

**AUDITED
BASIC FINANCIAL STATEMENTS**

COUNTY OF GENESEE, NEW YORK

DECEMBER 31, 2019

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the County Legislature
County of Genesee, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Genesee, New York (the County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Genesee Tobacco Asset Securitization Corporation (TASC), which represents 4.40%, 138.87% and 4.09%, respectively, of the assets, deficit net position, and operating revenues of the business-type activities. We also did not audit the financial statements of Genesee Community College, Genesee County Economic Development Center and the Genesee County Soil and Water Conservation District, which represent 100% of the assets, net position, and operating revenues of the discretely presented component units. Those statements, with the exception of Genesee County Soil and Water Conservation District, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Genesee Community College, Genesee County Economic Development Center and TASC is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County, as of December 31, 2019, 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.

Emphasis of Matter

As stated in Note 1, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* for the year ended December 31, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of New York State Department of Transportation Assistance Expended, as required by Draft Part 43 of NYCRR, are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 6, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Freed Maxick CPAs, P.C.

Batavia, New York
July 6, 2020

**Management's Discussion and Analysis
County of Genesee, New York
Fiscal Year Ended December 31, 2019**

This section of County of Genesee, New York's (the County) annual financial report presents its discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2019. Please read it in conjunction with the County's financial statements, which immediately follow this section. In this section, **ALL AMOUNTS ARE EXPRESSED IN THOUSANDS OF DOLLARS, UNLESS OTHERWISE INDICATED.**

Financial Highlights

- The County's total primary government governmental activities net position at year end totaled approximately \$145,297 of which approximately \$116,476 was the net investment in capital assets.
- The County's total primary government governmental activities net position increased approximately \$10,025 from the prior year. This increase is due primarily to the increase in capital assets from the prior year.
- During the year ended December 31, 2019 the County's primary government invested \$13,365 in governmental activities capital assets, including \$1,302 in construction work in process, \$2,421 in buildings and improvements, \$8,345 in infrastructure, and \$1,297 in equipment, machinery, and other capital assets.
- The County tax rate was \$10.04 per thousand dollars of assessed value in 2019, which decreased approximately \$0.03 per thousand dollars of assessed value from the 2018 County tax rate.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the County, reporting the County's operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services such as public safety and transportation were financed in the short term as well as what remains for future spending.
- The County maintains one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its TASC, Workers' Compensation, Self-Insurance and Water funds.
- Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the TASC, Workers' Compensation, Water and Self Insurance, which are considered to be major funds of the County.
- Fiduciary funds statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the County's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

