)	(1,233,842)	(1,213,993)	(1,337,072)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 9,330,014	\$ 9,864,281	\$ 9,782,496	\$ 9,569,892	\$ 10,682,842	\$ 9,185,791	\$ 8,632,496	\$ 8,614,956	\$ 7,416,582	\$ 7,495,559
Contributions as a percentage of covered payroll	13.9%	12.5%	11.9%	13.1%	15.8%	14.1%	13.8%	14.3%	16.4%	17.8%
Total primary government:										
Contractually required contribution	\$ 11,583,509	\$ 10,168,370	\$ 8,809,642	\$ 7,333,901	\$ 8,676,786	\$ 7,723,664	\$ 7,250,026	\$ 7,309,492	\$ 7,397,884	\$ 8,356,702
Contributions in relation to the contractually required contribution	(11,583,509)	(10,168,370)	(8,809,642)	(7,333,901)	(8,676,786)	(7,723,664)	(7,250,026)	(7,309,492)	(7,397,884)	(8,356,702)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 69,431,898	\$ 71,100,249	\$ 71,872,343	\$ 68,914,487	\$ 63,425,350	\$ 58,255,211	\$ 52,573,075	\$ 51,036,469	\$ 45,195,507	\$ 46,847,246
Contributions as a percentage of covered payroll	16.7%	14.3%	12.3%	10.6%	13.7%	13.3%	13.8%	14.3%	16.4%	17.8%
Discretely Presented Component Unit										
Cattaraugus County Industrial Development Agency (the "Agency")										
Contractually required contribution	\$ 38,306	\$ 30,460	\$ 28,164	\$ 20,401	\$ 25,380	\$ 23,500	\$ 22,438	\$ 21,901	\$ 21,594	\$ 20,971
Contributions in relation to the contractually required contribution	(38,306)	(30,460)	(28,164)	(20,401)	(25,380)	(23,500)	(22,438)	(21,901)	(21,594)	(20,971)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 228,595	\$ 201,254	\$ 182,054	\$ 168,839	\$ 161,695	\$ 149,986	\$ 148,003	\$ 143,813	\$ 140,006	\$ 137,781
Contributions as a percentage of covered payroll	16.8%	15.1%	15.5%	12.1%	15.7%	15.7%	15.2%	15.2%	15.4%	15.2%

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

	Year Ended December 31,							
	2025	2024	2023	2022	2021	2020	2019	2018
Governmental activities:								
Total OPEB Liability								
Service cost	\$ 6,667,334	\$ 7,454,080	\$ 7,173,397	\$ 11,819,127	\$ 11,037,896	\$ 9,384,877	\$ 7,707,571	\$ 9,756,513
Interest	8,889,439	8,415,770	8,295,435	5,086,027	5,150,238	6,674,094	7,869,201	8,572,210
Change in benefit terms	(94,487,487)	-	(7,769,067)	-	-	-	-	-
Differences between actual and expected experience	(22,889,705)	-	1,429,378	-	(32,524,948)	-	(35,493,908)	-
Changes of assumptions or other inputs	10,798,434	5,616,481	17,763,939	(78,408,813)	8,353,383	35,870,353	34,008,103	(36,751,791)
Benefit payments	(7,279,076)	(7,423,760)	(7,256,154)	(6,481,757)	(6,358,485)	(6,121,208)	(5,834,959)	(5,371,060)
Net change in total OPEB liability	(98,301,061)	14,062,571	19,636,928	(67,985,416)	(14,341,916)	45,808,116	8,256,008	(23,794,128)
Total OPEB liability—beginning	233,550,353	219,487,782	199,850,854	267,836,270	282,178,186	236,370,070	228,114,062	251,908,190
Total OPEB liability—ending	\$ 135,249,292	\$ 233,550,353	\$ 219,487,782	\$ 199,850,854	\$ 267,836,270	\$ 282,178,186	\$ 236,370,070	\$ 228,114,062
Covered employee payroll	\$ 59,824,110	\$ 60,509,415	\$ 61,040,644	\$ 58,097,018	\$ 51,946,492	\$ 46,425,032	\$ 41,614,410	\$ 38,221,648
County's net OPEB liability as a percentage of covered employee payroll	226.1%	386.0%	359.6%	344.0%	515.6%	607.8%	568.0%	568.8%
Business-type activities:								
Total OPEB Liability								
Service cost	\$ 1,124,062	\$ 1,299,071	\$ 1,284,945	\$ 2,177,871	\$ 2,020,038	\$ 1,622,920	\$ 1,340,056	\$ 1,730,340
Interest	1,629,397	1,527,995	1,520,453	999,714	1,015,032	1,349,107	1,612,686	1,735,391
Change in benefit terms	(19,369,096)	-	(1,591,691)	-	-	-	-	-
Differences between actual and expected experience	(3,771,270)	-	(1,828,585)	-	(6,631,791)	-	(6,045,688)	-
Changes of assumptions	1,123,016	1,188,097	3,249,936	(15,753,377)	1,850,810	6,475,522	6,901,140	(7,365,565)
Benefit payments	(1,363,383)	(1,498,674)	(1,480,287)	(1,505,550)	(1,420,564)	(1,618,846)	(1,475,415)	(1,206,026)
Net change in total OPEB liability	(20,627,274)	2,516,489	1,154,771	(14,081,342)	(3,166,475)	7,828,703	2,332,779	(5,105,860)
Total OPEB liability—beginning	42,497,102	39,980,613	38,825,842	52,907,184	56,073,659	48,244,956	45,912,177	51,301,412
Total OPEB liability—ending	\$ 21,869,828	\$ 42,497,102	\$ 39,980,613	\$ 38,825,842	\$ 52,907,184	\$ 56,073,659	\$ 48,244,956	\$ 46,195,552
Covered employee payroll	\$ 12,279,610	\$ 13,289,057	\$ 13,203,326	\$ 13,115,744	\$ 11,478,858	\$ 11,812,042	\$ 8,921,328	\$ 8,019,185
County's net OPEB liability as a percentage of covered employee payroll	178.1%	319.8%	302.8%	296.0%	460.9%	474.7%	540.8%	576.1%
Total primary government:								
Total OPEB Liability								
Service cost	\$ 7,791,396	\$ 8,753,151	\$ 8,458,342	\$ 13,996,998	\$ 13,057,934	\$ 11,007,797	\$ 9,047,627	\$ 11,486,853
Interest	10,518,836	9,943,765	9,815,888	6,085,741	6,165,270	8,023,201	9,481,887	10,307,601
Change in benefit terms	(113,856,583)	-	(9,360,758)	-	-	-	-	-
Differences between actual and expected experience	(26,660,975)	-	(399,207)	-	(39,156,739)	-	(41,539,596)	-
Changes of assumptions	11,921,450	6,804,578	21,013,875	(94,162,190)	10,204,193	42,345,875	40,909,243	(44,117,356)
Benefit payments	(8,642,459)	(8,922,434)	(8,736,441)	(7,987,307)	(7,779,049)	(7,740,054)	(7,310,374)	(6,577,086)
Net change in total OPEB liability	(118,928,335)	16,579,060	20,791,699	(82,066,758)	(17,508,391)	53,636,819	10,588,787	(28,899,988)
Total OPEB liability—beginning	276,047,455	259,468,395	238,676,696	320,743,454	338,251,845	284,615,026	274,026,239	303,209,602
Total OPEB liability—ending	\$ 157,119,120	\$ 276,047,455	\$ 259,468,395	\$ 238,676,696	\$ 320,743,454	\$ 338,251,845	\$ 284,615,026	\$ 274,309,614
Covered employee payroll	\$ 72,103,720	\$ 73,798,472	\$ 74,243,970	\$ 71,212,762	\$ 63,425,350	\$ 58,237,074	\$ 50,535,738	\$ 46,240,833
County's net OPEB liability as a percentage of covered employee payroll	217.9%	374.1%	349.5%	335.2%	505.7%	580.8%	563.2%	593.2%

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

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

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Real property taxes	\$ 57,566,554	\$ 57,566,554	\$ 57,441,700	\$ (124,854)
Real property tax items	1,971,008	1,972,253	2,020,998	48,745
Non property tax items	39,360,000	43,413,947	43,412,407	(1,540)
Departmental income	17,925,298	18,081,700	16,080,416	(2,001,284)
Intergovernmental charges	6,371,396	6,438,112	6,105,177	(332,935)
Use of money and property	3,136,894	4,489,967	4,168,941	(321,026)
Licenses and permits	41,200	41,200	29,899	(11,301)
Fines and forfeitures	61,600	61,600	94,347	32,747
Sale of property and compensation for loss	1,172,470	1,489,323	1,785,031	295,708
Miscellaneous	3,538,932	4,731,864	3,855,469	(876,395)
Interfund revenues	35,148,154	35,384,723	35,343,698	(41,025)
State aid	32,440,576	37,498,098	32,456,223	(5,041,875)
Federal aid	25,302,514	27,495,445	25,463,791	(2,031,654)
Total revenues	<u>224,036,596</u>	<u>238,664,786</u>	<u>228,258,097</u>	<u>(10,406,689)</u>
EXPENDITURES				
Current:				
General government support	74,446,940	76,064,805	72,833,268	3,231,537
Education	8,450,257	10,213,800	10,213,800	-
Public safety	29,472,885	30,792,049	29,643,070	1,148,979
Health	25,520,822	27,125,397	24,044,607	3,080,790
Transportation	190,000	178,841	178,841	-
Economic assistance and opportunity	72,412,267	77,823,008	75,815,890	2,007,118
Culture and recreation	743,359	1,049,125	927,666	121,459
Home and community services	3,599,811	4,165,177	2,969,979	1,195,198
Employee benefits	6,189,149	7,666,701	7,661,923	4,778
Debt service:				
Principal	-	1,025,470	1,025,470	-
Interest and fiscal charges	159,574	306,317	306,317	-
Total expenditures	<u>221,185,064</u>	<u>236,410,690</u>	<u>225,620,831</u>	<u>10,789,859</u>
Excess of revenues over expenditures	<u>2,851,532</u>	<u>2,254,096</u>	<u>2,637,266</u>	<u>383,170</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,696,662	1,882,377	185,715
Transfers out	(6,666,007)	(8,683,404)	(8,520,162)	163,242
Issuance of leases	-	454,040	454,040	-
Total other financing sources (uses)	<u>(6,666,007)</u>	<u>(6,532,702)</u>	<u>(6,183,745)</u>	<u>348,957</u>
Net change in fund balances*	<u>(3,814,475)</u>	<u>(4,278,606)</u>	<u>(3,546,479)</u>	<u>732,127</u>
Fund balance—beginning, as restated	<u>53,801,532</u>	<u>53,801,532</u>	<u>53,801,532</u>	<u>-</u>
Fund balances—ending	<u>\$ 49,987,057</u>	<u>\$ 49,522,926</u>	<u>\$ 50,255,053</u>	<u>\$ 732,127</u>

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

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

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

1. OPEB LIABILITY

Changes in Assumptions—Changes in assumptions reflect the effects of changes in the long-term discount rate, the mortality rate, and the healthcare trend rate. The discount changes from 4.16% effective January 1, 2025 to 4.41% effective December 31, 2025. The annual rate of increase in healthcare costs was revised to better reflect future expectations, including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2025_1b (the Getzen model).