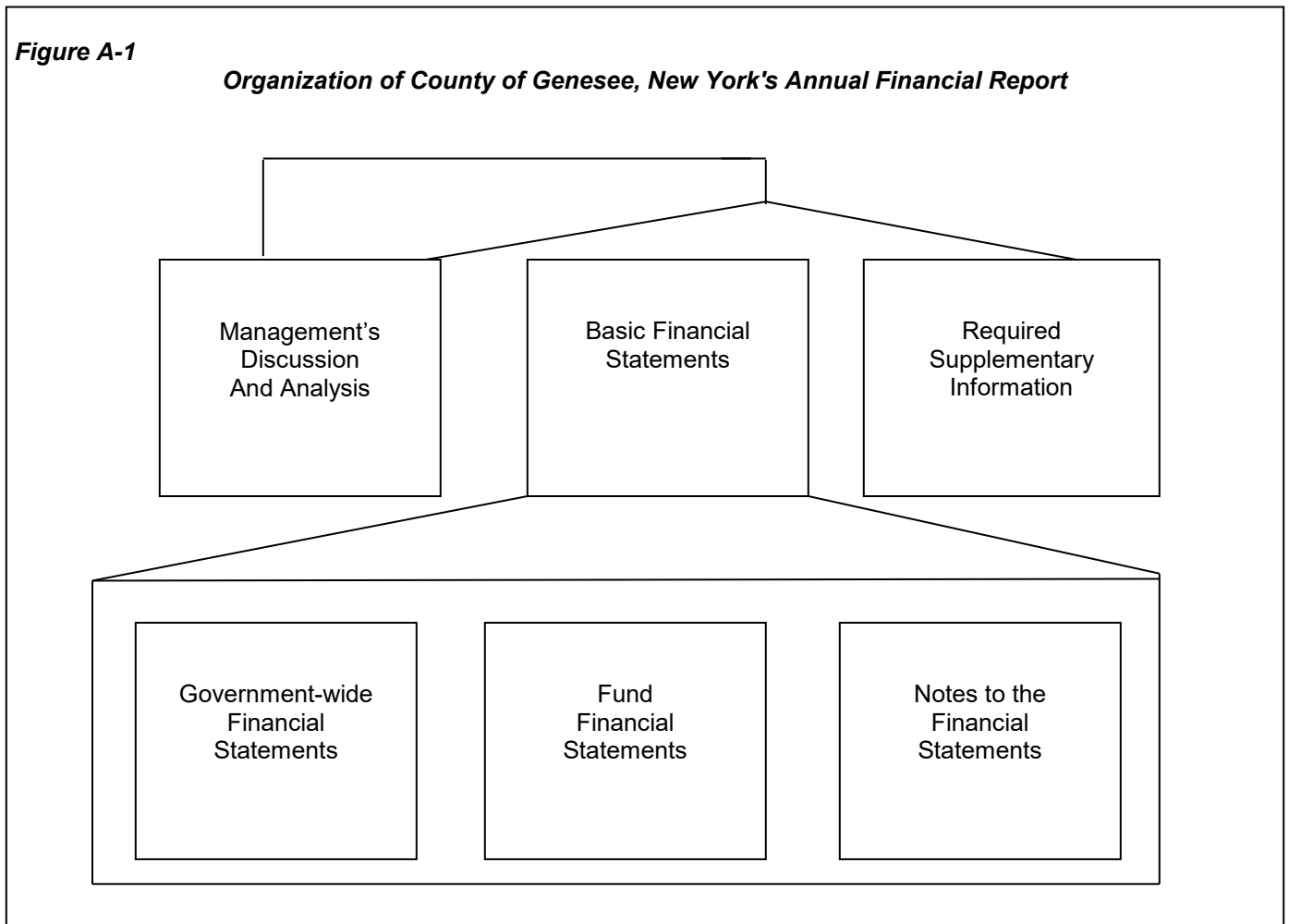


Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of the Government-wide and Fund Financial Statements

	Fund Financial Statements			
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	<i>Entire government (except Fiduciary funds)</i>	<i>The activities of the County that are not proprietary or fiduciary, such as public safety and transportation</i>	<i>The activities of the County in which the County charges for services</i>	<i>Instances in which the County administers resources on behalf of someone else</i>
<i>Required financial statements</i>	<ul style="list-style-type: none"> • <i>Statement of Net Position</i> • <i>Statement of Activities</i> 	<ul style="list-style-type: none"> • <i>Balance Sheet</i> • <i>Statement of Revenues, Expenditures, and Changes in Fund Balances</i> 	<ul style="list-style-type: none"> • <i>Statement of Net Position</i> • <i>Statement of Revenues, Expenses and Changes in Net Position</i> • <i>Statement of Cash Flows</i> 	<ul style="list-style-type: none"> • <i>Statement of Fiduciary Net Position - Fiduciary Fund</i> • <i>Statement of Changes in Fiduciary Net Position - Fiduciary Fund</i>
<i>Accounting basis and measurement focus</i>	<i>Accrual accounting and economic resources focus</i>	<i>Modified accrual accounting and current financial focus</i>	<i>Accrual accounting and economic resources focus</i>	<i>Accrual accounting and economic resources focus</i>
<i>Type of asset/liability information</i>	<i>All assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, short-term and long-term</i>	<i>Generally assets expected to be used and liabilities that come due during the year or soon thereafter; generally no capital assets or long-term liabilities included</i>	<i>All assets and liabilities, both financial and capital, short-term and long-term</i>	<i>All assets and liabilities, both short-term and long-term; generally no capital assets or long-term liabilities included</i>
<i>Type of inflow/outflow information</i>	<i>All revenues and expenditures during year, regardless of when cash is received or paid</i>	<i>Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable</i>	<i>All revenues and expenditures during year, regardless of when cash is received or paid</i>	<i>All additions and deductions during the year, regardless of when cash is received or paid</i>

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The government-wide financial statements present the financial position of the County from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately. These statements include all assets of the County (including infrastructure) as well as all liabilities (including long-term debt).