During the year ended December 31, 2025, the County had a change in benefit terms, which is the result of the County transitioning Medicare eligible retirees from the County's self-funded health insurance plan to a Medicare advantage plan with a third party provider.

Trust Assets—There are no assets accumulated in a trust that meets the criteria of GASB Statements No. 75 to pay related benefits.

2. BUDGETARY INFORMATION

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, with the exception of the Capital Projects Fund, Economic Development Fund, and Coronavirus Fiscal Recovery Fund. The Capital Projects Fund is appropriated on a project-length basis; appropriations are approved through a County Legislative resolution at the project's inception and lapse upon termination of the project.

The appropriated budget is prepared by fund, department, function, program, and sub-program. The County's department heads may make transfers of appropriations within a department. The Administrator's Office is authorized by the County Legislature to transfer up to a total of \$10,000 per year into any budgetary account, with the following exceptions: (1) Departments of Social Services and Public Works, transfers can be made in excess of \$10,000 with the approval of the Chairman of the Finance Committee and the County Administrator, (2) transfers without limitation for the purpose of budgeting or amending appropriations and revenues for the Workforce Investment Board, upon notification from the federal government of the grant amount, and (3) transfers within the budget in connection with settlements of collective bargaining agreements. After November 1 of each budget year, the Administrator's Office is authorized to transfer without limitations for the purpose of closure of the County's financial books for the fiscal year, with the approval of the Chairman of the Finance Committee and the County Administrator. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

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

Actual results of operations presented in accordance with GAAP and the County's accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed or assigned fund balance. Significant encumbrances are disclosed in the notes to the financial statements. The General Fund original budget for the year ended December 31, 2025 includes encumbrances from the prior year of \$1,038,207.

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SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS AND SCHEDULES OF NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

County Road Fund—required by Highway Law Section 114 and accounts for salaries and expenses of the county highway office, maintenance of county roads and bridges, snow removal and construction and reconstruction of county roads.

Road Machinery Fund—required by Highway Law Section 133 and accounts for purchases, repairs and maintenance of highway machinery, tools and equipment; for construction, purchase and maintenance of buildings for the storage and repair of highway machinery and equipment; and for the purchase of materials and supplies to provide an adequate central stockpile for highway, snow removal and bridge purposes.

Conewango Watershed Fund—provides for the maintenance of the Conewango Creek Watershed.

Coronavirus Fiscal Recovery Fund—accounts for and reports revenue and expenditures related to the Coronavirus State and Local Fiscal Recovery Funds grant.

Debt Service Fund

To account for the accumulation of resources for the payment of principal and interest on the County's general obligation bonds.

Permanent Funds

Trust funds are used to account for assets held by the County in a trustee capacity.

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

	Nonmajor Special Revenue Funds	Debt Service	Permanent	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,762,025	\$ -	\$ -	\$ 1,762,025
Restricted cash and cash equivalents	154,191	2,016,970	526	2,171,687
Accounts receivable	269,747	77,847	-	347,594
Intergovernmental receivables	689,878	-	-	689,878
Total assets	<u>\$ 2,875,841</u>	<u>\$ 2,094,817</u>	<u>\$ 526</u>	<u>\$ 4,971,184</u>
LIABILITIES				
Accounts payable	\$ 425,972	\$ -	\$ -	\$ 425,972
Accrued liabilities	411,307	-	-	411,307
Due to other funds	13,051	-	-	13,051
Unearned revenue	150,000	-	-	150,000
Total liabilities	<u>1,000,330</u>	<u>-</u>	<u>-</u>	<u>1,000,330</u>
FUND BALANCES				
Restricted	-	2,094,817	526	2,095,343
Assigned	1,875,511	-	-	1,875,511
Total fund balances	<u>1,875,511</u>	<u>2,094,817</u>	<u>526</u>	<u>3,970,854</u>
Total liabilities and fund balances	<u>\$ 2,875,841</u>	<u>\$ 2,094,817</u>	<u>\$ 526</u>	<u>\$ 4,971,184</u>

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

	Nonmajor Special Revenue Funds	Debt Service	Permanent	Total Nonmajor Governmental Funds
REVENUES				
Nonproperty tax items	\$ 14,745,278	\$ 2,064,603	\$ -	\$ 16,809,881
Departmental income	20,394	-	-	20,394
Intergovernmental charges	833,442	-	-	833,442
Use of money and property	2,022	4,000	-	6,022
Sale of property and compensation for loss	17,537	-	-	17,537
Miscellaneous	338,490	103,993	-	442,483
Interfund revenues	4,641,832	-	-	4,641,832
State aid	7,050	-	-	7,050
Federal aid	1,027,222	-	-	1,027,222
Total revenues	<u>21,633,267</u>	<u>2,172,596</u>	<u>-</u>	<u>23,805,863</u>
EXPENDITURES				
Current:				
General government support	1,027,222	-	-	1,027,222
Public safety	771,315	-	-	771,315
Transportation	20,423,962	-	-	20,423,962
Home and community services	7,301	-	-	7,301
Debt service:				
Principal	-	4,810,000	-	4,810,000
Interest and fiscal charges	57,157	1,014,676	-	1,071,833
Total expenditures	<u>22,286,957</u>	<u>5,824,676</u>	<u>-</u>	<u>28,111,633</u>
(Deficiency) of revenues over expenditures	<u>(653,690)</u>	<u>(3,652,080)</u>	<u>-</u>	<u>(4,305,770)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,494,902	5,396,484	-	11,891,386
Transfers out	(5,431,322)	-	-	(5,431,322)
Total other financing sources (uses)	<u>1,063,580</u>	<u>5,396,484</u>	<u>-</u>	<u>6,460,064</u>
Net change in fund balances	409,890	1,744,404	-	2,154,294
Fund balances—beginning	1,465,621	350,413	526	1,816,560
Fund balances—ending	<u>\$ 1,875,511</u>	<u>\$ 2,094,817</u>	<u>\$ 526</u>	<u>\$ 3,970,854</u>

COUNTY OF CATTARAUGUS, NEW YORK
Combining Balance Sheet—Nonmajor Special Revenue Funds
December 31, 2025

	County Road	Road Machinery	Conewango Watershed	Coronavirus Fiscal Recovery	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and cash equivalents	\$ -	\$ 1,691,999	\$ 70,026	\$ -	\$ 1,762,025
Restricted cash and cash equivalents	150,000	-	-	4,191	154,191
Accounts receivable	158,883	108,936	1,928	-	269,747
Intergovernmental receivables	689,878	-	-	-	689,878
Total assets	<u>\$ 998,761</u>	<u>\$ 1,800,935</u>	<u>\$ 71,954</u>	<u>\$ 4,191</u>	<u>\$ 2,875,841</u>
LIABILITIES					
Accounts payable	\$ 269,273	\$ 156,627	\$ 72	\$ -	\$ 425,972
Accrued liabilities	365,156	41,960	-	4,191	411,307
Due to other funds	13,051	-	-	-	13,051
Unearned revenue	150,000	-	-	-	150,000
Total liabilities	<u>797,480</u>	<u>198,587</u>	<u>72</u>	<u>4,191</u>	<u>1,000,330</u>
FUND BALANCES					
Assigned	<u>201,281</u>	<u>1,602,348</u>	<u>71,882</u>	<u>-</u>	<u>1,875,511</u>
Total fund balances	<u>201,281</u>	<u>1,602,348</u>	<u>71,882</u>	<u>-</u>	<u>1,875,511</u>
Total liabilities and fund balances	<u>\$ 998,761</u>	<u>\$ 1,800,935</u>	<u>\$ 71,954</u>	<u>\$ 4,191</u>	<u>\$ 2,875,841</u>

COUNTY OF CATTARAUGUS, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—
Nonmajor Special Revenue Funds
Year Ended December 31, 2025

	County Road	Road Machinery	Conewango Watershed	Coronavirus Fiscal Recovery	Total Nonmajor Special Revenue Funds
REVENUES					
Nonproperty tax items	\$ 14,230,036	\$ 515,242	\$ -	\$ -	\$ 14,745,278
Departmental income	20,394	-	-	-	20,394
Intergovernmental charges	465,236	358,306	9,900	-	833,442
Use of money and property	-	-	2,022	-	2,022
Sale of property and compensation for loss	3,537	14,000	-	-	17,537
Miscellaneous	338,490	-	-	-	338,490
Interfund revenues	-	4,641,832	-	-	4,641,832
State aid	7,050	-	-	-	7,050
Federal aid	-	-	-	1,027,222	1,027,222
Total revenues	<u>15,064,743</u>	<u>5,529,380</u>	<u>11,922</u>	<u>1,027,222</u>	<u>21,633,267</u>
EXPENDITURES					
Current:					
General government support	-	-	-	1,027,222	1,027,222
Public safety	771,315	-	-	-	771,315
Transportation	15,482,515	4,941,447	-	-	20,423,962
Home and community services	-	-	7,301	-	7,301
Debt service:					
Interest and fiscal charges	-	57,157	-	-	57,157
Total expenditures	<u>16,253,830</u>	<u>4,998,604</u>	<u>7,301</u>	<u>1,027,222</u>	<u>22,286,957</u>
Excess (deficiency) of revenues over expenditures	<u>(1,189,087)</u>	<u>530,776</u>	<u>4,621</u>	<u>-</u>	<u>(653,690)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	6,487,402	-	7,500	-	6,494,902
Transfers out	<u>(5,245,607)</u>	<u>(185,715)</u>	<u>-</u>	<u>-</u>	<u>(5,431,322)</u>
Total other financing sources (uses)	<u>1,241,795</u>	<u>(185,715)</u>	<u>7,500</u>	<u>-</u>	<u>1,063,580</u>
Net change in fund balances	52,708	345,061	12,121	-	409,890
Fund balances—beginning	<u>148,573</u>	<u>1,257,287</u>	<u>59,761</u>	<u>-</u>	<u>1,465,621</u>
Fund balances—ending	<u>\$ 201,281</u>	<u>\$ 1,602,348</u>	<u>\$ 71,882</u>	<u>\$ -</u>	<u>\$ 1,875,511</u>

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OTHER INFORMATION

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Nonproperty tax items	\$ 400,000	\$ 400,000	\$ 2,064,603	\$ 1,664,603
Use of money and property	4,000	4,000	4,000	-
Miscellaneous	-	-	103,993	103,993
Total revenues	<u>404,000</u>	<u>404,000</u>	<u>2,172,596</u>	<u>1,768,596</u>
EXPENDITURES				
Debt service:				
Principal	4,810,000	4,810,000	4,810,000	-
Interest and fiscal charges	<u>1,014,679</u>	<u>1,014,679</u>	<u>1,014,676</u>	<u>3</u>
Total expenditures	<u>5,824,679</u>	<u>5,824,679</u>	<u>5,824,676</u>	<u>3</u>
(Deficiency) of revenues over expenditures	<u>(5,420,679)</u>	<u>(5,420,679)</u>	<u>(3,652,080)</u>	<u>1,768,599</u>
OTHER FINANCING SOURCES				
Transfers in	<u>5,396,488</u>	<u>5,396,488</u>	<u>5,396,484</u>	<u>(4)</u>
Total other financing sources	<u>5,396,488</u>	<u>5,396,488</u>	<u>5,396,484</u>	<u>(4)</u>
Net change in fund balances	(24,191)	(24,191)	1,744,404	1,768,595
Fund balances—beginning*	<u>350,413</u>	<u>350,413</u>	<u>350,413</u>	<u>-</u>
Fund balances—ending	<u>\$ 326,222</u>	<u>\$ 326,222</u>	<u>\$ 2,094,817</u>	<u>\$ 1,768,595</u>

*The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Nonproperty tax items	\$ 13,800,529	\$ 14,106,565	\$ 14,230,036	\$ 123,471
Departmental income	23,000	23,000	20,394	(2,606)
Intergovernmental charges	298,000	298,000	465,236	167,236
Sale of property and compensation for loss	-	-	3,537	3,537
Miscellaneous	-	338,490	338,490	-
State aid	11,850	23,100	7,050	(16,050)
Total revenues	<u>14,133,379</u>	<u>14,789,155</u>	<u>15,064,743</u>	<u>275,588</u>
EXPENDITURES				
Current:				
Public safety	926,851	775,101	771,315	3,786
Transportation	<u>14,411,584</u>	<u>15,696,058</u>	<u>15,482,515</u>	<u>213,543</u>
Total expenditures	<u>15,338,435</u>	<u>16,471,159</u>	<u>16,253,830</u>	<u>217,329</u>
(Deficiency) of revenues over expenditures	<u>(1,205,056)</u>	<u>(1,682,004)</u>	<u>(1,189,087)</u>	<u>492,917</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,235,936	6,836,355	6,487,402	(348,953)
Transfers out	<u>(5,245,607)</u>	<u>(5,245,607)</u>	<u>(5,245,607)</u>	<u>-</u>
Total other financing sources (uses)	<u>990,329</u>	<u>1,590,748</u>	<u>1,241,795</u>	<u>(348,953)</u>
Net change in fund balances*	(214,727)	(91,256)	52,708	143,964
Fund balances—beginning	<u>148,573</u>	<u>148,573</u>	<u>148,573</u>	<u>-</u>
Fund balances—ending	<u>\$ (66,154)</u>	<u>\$ 57,317</u>	<u>\$ 201,281</u>	<u>\$ 143,964</u>

*The net change in fund balances was included in the budget as a re-appropriation of prior year encumbrances.

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Nonproperty tax items	\$ 515,000	\$ 515,000	\$ 515,242	\$ 242
Intergovernmental charges	344,500	344,500	358,306	13,806
Sale of property and compensation for loss	-	14,000	14,000	-
Interfund revenues	3,903,495	4,392,475	4,641,832	249,357
Total revenues	<u>4,762,995</u>	<u>5,265,975</u>	<u>5,529,380</u>	<u>263,405</u>
EXPENDITURES				
Current:				
General government support	100	100	-	100
Transportation	5,474,685	6,425,280	4,941,447	1,483,833
Debt service:				
Interest and fiscal charges	56,409	57,157	57,157	-
Total expenditures	<u>5,531,194</u>	<u>6,482,537</u>	<u>4,998,604</u>	<u>1,483,933</u>
Excess (deficiency) of revenues over expenditures	<u>(768,199)</u>	<u>(1,216,562)</u>	<u>530,776</u>	<u>1,747,338</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	271,690	-	-	-
Transfers out	-	(185,715)	(185,715)	-
Total other financing sources (uses)	<u>271,690</u>	<u>(185,715)</u>	<u>(185,715)</u>	<u>-</u>
Net change in fund balances*	(496,509)	(1,402,277)	345,061	1,747,338
Fund balances—beginning	<u>1,257,287</u>	<u>1,257,287</u>	<u>1,257,287</u>	<u>-</u>
Fund balances—ending	<u>\$ 760,778</u>	<u>\$ (144,990)</u>	<u>\$ 1,602,348</u>	<u>\$ 1,747,338</u>

*The net change in fund balances was included in the budget as a re-appropriation of prior year encumbrances.

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental charges	\$ 9,900	\$ 9,900	\$ 9,900	\$ -
Use of money and property	-	-	2,022	2,022
Total revenues	<u>9,900</u>	<u>9,900</u>	<u>11,922</u>	<u>2,022</u>
EXPENDITURES				
Current:				
Home and community services	<u>34,200</u>	<u>34,200</u>	<u>7,301</u>	<u>26,899</u>
Total expenditures	<u>34,200</u>	<u>34,200</u>	<u>7,301</u>	<u>26,899</u>
Excess (deficiency) of revenues over expenditures	<u>(24,300)</u>	<u>(24,300)</u>	<u>4,621</u>	<u>28,921</u>
OTHER FINANCING SOURCES				
Transfers in	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Total other financing sources	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Net change in fund balances*	<u>(16,800)</u>	<u>(16,800)</u>	<u>12,121</u>	<u>28,921</u>
Fund balances—beginning	<u>59,761</u>	<u>59,761</u>	<u>59,761</u>	<u>-</u>
Fund balances—ending	<u>\$ 42,961</u>	<u>\$ 42,961</u>	<u>\$ 71,882</u>	<u>\$ 28,921</u>

*The net change in fund balances was included in the budget as an appropriation (i.e. spenddown) of fund balance.

STATISTICAL SECTION

This part of the County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents:	<u>Page</u>
Financial Trends.....	84
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity.....	92
<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
Debt Capacity.....	96
<i>These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	101
<i>These schedules offer demographic and economic indications to help the reader understand the environment within which the County's financial activities take place.</i>	
Operating Information.....	103
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual audited financial statements for the relevant year.

COUNTY OF CATTARAUGUS, NEW YORK
Schedule I—Net Position by Component
Last Ten Fiscal Years
(Unaudited, accrual basis of accounting)

	<u>2016</u>	<u>2017¹</u>	<u>2018²</u>	<u>2019</u>	<u>2020</u>	<u>2021³</u>	<u>2022</u>	<u>2023⁴</u>	<u>2024</u>	<u>2025</u>
Governmental activities:										
Net investment in capital assets	\$ 100,553,821	\$ 105,595,741	\$ 121,325,150	\$ 130,725,656	\$ 130,495,801	\$ 139,589,254	\$ 141,107,330	\$ 151,092,383	\$ 154,929,617	\$ 156,419,568
Restricted	8,270,386	13,972,453	5,899,111	6,343,617	10,219,164	5,935,574	16,681,929	12,783,328	15,747,447	9,736,004
Unrestricted	<u>(45,472,280)</u>	<u>(65,094,347)</u>	<u>(234,961,233)</u>	<u>(239,860,288)</u>	<u>(247,747,244)</u>	<u>(250,082,080)</u>	<u>(233,791,706)</u>	<u>(240,267,166)</u>	<u>(246,418,402)</u>	<u>(144,814,403)</u>
Total net position—governmental activities	<u>\$ 63,351,927</u>	<u>\$ 54,473,847</u>	<u>\$ (107,736,972)</u>	<u>\$ (102,791,015)</u>	<u>\$ (107,032,279)</u>	<u>\$ (104,557,252)</u>	<u>\$ (76,002,447)</u>	<u>\$ (76,391,455)</u>	<u>\$ (75,741,338)</u>	<u>\$ 21,341,169</u>
Business-type activities:										
Net investment in capital assets	\$ 3,381,903	\$ 3,558,567	\$ 3,359,629	\$ 4,643,479	\$ 4,831,760	\$ 4,801,008	\$ 4,449,346	\$ 4,131,099	\$ 3,977,044	\$ 3,906,271
Unrestricted	<u>748,588</u>	<u>2,946,780</u>	<u>(24,419,167)</u>	<u>(24,193,803)</u>	<u>(29,355,877)</u>	<u>(35,815,791)</u>	<u>(38,082,197)</u>	<u>(41,034,654)</u>	<u>(42,840,040)</u>	<u>(21,901,790)</u>
Total net position—business-type activities	<u>\$ 4,130,491</u>	<u>\$ 6,505,347</u>	<u>\$ (21,059,538)</u>	<u>\$ (19,550,324)</u>	<u>\$ (24,524,117)</u>	<u>\$ (31,014,783)</u>	<u>\$ (33,632,851)</u>	<u>\$ (36,903,555)</u>	<u>\$ (38,862,996)</u>	<u>\$ (17,995,519)</u>
Primary government:										
Net investment in capital assets	\$ 103,935,724	\$ 109,154,308	\$ 124,684,779	\$ 135,369,135	\$ 135,327,561	\$ 144,390,262	\$ 145,556,676	\$ 155,223,482	\$ 158,906,661	\$ 160,325,839
Restricted	8,270,386	13,972,453	5,899,111	6,343,617	10,219,164	5,935,574	16,681,929	12,783,328	15,747,447	9,736,004
Unrestricted	<u>(44,723,692)</u>	<u>(62,147,567)</u>	<u>(259,380,400)</u>	<u>(264,054,091)</u>	<u>(277,103,121)</u>	<u>(285,897,871)</u>	<u>(271,873,903)</u>	<u>(281,301,820)</u>	<u>(289,258,442)</u>	<u>(166,716,193)</u>
Total net position—primary government	<u>\$ 67,482,418</u>	<u>\$ 60,979,194</u>	<u>\$ (128,796,510)</u>	<u>\$ (122,341,339)</u>	<u>\$ (131,556,396)</u>	<u>\$ (135,572,035)</u>	<u>\$ (109,635,298)</u>	<u>\$ (113,295,010)</u>	<u>\$ (114,604,334)</u>	<u>\$ 3,345,650</u>

¹ During the year ended December 31, 2017, the Cattaraugus County Land Bank Corporation met the criteria within GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, to be presented as a blended component unit of the County's primary government.