The two government-wide statements report the County's net position and how it has changed. Net position - the difference between the County's assets and liabilities - is one way to measure the County's financial health or financial position.

- Over time, increases or decreases in the County's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the County's overall health, one needs to consider additional non-financial factors such as changes in the County's property tax base and the condition of the County's infrastructure and other facilities.

In the Statement of Net Position and the Statement of Activities the County's activities are separated as follows:

Governmental activities - Most of the County's basic services are reported in this category, including the general government, education, public safety, health, transportation, economic assistance, culture and recreation, home and community services, and debt service. Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities.

Business-type activities - The County charges a fee to customers to cover all or most of the cost of certain services it provides. The County's water, self insurance and workers' compensation activities are reported in this category.

Component units - In accordance with the provisions of Government Accounting Standards Board Statement No. 14 and Statement No. 61, the County includes the following component units in their financial statements: the Genesee Tobacco Asset Securitization Corporation (TASC) as a blended component unit of the County's business-type activities. The County also includes Genesee Community College, Genesee County Economic Development Center and the Genesee County Soil and Water Conservation District as discretely presented component units.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's funds, focusing on its most significant or "major" funds - not the County as a whole. Some funds are required to be established by State law. However, the County Legislature establishes other funds to control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants or other money.

The County has three kinds of funds:

- *Governmental Funds*: Most of the County's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information included in the governmental funds statements explains the relationship (or differences) between them.
- *Proprietary Funds*: These funds are generally used to account for services for which the County charges customers (both external and internal) a fee. These funds use accrual accounting, which is the same method used by the private sector. The County has four enterprise funds - TASC, water, self insurance and workers' compensation funds. Enterprise funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The enterprise fund financial statements provide separate information for each of the enterprise funds, all considered to be major funds of the County.
- *Fiduciary Funds*: The County is the trustee, or fiduciary, for assets that belong to others, such as deposits. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The County excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the County as a Whole

The net position of the County's primary government's governmental activities increased 5.68% to approximately \$142,951. The majority of the net position is invested in capital assets such as buildings, roads and equipment. Noncurrent liabilities of the County's primary government's governmental activities have increased 7.89% primarily due to the net pension liability in the amount of \$7,684, which is a \$3,788 increase from the prior year. The County's business-type activities changed slightly from the prior year with an increase in the unrestricted net deficit of 6.39%.

County of Genesee, New York - Primary Government						
Condensed Statement of Net Position						
(in thousands of dollars)						
	Governmental Activities		Total Percentage Change	Business-Type Activities		Total Percentage Change
	2019	2018		2019	2018	
Current and other assets	\$ 59,903	\$ 59,717	0.31%	\$ 23,769	\$ 22,612	5.12%
Capital assets, net	123,826	115,555	7.16%	2,805	-	0.00%
Total assets	<u>183,729</u>	<u>175,272</u>	<u>4.83%</u>	<u>26,574</u>	<u>22,612</u>	<u>17.52%</u>
Deferred outflows of resources	6,669	12,883	-48.23%	-	-	0.00%
Noncurrent liabilities	26,861	24,896	7.89%	30,001	26,755	12.13%
Other liabilities	14,392	14,816	-2.86%	10,464	7,550	38.60%
Total liabilities	<u>41,253</u>	<u>39,712</u>	<u>3.88%</u>	<u>40,465</u>	<u>34,305</u>	<u>17.96%</u>
Deferred inflows of resources	3,848	13,171	-70.78%	-	-	0.00%
Net investment in capital assets	116,476	107,239	8.61%	1,802	-	0.00%
Restricted	17,768	17,025	4.36%	3,524	6,370	-44.68%
Unrestricted (deficit)	11,053	11,008	0.41%	(19,217)	(18,063)	-6.39%
Total net position (deficit)	<u>\$ 145,297</u>	<u>\$ 135,272</u>	<u>7.41%</u>	<u>\$ (13,891)</u>	<u>\$ (11,693)</u>	<u>-18.80%</u>

Governmental activities. Governmental activities increased the County's net position by \$10,025, primarily from the increase in the investment in capital assets.

County of Genesee, New York
Changes in Net Position - Primary Government
(in thousands of dollars)

	Governmental Activities		Total Percentage Change	Business-Type Activities		Total Percentage Change
	2019	2018		2019	2018	
Program Revenues:						
Charges for services	\$ 13,498	\$ 12,612	7.03%	\$ 15,568	\$ 14,414	8.01%
Tobacco settlement revenues	-	-	0.00%	727	767	-5.22%
Operating grants and contributions	21,152	22,913	-7.69%	-	-	0.00%
Capital grants and contributions	6,649	7,855	-15.35%	-	-	0.00%
General Revenues:						
Property taxes, special assessments and property tax items	31,269	30,446	2.70%	-	-	0.00%
Non-property taxes	43,461	43,277	0.43%	-	-	0.00%
Investment income	1,737	1,188	46.21%	429	250	71.60%
Miscellaneous	233	486	-52.06%	1,469	1,175	25.02%
Capital contributions	2,361	-	100.00%	-	-	0.00%
Gain on sale of capital assets	-	229	-100.00%	-	-	0.00%
Total revenues	120,360	119,006	1.14%	18,193	16,606	9.56%
Program Expenses:						
General government	33,304	33,846	-1.60%	-	-	0.00%
Education	6,265	5,800	8.02%	-	-	0.00%
Public safety	18,856	17,849	5.64%	-	-	0.00%
Health	10,235	11,707	-12.57%	-	-	0.00%
Transportation	9,771	10,696	-8.65%	-	-	0.00%
Economic assistance and opportunity	28,464	28,493	-0.10%	-	-	0.00%
Culture and recreation	1,082	969	11.66%	-	-	0.00%
Home and community service	945	955	-1.05%	-	-	0.00%
TASC	-	-	0.00%	1,276	1,238	3.07%
Self insurance	-	-	0.00%	13,813	10,804	27.85%
Workers' compensation	-	-	0.00%	1,586	1,926	-17.65%
Water	-	-	0.00%	4,684	4,455	5.14%
Interest on debt	445	526	-15.40%	-	-	0.00%
Total expenses	109,367	110,841	-1.33%	21,359	18,423	15.94%

County of Genesee, New York
Changes in Net Position - Primary Government
(in thousands of dollars)
(Continued)

	Governmental Activities		Total Percentage Change	Business-Type Activities		Total Percentage Change
	2019	2018		2019	2018	
Income (loss) before transfers	10,993	8,165	-34.64%	(3,166)	(1,817)	-74.24%
Transfers	(968)	(1,116)	-13.26%	968	1,116	-13.26%
Change in net position	10,025	7,049	42.22%	(2,198)	(701)	213.55%
Net position (deficit) - beginning, as previously stated	135,272	128,516	5.26%	(11,693)	(10,992)	6.38%
Restatement - see Note 11 (2018)	-	(293)	-100.00%	-	-	-100.00%
Net position (deficit) - beginning, as restated	135,272	128,223	5.50%	(11,693)	(10,992)	6.38%
Net position (deficit) - ending	<u>\$ 145,297</u>	<u>\$ 135,272</u>	<u>7.41%</u>	<u>\$ (13,891)</u>	<u>\$ (11,693)</u>	<u>-18.80%</u>

Governmental activities increased the County's net position by \$10,025 and business-type activities decreased the County's net position by \$2,198, the increase from governmental activities was primarily due to the increase in capital assets from the prior year.

Governmental Activities

The following table presents the cost of nine major County activities: general government, education, public safety, health, transportation, economic assistance, culture and recreation, home and community service, and interest on debt. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the County's taxpayers by each of these functions.

County of Genesee, New York						
Net Cost of Governmental Activities - Primary Government						
(in thousands of dollars)						
	Total Cost of Services		Total Percentage Change	Net Cost of Services		Total Percentage Change
	2019	2018		2019	2018	
General government	\$ 33,304	\$ 33,846	-1.60%	\$ 29,018	\$ 29,935	-3.06%
Education	6,265	\$ 5,800	8.02%	4,711	4,732	-0.44%
Public safety	18,856	\$ 17,849	5.64%	15,273	14,167	7.81%
Health	10,235	\$ 11,707	-12.57%	1,786	1,275	40.08%
Transportation	9,771	\$ 10,696	-8.65%	1,236	647	-91.04%
Economic assistance and opportunity	28,464	\$ 28,493	-0.10%	14,663	16,006	-8.39%
Culture and recreation	1,082	\$ 969	11.66%	648	796	-18.59%
Home and community service	945	\$ 955	-1.05%	287	(624)	145.99%
Interest on debt	445	526	-15.40%	445	526	-15.40%
Total	<u>\$ 109,367</u>	<u>\$ 110,841</u>	<u>-1.33%</u>	<u>\$ 68,067</u>	<u>\$ 67,460</u>	<u>0.90%</u>

Fluctuations within the functions is primarily due to capitalization of assets and fluctuations in revenues and expenses related to specific programs within the Health function.