² During the year ended December 31, 2018, the Cattaraugus County Sustainability and Growth Corporation met the criteria within GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, to be presented as a blended component unit of the County's primary government.

³ During the year ended December 31, 2022, the County implemented GASB Statement No. 87, *Leases*, net position was restated to be \$(104,557,252) for governmental activities.

⁴ During the year ended December 31, 2024, the County implemented GASB Statement No. 101, *Compensated Absences*, net position was restated to be \$(113,295,010) for governmental activities.

COUNTY OF CATTARAUGUS, NEW YORK

Schedule II—Changes in Net Position

Last Ten Fiscal Years

(Unaudited, accrual basis of accounting)

	2016	2017 ¹	2018 ²	2019	2020	2021 ³	2022	2023	2024	2025
Primary government:										
Expenses:										
Governmental activities:										
General government support	\$ 22,336,500	\$ 23,862,677	\$ 27,340,206	\$ 28,722,722	\$ 26,523,146	\$ 64,427,622	\$ 64,357,676	\$ 71,453,973	\$ 74,447,175	\$ 47,109,644
Education	6,847,512	7,992,020	7,079,831	7,959,610	6,038,594	8,394,493	7,664,336	8,648,280	9,670,896	6,290,317
Public safety	24,349,526	24,404,403	24,104,378	24,370,884	28,306,098	23,517,760	27,029,708	29,276,079	30,732,663	19,626,250
Health	22,975,027	22,288,254	21,786,118	21,664,448	24,469,562	22,830,808	24,199,596	25,831,885	25,584,688	14,899,846
Transportation	21,811,928	23,986,027	21,687,409	23,399,588	27,553,089	28,174,486	27,423,539	28,431,631	33,536,230	25,793,542
Economic assistance and opportunity	63,951,853	63,317,518	62,455,483	60,059,114	61,343,417	55,786,147	60,533,316	69,666,274	76,382,181	47,681,363
Culture and recreation	832,368	1,187,147	1,001,710	1,090,612	873,103	988,394	1,067,876	2,274,123	2,042,637	647,200
Home and community services	2,583,189	2,896,143	2,717,879	3,091,486	3,182,702	2,860,290	3,079,949	2,859,705	3,124,382	2,148,589
Interest and fiscal charges	988,882	997,982	1,217,261	1,014,539	1,179,429	1,109,035	887,353	1,392,869	1,250,834	1,156,316
Total governmental activities	166,676,785	170,932,171	169,390,275	171,373,003	179,469,140	208,089,035	216,243,349	239,834,819	256,771,686	165,353,067
Business-type activities:										
The Pines Machias Campus	15,149,060	15,438,858	14,390,412	14,810,065	16,641,174	15,728,931	14,890,325	16,723,692	17,958,769	7,556,084
The Pines Olean Campus	12,871,780	12,772,191	12,794,911	13,378,113	14,518,202	14,223,336	14,149,795	15,105,800	16,406,411	7,540,111
Onoville Marina	579,567	570,417	559,813	676,495	706,576	537,558	508,276	693,751	694,620	386,778
Lank Bank Corporation ²	-	40,119	89,414	584,575	555,937	589,843	257,462	181,286	241,185	249,144
Sustainability and Growth Corporation ³	-	-	270,116	18,779	4,250	4,250	5,000	113,787	194,214	3,200
Total business-type activities	28,600,407	28,821,585	28,104,666	29,468,027	32,426,139	31,083,918	29,810,858	32,818,316	35,495,199	15,735,317
Total expenses	195,277,192	199,753,756	197,494,941	200,841,030	211,895,279	239,172,953	246,054,207	272,653,135	292,266,885	181,088,384
Program revenues:										
Governmental activities:										
Charges for services:										
General government support	4,441,304	5,322,468	5,828,283	5,302,676	5,058,614	36,813,652	42,684,190	42,823,597	43,938,423	42,893,769
Education	-	-	-	-	-	275	441	250	4,489	-
Public safety	2,484,322	2,463,909	2,565,682	2,530,754	2,817,624	3,800,566	3,913,218	4,636,682	4,915,481	4,815,015
Health	10,786,055	10,904,715	11,135,325	11,103,263	8,986,647	9,462,756	9,911,528	8,486,159	8,591,053	7,351,021
Transportation	351,625	335,156	525,764	518,565	436,901	-	40,678	-	-	3,423,824
Economic assistance and opportunity	2,118,364	1,763,698	2,364,280	2,684,622	2,619,569	3,629,988	3,666,656	2,474,584	2,754,921	2,676,324
Culture and recreation	140	65	-	247	90	130,138	110,162	155,121	182,068	796,026
Home and community services	1,183,522	1,192,564	1,246,504	1,206,673	1,321,698	1,472,649	1,237,877	1,135,363	1,098,040	1,174,656
Operating grants and contributions	36,411,867	37,572,291	37,612,764	36,726,944	37,639,557	38,202,084	48,444,639	56,971,332	56,387,324	58,968,836
Capital grants and contributions	7,725,130	5,342,210	6,038,206	8,088,358	6,242,360	5,768,860	10,733,608	8,127,697	10,232,953	7,493,627
Total governmental activities	65,502,329	64,897,076	67,316,808	68,162,102	65,123,060	99,280,968	120,742,997	124,810,785	128,104,752	129,593,098

(continued)

COUNTY OF CATTARAUGUS, NEW YORK

Schedule II—Changes in Net Position

Last Ten Fiscal Years

(Unaudited, accrual basis of accounting)

	2016	2017 ¹	2018 ²	2019	2020	2021 ³	2022	2023	2024	2025
Business-type activities:										
The Pines Machias Campus:										
Charges for services	10,360,363	10,096,103	11,040,148	11,400,197	13,733,864	11,400,005	11,721,227	10,857,681	13,712,749	12,632,734
Operating grants and contributions	7,138,731	5,552,422	3,928,548	3,961,232	1,197,170	870,694	2,268,959	-	-	-
The Pines Olean Campus:										
Charges for services	9,793,753	10,405,646	10,878,910	11,271,908	12,576,564	10,292,019	10,759,442	9,603,651	7,063,366	9,516,777
Operating grants and contributions	6,624,632	4,526,022	3,650,877	3,821,388	1,133,949	678,721	1,280,504	-	-	-
Onoville Marina:										
Charges for services	514,758	543,084	580,120	560,368	573,045	653,848	719,742	733,116	697,785	669,325
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Lank Bank Corporation:										
Charges for services	-	34,258	34,176	63,594	65,425	148,960	189,900	206,659	21,210	5,800
Operating grants and contributions	-	-	89,414	585,192	555,937	530,961	235,872	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	375,000
Sustainability and Growth Corporation:										
Charges for services	-	-	186,949	-	-	-	-	-	-	-
Operating grants and contributions	-	-	539,000	10,123	7,410	10,968	5,812	-	-	-
Total business-type activities	<u>34,432,237</u>	<u>31,157,535</u>	<u>30,928,142</u>	<u>31,674,002</u>	<u>29,843,364</u>	<u>24,586,176</u>	<u>27,181,458</u>	<u>21,401,107</u>	<u>21,495,110</u>	<u>23,199,636</u>
Total program revenues	<u>99,934,566</u>	<u>96,054,611</u>	<u>98,244,950</u>	<u>99,836,104</u>	<u>94,966,424</u>	<u>123,867,144</u>	<u>147,924,455</u>	<u>146,211,892</u>	<u>149,599,862</u>	<u>152,792,734</u>
Net revenue (expense):										
Governmental activities	(101,174,456)	(106,035,095)	(102,073,467)	(103,210,901)	(114,346,080)	(108,808,067)	(95,500,352)	(115,024,034)	(128,666,934)	(35,759,969)
Business-type activities	<u>5,831,830</u>	<u>2,335,950</u>	<u>2,823,476</u>	<u>2,205,975</u>	<u>(2,582,775)</u>	<u>(6,497,742)</u>	<u>(2,629,400)</u>	<u>(11,417,209)</u>	<u>(14,000,089)</u>	<u>7,464,319</u>
Total net (expense) revenue	<u>(95,342,626)</u>	<u>(103,699,145)</u>	<u>(99,249,991)</u>	<u>(101,004,926)</u>	<u>(116,928,855)</u>	<u>(115,305,809)</u>	<u>(98,129,752)</u>	<u>(126,441,243)</u>	<u>(142,667,023)</u>	<u>(28,295,650)</u>

(continued)

COUNTY OF CATTARAUGUS, NEW YORK

Schedule II—Changes in Net Position

Last Ten Fiscal Years

(Unaudited, accrual basis of accounting)