Financial Analysis of The County's Funds

The fund balance of the General Fund increased approximately \$2,430 from 2018. In the 2020 budget the County budgeted \$1,800 of fund balance to be used for the ensuing year. The unassigned portion of fund balance, formerly called undesignated fund balance, decreased \$865 in 2019, with a December 31, 2019 balance of \$15,165.

County of Genesee, New York			
Revenues, Expenditures/Expenses and Changes in Fund			
Balance/Net Position - Major Governmental Funds			
and Proprietary Funds - Primary Government			
(in thousands of dollars)			
2019			
	<u>Revenues</u>	<u>Expenditures/ Expenses</u>	<u>Fund Balance/ Net Position</u>
General Fund	\$ 108,398	\$ 105,969	\$ 43,060
Capital Projects Fund	8,224	10,151	(68)
TASC	759	1,297	(19,291)
Self Insurance	11,064	13,913	2,314
Workers' Compensation	2,386	1,602	598
Water	5,104	4,699	2,488
2018			
	<u>Revenues</u>	<u>Expenditures/ Expenses</u>	<u>Fund Balance/ Net Position</u>
General Fund	\$ 107,995	\$ 111,445	\$ 40,631
Capital Projects Fund	15,630	14,286	1,859
TASC	791	1,238	(18,753)
Self Insurance	10,380	10,920	5,163
Workers' Compensation	2,345	1,942	(186)
Water	4,353	4,470	2,083

The revenues and expenditures above include other financing sources and uses.

General Fund Budgetary Highlights

The original budget differs from the final modified budget due to the fact the County does not budget for certain things that may or may not occur during the year. Due to this uncertainty, the County anticipates modifying the budget during the year when the uncertainty becomes clearer.

The General Fund expended 90.9% of the budgeted amount allowed.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$118,278 (net of related debt). This investment in capital assets includes land, construction work in process, buildings, improvements, machinery and equipment and infrastructure. Additional information on the County's capital assets can be found in Note 3.D to the financial statements.

<i>County of Genesee, New York</i>				
<i>Capital Assets, Net of Accumulated Depreciation - Primary Government</i>				
<i>(in thousands of dollars)</i>				
	Governmental Activities		Business-Type Activities	
	2019	2018	2019	2018
Land	\$ 2,573	\$ 2,573	\$ -	\$ -
Construction work in process	1,303	-	2,805	-
Buildings and improvements	54,242	53,157	-	-
Other capital assets	6,261	7,120	-	-
Machinery & equipment	3,963	3,791	-	-
Infrastructure	55,484	48,914	-	-
Total	<u>\$ 123,826</u>	<u>\$ 115,555</u>	<u>\$ 2,805</u>	<u>\$ -</u>

Long-Term Obligations

At the end of the current year, the County's governmental activities had total bonded debt outstanding of \$16,450. This entire amount is backed by the full faith and credit of the County of Genesee. Additional information on the County's long-term obligations can be found in Note 3.G of the financial statements. Following is a statement of outstanding obligations:

County of Genesee, New York				
Outstanding Long-Term Obligations - Primary Government				
(in thousands of dollars)				
	Governmental Activities		Business-Type Activities	
	2019	2018	2019	2018
General obligation bonds issued by the County of Genesee	\$ 16,450	\$ 18,130	\$ 7,500	\$ 4,000
Plus: unamortized premium	152	184	-	-
Turbo term bonds and subordinate turbo CABs issued by the Tobacco Asset Securitization Corporation	-	-	14,869	14,969
Compensated absences	1,841	1,886	-	-
OPEB liability	734	799	-	-
Workers' compensation	-	-	7,632	7,786
Net pension liability	7,684	3,897	-	-
Total	\$ 26,861	\$ 24,896	\$ 30,001	\$ 26,755