	2016	2017 ¹	2018 ²	2019	2020	2021 ³	2022	2023	2024	2025
General revenues and transfers:										
Governmental activities:										
Property taxes, levied for										
general purpose	51,057,586	52,962,950	53,817,607	55,313,609	54,216,597	54,389,704	53,848,687	53,945,548	56,393,375	57,567,246
Property taxes items	2,694,099	2,443,916	2,479,969	2,406,605	3,052,987	2,934,663	2,729,151	1,698,260	2,079,901	2,020,998
Non property tax items	37,417,074	39,071,485	41,657,149	42,685,495	43,461,202	51,416,522	53,876,984	54,193,045	55,156,193	60,222,288
Use of money and property	788,249	839,440	1,052,342	2,778,103	3,711,303	(2,161,466)	(3,206,599)	4,653,577	3,043,989	4,996,790
Sale of property and										
compensation for loss	2,622,258	2,139,120	3,629,690	3,167,920	1,800,947	3,347,703	2,919,467	2,699,080	1,900,059	1,802,568
Miscellaneous	2,985,607	742,176	1,308,136	1,805,126	1,373,059	1,397,374	13,887,467	4,764,744	4,421,494	6,232,586
(Loss) gain on asset disposition	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>97,564,873</u>	<u>98,199,087</u>	<u>103,944,893</u>	<u>108,156,858</u>	<u>107,616,095</u>	<u>111,324,500</u>	<u>124,055,157</u>	<u>121,954,254</u>	<u>122,995,011</u>	<u>132,842,476</u>
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	46	-	-	-	-	-
Sale of property and										
compensation for loss	-	-	-	-	-	6	20	9,205	27,690	53,303
Unrestricted state aid	-	-	-	-	-	-	-	8,767,350	12,012,958	13,349,855
Miscellaneous	33,183	38,906	28,212	23,697	-	7,070	11,312	-	-	-
Transfers	60	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>33,243</u>	<u>38,906</u>	<u>28,212</u>	<u>23,697</u>	<u>46</u>	<u>7,076</u>	<u>11,332</u>	<u>8,776,555</u>	<u>12,040,648</u>	<u>13,403,158</u>
Total primary government	<u>97,598,116</u>	<u>98,237,993</u>	<u>103,973,105</u>	<u>108,180,555</u>	<u>107,616,141</u>	<u>111,331,576</u>	<u>124,066,489</u>	<u>130,730,809</u>	<u>135,035,659</u>	<u>146,245,634</u>
Change in net position:										
Governmental activities	(3,609,583)	(7,836,008)	1,871,426	4,945,957	(6,729,985)	2,516,433	28,554,805	6,930,220	(5,671,923)	97,082,507
Business-type activities	<u>5,865,073</u>	<u>2,374,856</u>	<u>2,851,688</u>	<u>2,229,672</u>	<u>(2,582,729)</u>	<u>(6,490,666)</u>	<u>(2,618,068)</u>	<u>(2,640,654)</u>	<u>(1,959,441)</u>	<u>20,867,477</u>
Total change in net position	<u>\$ 2,255,490</u>	<u>\$ (5,461,152)</u>	<u>\$ 4,723,114</u>	<u>\$ 7,175,629</u>	<u>\$ (9,312,714)</u>	<u>\$ (3,974,233)</u>	<u>\$ 25,936,737</u>	<u>\$ 4,289,566</u>	<u>\$ (7,631,364)</u>	<u>\$ 117,949,984</u>

(concluded)

¹ During the year ended December 31, 2017, the Cattaraugus County Land Bank Corporation met the criteria within GASB Statement No. 80, Blending Requirements for Certain Component Units - *an amendment of GASB Statement No. 14*, to be presented as a blended component unit of the County's primary government.

² During the year ended December 31, 2018, the Cattaraugus County Sustainability and Growth Corporation met the criteria within GASB Statement No. 80, Blending Requirements for Certain Component Units - *an amendment of GASB Statement No. 14*, to be presented as a blended component unit of the County's primary government.

³ During the year ended December 31, 2021, the County elected to record certain interfund revenues and associated expenditures within the government-wide financial statements. Previously, the associated expenditures were netted against interfund revenue.

COUNTY OF CATTARAUGUS, NEW YORK
Schedule III—Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Unaudited, modified accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund:										
Nonspendable	\$ 1,663,741	\$ 1,579,937	\$ 1,392,707	\$ 1,689,430	\$ 1,601,192	\$ 1,681,917	\$ 1,821,590	\$ 2,497,261	\$ 2,724,972	\$ 125,925
Restricted	2,208,250	2,931,764	4,052,374	4,509,456	4,368,429	4,737,651	5,447,666	6,064,393	6,906,057	7,640,661
Committed	85,000	-	-	315,478	421,610	517,403	1,372,321	1,622,877	1,629,923	1,882,667
Assigned	2,549,862	3,323,615	2,743,239	4,066,386	2,712,898	3,519,152	2,961,605	5,089,566	3,814,475	2,265,674
Unassigned	<u>37,085,752</u>	<u>34,680,036</u>	<u>36,827,434</u>	<u>37,867,657</u>	<u>45,865,538</u>	<u>47,947,729</u>	<u>46,750,760</u>	<u>40,143,032</u>	<u>38,726,105</u>	<u>38,340,126</u>
Total General Fund	<u>\$ 43,592,605</u>	<u>\$ 42,515,352</u>	<u>\$ 45,015,754</u>	<u>\$ 48,448,407</u>	<u>\$ 54,969,667</u>	<u>\$ 58,403,852</u>	<u>\$ 58,353,942</u>	<u>\$ 55,417,129</u>	<u>\$ 53,801,532</u>	<u>\$ 50,255,053</u>
All other governmental funds:										
Restricted	\$ 12,615,554	\$ 17,291,098	\$ 10,883,457	\$ 9,841,283	\$ 7,239,737	\$ 7,945,076	\$ 12,840,278	\$ 5,367,897	\$ 1,992,189	\$ 2,095,343
Assigned	1,303,639	1,794,894	1,550,283	2,140,406	2,287,997	2,235,597	12,278,972	11,948,832	11,290,302	12,263,672
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,561,895)</u>
Total all other governmental funds	<u>\$ 13,919,193</u>	<u>\$ 19,085,992</u>	<u>\$ 12,433,740</u>	<u>\$ 11,981,689</u>	<u>\$ 9,527,734</u>	<u>\$ 10,180,673</u>	<u>\$ 25,119,250</u>	<u>\$ 17,316,729</u>	<u>\$ 13,282,491</u>	<u>\$ 8,797,120</u>

COUNTY OF CATTARAUGUS, NEW YORK
Schedule IV—Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Unaudited, modified accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:										
Real property taxes	\$ 51,846,046	\$ 54,384,843	\$ 53,919,044	\$ 55,953,868	\$ 52,993,339	\$ 56,475,693	\$ 54,197,469	\$ 53,162,460	\$ 55,858,792	\$ 57,441,700
Real property tax items	2,694,099	2,443,916	2,479,969	2,406,605	3,052,987	2,934,663	2,729,151	1,698,260	2,079,901	2,020,998
Non property tax items	37,417,074	39,071,485	41,657,149	42,685,495	43,461,202	51,416,522	53,876,984	54,193,045	55,156,193	60,222,288
Departmental income	15,932,947	15,968,146	17,024,706	17,302,248	14,998,677	15,223,513	17,141,071	16,004,277	16,681,323	16,103,840
Intergovernmental charges	5,244,879	5,724,991	6,375,444	5,790,170	6,121,852	6,275,020	6,709,608	7,064,708	7,168,928	6,938,619
Use of money and property	880,934	979,218	1,189,372	2,913,855	3,884,220	(2,161,466)	(3,206,599)	4,753,577	3,043,989	4,996,790
Licenses and permit	88,591	79,912	59,409	54,093	56,436	63,206	58,060	63,751	34,398	29,899
Fines and forfeitures	195,836	209,526	206,279	200,289	129,566	87,469	95,935	78,762	97,134	94,347
Sale of property and compensation for loss	2,645,890	2,139,120	3,629,690	3,167,920	1,800,947	3,347,703	2,919,467	2,699,080	1,900,059	1,802,568
Miscellaneous	2,225,240	1,222,596	1,892,148	1,988,406	1,348,836	1,397,374	13,887,467	4,664,744	3,801,494	6,232,586
Interfund revenues	28,784,148	30,665,631	31,171,773	32,783,410	32,683,050	33,660,816	37,560,076	36,500,258	37,502,692	39,985,530
State aid	24,218,747	22,367,532	20,688,437	25,792,163	23,739,104	23,347,264	33,159,091	34,362,191	41,886,260	39,434,437
Federal aid	19,739,888	20,546,969	22,962,533	19,023,139	20,077,425	20,623,680	26,019,156	30,736,838	31,676,057	27,006,426
Total revenues	<u>191,914,319</u>	<u>195,803,885</u>	<u>203,255,953</u>	<u>210,061,661</u>	<u>204,347,641</u>	<u>212,691,457</u>	<u>245,146,936</u>	<u>245,981,951</u>	<u>256,887,220</u>	<u>262,310,028</u>
Expenditures:										
Current:										
General government support	42,785,115	47,711,401	50,005,525	52,788,630	53,400,270	61,087,966	64,459,675	68,974,811	71,913,693	73,860,490
Education	6,847,973	7,988,762	7,057,194	7,959,519	6,038,502	8,024,148	7,646,179	8,505,477	9,242,767	10,213,800
Public safety	20,671,227	20,386,348	21,304,779	21,877,247	23,174,559	22,537,745	26,866,907	28,591,408	29,885,291	30,414,385
Health	19,657,735	19,836,146	20,038,848	20,252,552	21,051,184	21,845,039	24,179,205	25,551,218	24,364,426	24,044,607
Transportation	16,381,672	15,559,274	18,985,707	17,251,245	16,237,947	18,329,363	19,430,545	18,947,935	20,840,826	20,602,803
Economic assistance and opportunity	59,165,919	57,921,858	59,078,166	57,706,802	54,510,823	52,287,921	60,362,864	68,281,159	73,055,620	77,254,924
Culture and recreation	822,027	1,015,402	1,037,155	1,127,750	817,294	943,520	1,070,786	2,236,690	1,949,994	1,044,944
Home and community services	2,236,707	2,709,146	2,794,644	2,953,983	2,713,292	2,818,125	3,475,550	2,606,145	2,901,486	2,977,280
Employee benefits	5,237,582	5,846,646	5,893,629	6,120,443	6,656,889	6,439,412	7,851,791	7,935,181	7,286,776	7,661,923
Debt service:										
Principal	4,556,517	4,682,919	4,566,192	4,732,329	5,061,142	7,946,743	5,577,145	6,140,881	6,647,299	5,835,470
Interest and fiscal charges	1,019,140	914,853	1,233,534	973,284	1,220,095	1,229,844	981,113	1,544,443	1,348,065	1,378,150
Capital outlay	15,986,418	19,010,657	16,335,709	21,877,221	13,507,820	11,779,160	21,333,065	22,645,817	14,284,486	15,507,142
Total expenditures	<u>195,368,032</u>	<u>203,583,412</u>	<u>208,331,082</u>	<u>215,621,005</u>	<u>204,389,817</u>	<u>215,268,986</u>	<u>243,234,825</u>	<u>261,961,165</u>	<u>263,720,729</u>	<u>270,795,918</u>

(continued)

COUNTY OF CATTARAUGUS, NEW YORK
Schedule IV—Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Unaudited, modified accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Other financing sources (uses)										
Transfers in	17,353,770	15,377,878	14,575,034	17,819,908	12,969,263	15,583,738	17,294,931	17,056,884	16,888,715	13,951,484
Transfers out	(17,353,770)	(15,377,878)	(14,575,034)	(17,819,908)	(12,969,263)	(15,583,738)	(17,294,931)	(17,056,884)	(16,888,715)	(13,951,484)
Other financing sources ¹	8,212,535	12,911,145	923,279	8,539,946	4,109,481	6,664,653	12,976,556	5,239,880	1,183,674	454,040
Other financing uses	(3,571,355)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>4,641,180</u>	<u>12,911,145</u>	<u>923,279</u>	<u>8,539,946</u>	<u>4,109,481</u>	<u>6,664,653</u>	<u>12,976,556</u>	<u>5,239,880</u>	<u>1,183,674</u>	<u>454,040</u>
Net change in fund balances	<u>\$ 1,187,467</u>	<u>\$ 5,131,618</u>	<u>\$ (4,151,850)</u>	<u>\$ 2,980,602</u>	<u>\$ 4,067,305</u>	<u>\$ 4,087,124</u>	<u>\$ 14,888,667</u>	<u>\$ (10,739,334)</u>	<u>\$ (5,649,835)</u>	<u>\$ (8,031,850)</u>
Debt service as a percentage of noncapital expenditures*	3.11%	3.03%	3.02%	2.94%	3.29%	4.57%	3.04%	3.31%	3.25%	2.85%

¹ Includes issuance of serial bonds, leases, SBITAs, and premiums on serial bonds.

*Calculated by dividing principal and interest by total expenditures less capital asset additions from page 27.

(concluded)

COUNTY OF CATTARAUGUS, NEW YORK
Schedule V—Governmental Funds Tax Revenues by Source
Last Ten Fiscal Years
(Unaudited, modified accrual basis of accounting)

Year	General Property Taxes	Non-Property Taxes					Total
		General Sales Taxes	Room Occupancy Taxes	E-911 Taxes	Mortgage Taxes	Automobile Use Taxes	
2016	\$ 51,846,046	\$ 35,194,149	\$ 703,026	\$ 251,102	\$ 816,285	\$ 452,512	\$ 89,263,120
2017	54,384,843	36,870,078	814,716	233,494	626,148	527,049	93,456,328
2018	53,919,044	39,279,583	967,933	285,789	628,932	494,912	95,576,193
2019	55,953,868	40,224,811	1,018,755	309,286	629,880	502,763	98,639,363
2020	52,993,339	40,901,095	935,477	289,252	734,490	439,424	96,293,077
2021	56,475,693	47,239,948	1,255,800	303,521	1,138,058	488,415	106,901,435
2022	54,197,469	50,479,733	1,537,611	301,611	1,076,588	481,441	108,074,453
2023	53,162,460	46,054,602	1,476,786	282,268	411,656	482,376	101,870,148
2024	55,858,792	46,456,859	1,562,695	162,375	723,206	460,087	105,224,014
2025	57,441,700	53,532,304	1,749,429	278,460	4,146,853	515,242	117,663,988

COUNTY OF CATTARAUGUS, NEW YORK
Schedule VI—Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Year ¹	Assessed Value	Full Value	Ratio of Assessed Value to Full Value	Total Effective Rate ²
2016	\$ 3,543,032,182	\$ 4,124,055,507	85.91%	\$ 12.96
2017	3,677,616,557	4,247,062,554	86.59%	12.85
2018	3,688,985,815	4,371,781,079	84.38%	12.65
2019	3,756,020,822	4,408,282,321	85.20%	12.84
2020	3,770,189,756	4,500,225,402	83.78%	12.33
2021	3,931,433,771	4,825,882,453	81.47%	11.50
2022	4,018,018,320	4,975,111,537	80.76%	11.10
2023	4,281,218,753	5,498,524,197	77.86%	10.05
2024	4,696,835,015	6,440,056,384	72.93%	8.94
2025	5,054,083,440	7,110,158,560	71.08%	8.29

¹ The years indicated relate to the tax levy year. Assessments are compiled from the County's tax rolls for the preceding year and the equalization rate shown relates to such.

² The total effective rate represents the average of all county tax rates per \$1,000 of assessed property value of the County of Cattaraugus.

Source: Cattaraugus County Real Property Services

COUNTY OF CATTARAUGUS, NEW YORK
Schedule VII—Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)

Year	County Effective Rates ¹	County Direct Rates ²	Overlapping Rates ³			
			Cities, Towns & Villages	School Districts	Fire Districts	Other Special Districts
2016	\$12.96	\$9.73-77.93	\$0.59-59.78	\$5.80-125.38	\$0.10-12.50	\$0.02-277.79
2017	12.85	10.01-79.12	0.60-59.78	5.94-123.34	0.07-12.65	0.02-221.41
2018	12.65	9.55-85.67	0.61-59.78	1.25-129.73	0.09-13.63	0.02-181.41
2019	12.84	9.74-85.66	0.62-61.78	1.20-123.75	0.09-13.63	0.02-181.41
2020	12.33	9.16-83.64	0.62-63.72	1.20-125.17	0.09-13.79	0.26-72.27
2021	11.50	11.50-83.66	0.35-63.66	1.08-126.49	0.04-13.82	0.26-289.89
2022	11.10	8.53-82.24	0.35-64.15	0.98-133.40	0.05-13.75	0.78-167.40
2023	10.05	8.53-82.24	0.33-64.43	0.90-137.71	0.04-13.49	0.11-167.40
2024	8.94	6.36-81.28	0.27-64.58	0.83-129.08	0.00-13.89	0.00-161.54
2025	8.29	5.79-75.39	0.26-65.45	0.76-118.90	0.00-14.14	0.00-170.45

¹ The County has a complex rate structure that would make the calculation of a direct rate extremely difficult, since its revenue base cannot be sufficiently disaggregated for each applicable rate. The County substituted an effective rate instead.

² Equalization rates vary by town making it necessary to present the County tax rate as a range

³ Overlapping rates are those of local governments that apply to property owners within the County. The range presented reflects different rates charged to various property owners depending on the municipality the property is located in. Not all overlapping rates apply to all the County's property owners.

Source: Division of Real Property Tax, Department of Finance, County of Cattaraugus, New York and New York State Comptroller's Office.

COUNTY OF CATTARAUGUS, NEW YORK
Schedule VIII—Principal Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	Type of Business	2025			2016		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
State of New York	Government	\$ 370,376,780	1	7.33%	\$ 177,398,610	1	5.01%
National Grid	Utility	184,113,692	2	3.64%	32,826,989	4	0.93%
National Fuel Gas Supply	Utility	132,563,061	3	2.62%	33,504,789	3	0.95%
NYS Electric & Gas Corp	Utility	33,146,749	4	0.66%	16,784,796	7	0.47%
Win-Sum Ski Corp	Resort	24,982,800	5	0.49%	23,617,400	5	0.67%
Armstrong Telecommunications	Utility	24,932,162	6	0.49%	-	-	n/a
Olean 2020, LLC	Retail	14,851,400	7	0.29%	-	-	n/a
Agree Stores, LLC	Retail	13,006,400	8	0.26%	-	-	n/a
Pengilly Corp	Utility	11,486,500	9	0.23%	-	-	n/a
Indeck-Olean LP Total	Industry	10,600,000	10	0.21%	10,600,000	10	0.30%
Niagara Mohawk Power Corp	Utility	-	-	n/a	56,545,961	2	1.60%
BG Olean LLC	Retail	-	-	n/a	17,189,500	6	0.49%
Park Centre Development Inc	Retail	-	-	n/a	14,530,660	8	0.41%
NYSEG	Utility	-	-	n/a	12,493,685	9	0.35%
Total		<u>\$ 820,059,544</u>		16.23%	<u>\$ 395,492,390</u>		11.16%

Source: County of Cattaraugus Treasurer's Office

COUNTY OF CATTARAUGUS, NEW YORK
Schedule IX—Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended December 31,	County Taxes Levied for the Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Delinquent Collections in Subsequent Periods	Total Collections to Date	
		Amount	Percentage of Total Levy		Amount	Percentage of Levy ²
2016	\$ 77,664,779	\$ 73,323,540	94.41%	\$ 4,225,806	\$ 77,549,346	99.85%
2017	79,363,401	75,366,738	94.96%	4,263,576	79,630,314	100.34%
2018	80,868,461	76,753,973	94.91%	3,536,632	80,290,605	99.29%
2019	82,047,186	78,256,908	95.38%	4,393,195	82,650,103	100.73%
2020	82,095,595	77,394,194	94.27%	4,245,850	81,640,044	99.45%
2021	82,500,123	78,150,783	94.73%	4,349,340	82,500,123	100.00%
2022	81,437,408	77,253,712	94.86%	4,183,696	81,437,408	100.00%
2023	82,597,076	78,395,097	94.91%	5,214,648	83,609,745	101.23%
2024	85,139,903	81,331,000	95.53%	5,678,114	81,331,000	95.53%
2025	88,284,130	82,155,822	93.06%	N/A	82,155,822	93.06%

¹ Town receivers of taxes collect real property taxes for the respective town and County. The respective town receivers distribute the collected tax monies to the towns prior to distributing the balance collected to the County. The towns, thereby, are assured of full collections. Each year, the town receivers turn over uncollected items to the County. The County satisfies the full amount of the unpaid school taxes. Responsibility for the unpaid taxes rests with the County.

² The amounts recorded in the "Delinquent Collections in Subsequent Periods" represents total previous period collections for that year. Therefore, in certain periods the Percentage of Levy recorded appears as over 100% of the total.