Factors Bearing on the County's Future

- On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The County's management has assessed these events and the impact of these restrictions and closures related to the County's operations. As of the date of these financial statements and as these events continue to unfold management believes there will be an impact related to sales and mortgage tax, as well as potential reductions in State aid, that the County will receive in 2020. Management believes that these revenues will be lower in 2020 than anticipated in the adopted 2020 budget. Management has assessed the financial condition and the potential impact on revenues and has determined that the County has assets and fund balances to absorb this potential decrease in revenues for 2020. The County has also taken steps to help to mitigate the financial impact of COVID-19 by placing a number of employees on an unpaid furlough, instituting a hiring freeze, and by reevaluating the voluntary revenue distributions to the local towns and villages, amongst other things.
- Contractual COLA adjustments as well as the continual increases in health coverage have a significant impact on the County's operating budget. As the County is primarily service oriented, the largest portion of the budget is allocated for personnel and benefits. Health insurance premiums increased by 10% in 2020 and it is likely that further, similarly sized increases in the future will be necessary. The County's collective bargaining agreements with CSEA and Sheriff's Employee Association (SEA) have been approved through 2023 and 2022 respectively. These agreements call for salary increases between 2% and 2.5% each year. The collective bargaining agreements with AFSCME and the Deputy Sheriff's Association (DSA) expired at the end of 2019 and are currently under negotiations.
- The 2020 County tax rate increased \$0.07 per thousand compared to the 2019 tax rate. The County did not override the tax cap with the 2020 budget.

Factors Bearing on the County's Future (continued)

- The County has continued to maintain a favorable AA- bond rating with Standard & Poor's in 2019. This rating reflects well on the financial standing of the County.
- New York State employer retirement rates for the County are expected to increase as a result of the financial impacts of COVID-19 on the stock market. The rate is based on multiple year's of fund performance, which should help reduce the impact to the 2021 rates and spreading that impact over the next few years of retirement rates.
- Sales tax revenue increased by approximately 0.23% from 2018 to 2019. This includes the collection of additional online sales tax revenue as authorized by recent State legislation net of withholdings made by the State to pay for aid funding to local towns and villages. Sales tax showed growth in the 1st quarter of 2020, but has since dropped significantly due to the impact of COVID-19, resulting in a net decline in the sales tax revenue to date. The County finalized a forty year sales tax agreement with the City of Batavia which has been approved by the State starting in 2020. The City of Batavia will start out receiving the same percentage of sales tax as the prior agreement (16%) with potential reductions in the percentage over time depending on the growth in sales tax each year, capped at a minimum percentage of 14%. The County had also adopted by resolution separate voluntary revenue sharing distributions with the towns and villages within the county. However, those distributions have been put on hold by the County and are being reevaluated due to the financial impact of COVID-19.
- The County's ability to handle ever increasing State mandates has been greatly limited due to the permanent State property tax cap. This legislation caps the County's ability to raise the tax levy by 2% or the rate of inflation, which ever is lower. This legislation is a concern for future budgets as the State is beginning to determine eligibility for certain State aid based on whether the County stays within the tax cap.
- The State has mandated that the County needs to replace its existing jail facilities. The County has hired an architect and a construction manager for the project. The preliminary estimated cost of this project based on our architect's designs and estimates from the construction manager is approximately \$60 million. This project has temporarily been put on hold due to COVID-19 and in part due to the unknown impact of new State bail reform legislation.

Contacting the County's Financial Management

This financial report is designed to provide the County's citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact: County of Genesee, Scott D. German, County Treasurer, 15 Main Street, Batavia, New York 14020