Source: County of Cattaraugus Treasurer's Office

COUNTY OF CATTARAUGUS, NEW YORK
Schedule X—Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income ²	Debt per Capita ²
	General Obligation Bonds ¹	Leases ³	SBITAs ³	General Obligation Bonds ¹	Leases			
2016	\$ 32,125,424	\$ 67,267	\$ -	\$ 9,100,614	\$ 2,828	\$ 41,296,133	0.39%	\$ 534.61
2017	40,274,111	28,348	-	8,535,868	-	48,838,327	0.43%	635.58
2018	35,778,826	787,580	-	7,944,242	-	44,510,648	0.49%	576.23
2019	39,267,628	1,015,511	-	7,354,794	26,176	47,664,109	0.53%	626.20
2020	37,948,950	1,286,117	-	6,766,523	19,904	46,021,494	0.59%	609.49
2021	36,741,902	1,095,262	-	6,099,636	13,632	43,950,432	0.68%	575.07
2022	43,430,811	2,051,210	-	5,478,965	-	50,960,986	0.82%	666.69
2023	41,205,451	2,948,236	280,191	4,934,069	-	49,367,947	0.95%	649.43
2024	35,574,570	3,101,142	173,442	4,379,171	111,641	43,339,966	1.04%	573.28
2025	30,651,579	2,638,615	64,539	3,834,275	127,047	37,316,055	1.26%	494.97

¹ Serial bonds are presented net of related premiums or discounts.

² See Schedule XIV for personal income and population data.

³ During the years ended December 31, 2023 and December 31, 2022, the County implemented Governmental Accounting Standards Board statements No. 87, *Leases*, and No. 96, *Subscription-Based Information Technology Arrangements*, respectively.

COUNTY OF CATTARAUGUS, NEW YORK
Schedule XI—Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Year	Population	General Bonded Debt Outstanding				Percentage of Net Bonded Debt to Estimated Actual Value ³	Net Bonded Debt per Capita ⁴
		Estimated Actual Value of Property	Net Bonded Debt ¹	Less: Debt Service Funds ²	Net Bonded Debt		
2016	77,245	\$ 4,124,055,507	\$ 41,226,038	\$ 544,558	\$ 40,681,480	0.99%	\$ 526.66
2017	76,840	4,247,062,554	48,809,979	420,387	48,389,592	1.14%	629.74
2018	77,245	4,371,781,079	43,723,068	310,434	43,412,634	0.99%	562.01
2019	76,117	4,408,282,321	46,622,422	459,572	46,162,850	1.05%	606.47
2020	75,508	4,500,225,402	44,715,473	487,192	44,228,281	0.98%	585.74
2021	76,426	4,825,882,453	42,841,538	664,746	42,176,792	0.87%	551.86
2022	76,439	4,975,111,537	48,909,776	858,845	48,050,931	0.97%	628.62
2023	76,017	5,498,524,197	46,139,520	428,540	45,710,980	0.83%	601.33
2024	75,600	6,440,056,384	39,953,741	350,413	39,603,328	0.61%	523.85
2025	75,390	7,110,158,560	34,485,854	2,094,817	32,391,037	0.46%	429.65

Notes: Detail regarding the County's outstanding debt can be found in the notes to the financial statements.

¹ General bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

² Amount restricted for debt service principal payments.

³ See Schedule VI for property value data.

⁴ See Schedule XIV for personal income and population data.

Source: County of Cattaraugus Annual Financial Report to the State of New York, Office of the State Comptroller and US Bureau of the Census, and Trial Balance

COUNTY OF CATTARAUGUS, NEW YORK
Schedule XII—Computation of Estimated Direct and Overlapping Debt
As of December 31, 2025
(Unaudited)

<u>Governmental Unit</u>	<u>Gross Indebtedness¹</u>	<u>Percentage Applicable²</u>	<u>County of Cattaraugus Portion</u>
Estimated direct debt:			
County of Cattaraugus	\$ 33,290,194	100.00%	\$ 33,290,194
Estimated overlapping debt:			
Towns:			
Allegany	-	0.00%	-
Ashford	956,110	0.37%	3,501
Carrollton	-	0.00%	-
Coldspring	-	0.00%	-
Conewango	-	0.00%	-
Dayton	-	0.00%	-
East Otto	108,196	0.04%	45
Ellicottville	3,587,427	1.37%	49,285
Farmersville	356,119	0.14%	486
Franklinville	280,498	0.11%	301
Freedom	-	0.00%	-
Great Valley	-	0.00%	-
Hinsdale	130,000	0.05%	65
Humphrey	-	0.00%	-
Ischua	80,000	0.03%	25
Leon	-	0.00%	-
Little Valley	69,946	0.03%	19
Lyndon	-	0.00%	-
Machias	-	0.00%	-
Mansfield	-	0.00%	-
Napoli	163,369	0.06%	102
New Albion	112,063	0.04%	48
Olean	169,796	0.07%	110
Otto	-	0.00%	-
Perrysburg	1,620,572	0.62%	10,057
Persia	-	0.00%	-
Portville	-	0.00%	-
Randolph	1,425,030	0.55%	7,777
Red House	-	0.00%	-
Salamanca	-	0.00%	-
South Valley	-	0.00%	-
Yorkshire	205,373	0.08%	162

(continued)

COUNTY OF CATTARAUGUS, NEW YORK
Schedule XII—Computation of Estimated Direct and Overlapping Debt
As of December 31, 2025
(Unaudited)

Governmental Unit	Gross Indebtedness ¹	Percentage Applicable ³	County of Cattaraugus Portion
Cities:			
Olean	28,774,800	11.02%	3,170,846
Salamanca	-	0.00%	-
Villages:			
Allegany	-	0.00%	-
Cattaraugus	1,307,851	0.50%	6,550
Delevan	304,179	0.12%	354
Ellicottville	3,187,093	1.22%	38,899
Franklinville	2,347,369	0.90%	21,101
Gowanda	147,707	0.06%	84
Little Valley	2,643,380	1.01%	26,759
Portville	675,195	0.26%	1,746
South Dayton	8,333	0.00%	0
School districts:			
Allegany-Limestone	14,665,000	5.62%	823,597
Cattaraugus-Little Valley	30,120,000	11.53%	3,474,245
Ellicottville	10,050,000	3.85%	386,797
Franklinville	6,515,000	2.49%	162,547
Gowanda	16,500,000	6.32%	1,042,602
Hinsdale	3,525,000	1.35%	47,585
Olean City	31,715,000	12.15%	3,851,944
Pine Valley	-	0.00%	-
Portville	14,275,000	5.47%	780,374
Randolph	3,310,000	1.27%	41,957
Randolph Academy	3,490,000	1.34%	46,645
Salamanca	6,550,000	2.51%	164,298
West Valley	2,500,000	0.96%	23,935
Yorkshire-Pioneer	35,960,000	13.77%	4,952,106
Total estimated overlapping debt	227,835,406		19,136,954
Total estimated direct and overlapping debt	<u>\$ 261,125,600</u>		<u>\$ 52,427,148</u>

¹ Direct debt includes the full amount of outstanding long-term debt instruments—including bonds, certificates of participation, loans, and leases—of the government.

² Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Cattaraugus County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Debt information is obtained from the towns, villages and school districts within the County. County debt information is provided by the County's Treasurer's Office.

(concluded)

COUNTY OF CATTARAUGUS, NEW YORK,
Schedule XIII—Legal Debt Margin Information
As of December 31, 2025
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2025	
Estimated Actual Value of Real Property (After Exemptions):	
2021	\$ 4,825,882,453
2022	4,975,111,537
2023	5,498,524,197
2024	6,440,056,384
2025	<u>7,110,158,560</u>
Total five-year valuation	<u>28,849,733,131</u>
Average full valuation	<u>5,769,946,626</u>
Debt limit - 7% of average full valuation ¹	<u>\$ 403,896,264</u>
Debt applicable to limit:	
Primary government - general obligation bonds	34,485,854
Primary government - leases	2,701,123
Primary government - SBITAs	<u>64,539</u>
Net indebtedness subject to debt limit	<u>37,251,516</u>
Less other deductions allowed by law ²	
Cash on hand - earnings on investments and premiums	<u>-</u>
Total amount of net indebtedness applicable to debt limit	<u>37,251,516</u>
Legal debt margin ³	<u>\$ 366,644,748</u>
Percentage of debt contracting power exhausted	9.22%

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 280,500,574	\$ 284,774,069	\$ 290,354,212	\$ 296,464,587	\$ 303,119,696	\$ 312,945,273	\$ 323,137,959	\$ 338,912,363	\$ 367,357,200	\$ 403,896,264
Total net debt applicable to limit	<u>40,452,267</u>	<u>48,139,493</u>	<u>43,927,580</u>	<u>47,077,338</u>	<u>45,497,515</u>	<u>42,426,993</u>	<u>49,439,210</u>	<u>48,058,209</u>	<u>43,339,966</u>	<u>37,251,516</u>
Legal debt margin	<u>\$ 240,048,307</u>	<u>\$ 236,634,576</u>	<u>\$ 246,426,632</u>	<u>\$ 249,387,249</u>	<u>\$ 257,622,181</u>	<u>\$ 270,518,280</u>	<u>\$ 273,698,749</u>	<u>\$ 290,854,154</u>	<u>\$ 324,017,234</u>	<u>\$ 366,644,748</u>
Total net debt applicable to the limit as a percentage of debt limit	14.42%	16.90%	15.13%	15.88%	15.01%	13.56%	15.30%	14.18%	11.80%	9.22%

¹ The provisions of Section 104 of the Local Finance Law specifies debt limits of Counties of New York State.

² Under the State Constitution, indebtedness contracted for the construction of sewer facilities may be excluded, in ascertaining the debt incurring power of the County upon application to and the technical approval of the State Comptroller. The County has not submitted such application, so it cannot formally exclude such indebtedness.

³ There is no constitutional limitation of the amount that may be raised by the County by tax on real estate in any fiscal year to pay interest and principal on all indebtedness.

Sources: County of Cattaraugus Annual Financial Report to the State of New York, and Office of the State Comptroller.