**COUNTY OF GENESEE, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 23,719,094	\$ 16,431,206	\$ 40,150,300	\$ 32,653,169
Cash and cash equivalents - restricted	17,768,178	3,463,323	21,231,501	1,125,077
Receivables:				
Accounts	1,559,845	360,699	1,920,544	9,989,740
Taxes, net	4,192,769	-	4,192,769	-
Internal balances	1,612,497	(1,612,497)	-	-
State and federal receivables	7,112,747	-	7,112,747	-
Due from other governments	2,841,008	1,120,730	3,961,738	151,891
Inventory	119,120	-	119,120	-
Prepays and other current assets	977,509	5,556	983,065	512,010
Other assets	-	-	-	5,984,343
Land held for investment	-	-	-	13,886,275
Due from component unit	-	4,000,000	4,000,000	-
Capital assets not being depreciated	3,876,258	2,805,078	6,681,336	-
Capital assets, net of accumulated depreciation	119,949,507	-	119,949,507	51,645,792
Net pension asset	-	-	-	668,506
Total assets	<u>183,728,532</u>	<u>26,574,095</u>	<u>210,302,627</u>	<u>116,616,803</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred OPEB outflows	255,671	-	255,671	326,190
Deferred pension outflows	6,413,877	-	6,413,877	3,671,261
Total deferred outflows of resources	<u>6,669,548</u>	<u>-</u>	<u>6,669,548</u>	<u>3,997,451</u>
LIABILITIES				
Accounts payable	9,025,944	2,675,222	11,701,166	2,493,368
Accrued liabilities	641,823	2,053,867	2,695,690	86,904
Accrued interest payable	120,701	131,980	252,681	-
Accretion payable	-	5,585,344	5,585,344	-
Due to other governments	2,304,284	-	2,304,284	506
Other liabilities	-	-	-	2,269,077
Agency liabilities	-	-	-	1,320,064
Unearned revenues	2,298,982	17,507	2,316,489	17,827,263
Restricted liabilities - customer deposits	-	-	-	87,000
Noncurrent liabilities:				
Due and payable within one year	1,535,982	1,138,460	2,674,442	1,182,309
Due and payable after one year	25,325,102	28,862,916	54,188,018	20,703,699
Total liabilities	<u>41,252,818</u>	<u>40,465,296</u>	<u>81,718,114</u>	<u>45,970,190</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred OPEB inflows	27,979	-	27,979	14,236
Deferred pension inflows	3,820,344	-	3,820,344	2,171,383
NYS tuition assistance	-	-	-	568,832
Total deferred inflows of resources	<u>3,848,323</u>	<u>-</u>	<u>3,848,323</u>	<u>2,754,451</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	116,475,575	1,801,828	118,277,403	44,799,281
Restricted for:				
Capital projects	17,312,861	-	17,312,861	-
Debt service	166,852	-	166,852	-
Miscellaneous	288,465	3,523,592	3,812,057	8,897,490
Unrestricted (deficit)	11,053,186	(19,216,621)	(8,163,435)	18,192,842
Total net position (deficit)	<u>\$ 145,296,939</u>	<u>\$ (13,891,201)</u>	<u>\$ 131,405,738</u>	<u>\$ 71,889,613</u>

See notes to basic financial statements.