COUNTY OF CATTARAUGUS, NEW YORK
Schedule XIV—Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Calendar Year	Population	Per Capita Personal Income ¹	Personal Income ²	Unemployment Rate ³
2016	77,245	\$ 36,876	\$ 2,848,487	6.0%
2017	76,840	38,644	2,969,405	6.2%
2018	77,245	39,085	3,019,121	5.3%
2019	76,117	39,995	3,044,299	5.8%
2020	75,508	41,774	3,154,271	6.7%
2021	76,426	45,200	3,454,455	3.6%
2022	76,439	46,775	3,575,434	4.0%
2023	76,017	45,575	3,464,475	5.0%
2024	75,600	48,342	3,654,655	4.1%
2025	75,390	51,316	3,868,713	4.4%

¹ Data represents per capita income for Cattaraugus County.

² Estimated, in thousands.

³ Unemployment rates obtained from the U.S. Bureau of Labor Statistics

Sources: U.S. Bureau of the Census, New York State Department of Labor/Empire State Development, U.S. Department of Labor—Bureau of Labor Statistics and the Bureau of Economic Analysis.

COUNTY OF CATTARAUGUS, NEW YORK
Schedule XV—Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	Type	2025			2016		
		Approx. No. of Employees	Rank	Percentage of Labor Force ¹	Approx. No. of Employees	Rank	Percentage of Total County Employment ¹
Seneca Nation of Indians	Seneca Nation Government Services	1,800	1	5.35%	1,800	1	5.16%
Cattaraugus County	Governmental Services	1,182	2	3.51%	1,226	2	3.51%
Seneca Allegany Casino	Casino Operations	1,100	3	3.27%	1,200	3	3.44%
Holiday Valley (In Season total)	Recreation	1,100	4	3.27%	-	-	n/a
Olean General Hospital	Medical Services	950	5	2.82%	945	4	2.71%
Cattaraugus-Allegany BOCES	Educational Services	900	6	2.67%	600	8	1.72%
Cutco	Household & Professional Cutlery Manufacturer	725	7	2.15%	829	5	2.38%
Intandem/SubCon	Rehabilitation & Professional Cutlery Manufacturer	600	8	1.78%	785	6	2.25%
Great Lakes Cheese	Manufacturing	510	9	1.52%	-	-	n/a
St. Bonaventure University	Educational Services	450	10	1.34%	542	9	1.55%
Gowanda Central School District	Educational Services	-	-	n/a	430	10	1.23%
Siemens Energy	Manufacturing	-	-	n/a	640	7	1.83%

¹ Estimated.

Source: Cattaraugus County Continuing Disclosure Statement and U.S. Bureau of Labor Statistics.

COUNTY OF CATTARAUGUS, NEW YORK
Schedule XVI—Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General government support	109	103	96	48	47	47	81	82	84	85
Education	-	1	1	-	-	-	-	-	-	-
Public safety	134	140	145	164	156	153	155	160	139	170
Health	91	91	91	95	91	90	99	90	94	70
Transportation	99	122	144	125	124	134	113	121	106	101
Economic assistance	192	196	200	204	206	197	210	193	195	203
Culture and recreation	4	4	4	6	5	5	5	4	3	2
Home and community services	13	7	-	10	11	10	10	-	-	11
Total	<u>642</u>	<u>664</u>	<u>681</u>	<u>652</u>	<u>640</u>	<u>636</u>	<u>673</u>	<u>650</u>	<u>621</u>	<u>642</u>

Source: County of Cattaraugus Treasurer's Office

COUNTY OF CATTARAUGUS, NEW YORK
Schedule XVII—Operating Indicators
Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sheriff:										
Arrests	724	739	850	674	593	773	722	756	882	934
Traffic summons	2,099	1,821	1,800	1,523	1,016	1,271	1,381	1,209	2,019	2,172
DWI summons	63	76	55	56	42	61	56	66	67	56
Jail:										
Inmates	1,028	1,042	1,035	873	451	476	568	650	760	786
Probation:										
Intakes	157	177	102	96	95	121	161	156	226	240
Investigations	521	547	546	473	357	295	269	320	314	398
Individuals supervised	1,126	1,091	1,066	1,025	885	774	650	623	650	756
Public Works:										
Road paving (miles)	41.24	17.70	25.62	25.66	12.07	21.87	28.40	44.52	20.00	21.00
Bridge replacement	1	2	2	1	2	1	1	2	1	-
Bridge rehabilitation	5	-	2	3	1	-	2	-	-	1
Refuse Collection:										
Refuse collected (tons per day)	27.39	28.28	28.15	31.87	32.62	27.00	24.25	22.40	23.03	20.96
Recyclables collected (tons per day)	4.43	4.11	4.14	5.84	10.46	6.60	7.17	5.71	5.17	3.30
Department of Motor Vehicles:										
Drivers licenses issued	8,423	14,773	16,800	19,341	11,941	8,911	8,596	8,490	9,307	9,377
Permits issued	2,501	2,518	2,548	2,607	2,578	2,956	2,920	2,597	2,239	3,255
Non-driver ID cards issued	1,140	1,332	1,458	1,620	936	1,588	1,539	1,476	1,461	1,907
Voter registrations	723	1,537	2,314	2,983	2,685	2,569	2,835	2,809	2,790	3,606
Health:										
Animal vaccinations (rabies)	1,687	1,687	1,498	1,490	1,160	907	1,238	1,442	1,463	1,370
Food service facility investigations	621	570	552	570	92	141	458	483	489	416
Immunization visits	2,977	3,438	3,381	2,895	587	593	535	607	1,030	2,799
Rabies exposure investigations	230	208	215	234	244	205	266	219	230	228
Water supply system inspections	128	121	142	119	42	66	89	95	92	85
Family planning clinic visits	1,112	1,300	1,302	1,201	722	613	633	932	612	234
STI clinic visits	197	265	564	505	225	135	224	146	171	351
Flu vaccinations	n/a	n/a	n/a	n/a	n/a	1,203	1,011	1,735	956	842
Covid vaccinations	n/a	n/a	n/a	n/a	n/a	36,313	2,779	585	504	520

Source: Various County Departments.

COUNTY OF CATTARAUGUS, NEW YORK
Schedule XVIII—Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Sheriff:										
Jail	1	1	1	1	2	2	2	2	2	2
Vans	3	2	2	2	2	2	2	2	2	2
Cars	32	40	42	32	19	10	9	4	5	5
SUVs	6	5	6	10	28	42	41	48	48	47
Pickups	1	1	1	1	1	1	1	1	1	1
Trailers	2	2	2	2	2	3	3	3	3	3
ATVs	-	-	-	-	3	3	3	3	3	3
Boats	1	2	2	2	2	2	2	1	1	1
Tactical vehicle	-	-	4	4	2	2	2	2	2	2
Snowmobile	2	2	2	2	2	2	2	2	2	2
Transportation:										
Roads (miles)	392.62	392.52	392.47	392.30	392.30	391.92	388.75	389.86	389.08	389.08
Bridges	268	268	267	264	264	266	267	267	267	268
Culverts	257	257	256	256	256	256	256	257	257	257
Drainage structures	1,530	1,530	1,530	1,500	1,500	1,497	1,497	1,497	1,498	1,498
Home and Community Services:										
Transfer stations	8	8	8	8	8	7	7	7	7	7
Haul trucks	8	8	6	7	7	7	7	8	8	8

Source: Various County Departments.

FORM OF BOND COUNSEL'S OPINION

August 18, 2026

County of Cattaraugus,
State of New York

Re: County of Cattaraugus, New York
\$17,086,057 Public Improvement (Serial) Bonds, 2026

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$17,086,057 Public Improvement (Serial) Bonds, 2026 (the "Obligations"), of the County of Cattaraugus, New York (the "Obligor"), dated August 18, 2026, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of ____ hundredths per centum (____%) per annum as to bonds maturing in ____, payable on August 15, 2027, February 15, 2028 and semi-annually thereafter on August 15 and February 15, and maturing in the amount of \$ ____ on August 15, 2027, \$ ____ on August 15, 2028, \$ ____ on August 15, 2029, \$ ____ on August 15, 2030, \$ ____ on August 15, 2031, \$ ____ on August 15, 2032, \$ ____ on August 15, 2033, \$ ____ on August 15, 2034, \$ ____ on August 15, 2035, \$ ____ on August 15, 2036, \$ ____ on August 15, 2037, \$ ____ on August 15, 2038, \$ ____ on August 15, 2039, \$ ____ on August 15, 2040, \$ ____ on August 15, 2041, \$ ____ on August 15, 2042, and \$ ____ on August 15, 2043.

The Obligations maturing on or before August 15, 2034 shall not be subject to redemption prior to maturity. The Obligations maturing on or after August 15, 2035 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the County on August 15, 2034 or on any date thereafter at par, plus accrued interest to the date of redemption.

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 Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations 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 Obligations 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 Obligations 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 Obligations 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 Obligations, including the form of the Obligations. 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 Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (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 Obligations; 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 Obligations 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 Obligations is not a specific preference item for purposes of the individual federal alternative minimum tax. We observe that interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate 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 Obligations.

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 Obligations) 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 Obligations 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 Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations 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 Obligations 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 real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations 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 Obligations, 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,

Orrick, Herrington & Sutcliffe LLP

CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS

In accordance with the requirements 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"), the County has agreed to provide, or cause to be provided,

- (i) 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, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement dated August 4, 2026 of the County relating to the Bonds under the headings "THE COUNTY", "TAX INFORMATION", "COUNTY INDEBTEDNESS", "LITIGATION" and all Appendices (other than "APPENDIX – C, D & E" and other than any related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2026, and (ii) a copy of the audited financial statements, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2026; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time or, within sixty days following receipt by the County of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the County of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;
- (ii) within 10 business days after the occurrence of such event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
 - (a) principal and interest payment delinquencies
 - (b) non-payment related defaults; if material
 - (c) unscheduled draws on debt service reserves reflecting financial difficulties
 - (d) 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 of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - (g) modifications to rights of Bondholders; if material
 - (h) bond calls, if material, and tender offers
 - (i) defeasances
 - (j) release, substitution, or sale of property securing repayment of the Bonds; if material
 - (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; and
- (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 Bond 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 Bonds.

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 Bonds.

For the purposes of the event identified in (l) of this section, 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 governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

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 Bonds; 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.

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.

- (iii) in a timely manner, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The County reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the County no longer remains an obligated person with respect to the Bonds 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 Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the County's obligations under its continuing disclosure undertaking and any failure by the County to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds 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.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.