**COUNTY OF GENESEE, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Governmental activities:								
General government	\$ 33,303,561	\$ 3,188,847	\$ 952,347	\$ 144,239	\$ (29,018,128)	\$ -	\$ (29,018,128)	\$ -
Education	6,264,762	471,685	857,101	225,397	(4,710,579)	-	(4,710,579)	-
Public safety	18,856,349	907,731	2,495,369	179,783	(15,273,466)	-	(15,273,466)	-
Health	10,234,627	4,139,488	4,309,148	-	(1,785,991)	-	(1,785,991)	-
Transportation	9,771,086	2,661,723	24,284	5,848,804	(1,236,275)	-	(1,236,275)	-
Economic assistance and opportunity	28,464,532	1,421,779	12,379,380	-	(14,663,373)	-	(14,663,373)	-
Culture and recreation	1,082,234	106,996	76,536	250,880	(647,822)	-	(647,822)	-
Home and community services	944,856	600,000	58,317	-	(286,539)	-	(286,539)	-
Interest on debt	445,405	-	-	-	(445,405)	-	(445,405)	-
Total governmental activities	<u>109,367,412</u>	<u>13,498,249</u>	<u>21,152,482</u>	<u>6,649,103</u>	<u>(68,067,578)</u>	<u>-</u>	<u>(68,067,578)</u>	<u>-</u>
Business-type activities:								
TASC	1,276,363	727,057	-	-	-	(549,306)	(549,306)	-
Self Insurance	13,812,860	9,491,705	-	-	-	(4,321,155)	(4,321,155)	-
Workers' Compensation	1,586,023	1,559,677	-	-	-	(26,346)	(26,346)	-
Water	4,683,570	4,516,518	-	-	-	(167,052)	(167,052)	-
Total business-type activities	<u>21,358,816</u>	<u>16,294,957</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,063,859)</u>	<u>(5,063,859)</u>	<u>-</u>
Total primary government	<u>\$ 130,726,228</u>	<u>\$ 29,793,206</u>	<u>\$ 21,152,482</u>	<u>\$ 6,649,103</u>	<u>(68,067,578)</u>	<u>(5,063,859)</u>	<u>(73,131,437)</u>	<u>-</u>
Component units:								
Community College	\$ 48,877,723	\$ 47,123,936	\$ -	\$ -	-	-	-	(1,753,787)
Economic Development Center	4,082,987	4,196,982	-	-	-	-	-	113,995
Soil and Water Conservation District (unaudited)	869,719	1,593,975	-	-	-	-	-	724,256
Total component units	<u>\$ 53,830,429</u>	<u>\$ 52,914,893</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(915,536)</u>
General revenues:								
Real property taxes					30,292,091	-	30,292,091	-
Real property tax items					976,611	-	976,611	-
Non-property taxes					43,460,674	-	43,460,674	-
Investment income					1,736,514	428,891	2,165,405	521,680
Miscellaneous local sources					232,732	1,468,850	1,701,582	-
Gain on disposition of capital assets					-	-	-	1,037
Capital contributions					2,361,286	-	2,361,286	107,265
Transfers					(967,540)	967,540	-	-
Total general revenues and transfers					<u>78,092,368</u>	<u>2,865,281</u>	<u>80,957,649</u>	<u>629,982</u>
Change in net position					10,024,790	(2,198,578)	7,826,212	(285,554)
Net position (deficit) - beginning					135,272,149	(11,692,623)	123,579,526	72,175,167
Net position (deficit) - ending					<u>\$ 145,296,939</u>	<u>\$ (13,891,201)</u>	<u>\$ 131,405,738</u>	<u>\$ 71,889,613</u>

See notes to basic financial statements.

**COUNTY OF GENESEE, NEW YORK
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 22,352,069	\$ 410,410	\$ 956,615	\$ 23,719,094
Cash and cash equivalents - restricted	17,768,178	-	-	17,768,178
Receivables:				
Accounts	1,333,682	-	226,163	1,559,845
Taxes, net	4,192,769	-	-	4,192,769
Due from other funds	4,154,078	1,727,761	2	5,881,841
State and federal receivables	6,101,938	1,010,809	-	7,112,747
Due from other governments	2,701,843	-	139,165	2,841,008
Inventory	-	-	119,120	119,120
Prepays and other current assets	899,428	-	78,081	977,509
Total assets	<u>\$ 59,503,985</u>	<u>\$ 3,148,980</u>	<u>\$ 1,519,146</u>	<u>\$ 64,172,111</u>
LIABILITIES				
Accounts payable	\$ 8,078,378	\$ 756,240	\$ 191,326	\$ 9,025,944
Accrued liabilities	559,588	-	82,235	641,823
Due to other funds	1,727,763	2,460,524	81,057	4,269,344
Due to other governments	2,304,284	-	-	2,304,284
Unearned revenues	2,298,982	-	-	2,298,982
Total liabilities	<u>14,968,995</u>	<u>3,216,764</u>	<u>354,618</u>	<u>18,540,377</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	1,474,167	-	-	1,474,167
Total deferred inflows of resources	<u>1,474,167</u>	<u>-</u>	<u>-</u>	<u>1,474,167</u>
FUND BALANCES (DEFICIT)				
Nonspendable	899,428	-	197,201	1,096,629
Restricted	17,768,178	-	-	17,768,178
Assigned	9,228,152	-	967,327	10,195,479
Unassigned (deficit)	15,165,065	(67,784)	-	15,097,281
Total fund balances (deficit)	<u>43,060,823</u>	<u>(67,784)</u>	<u>1,164,528</u>	<u>44,157,567</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 59,503,985</u>	<u>\$ 3,148,980</u>	<u>\$ 1,519,146</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	123,825,765
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Serial bonds payable	(16,602,042)
Compensated absences	(1,840,826)
Other post employment benefits	(734,009)
Net pension liability	(7,684,207)
Net accrued interest expense for bonds not reported in the funds	(120,701)
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds	1,474,167
Deferred outflow and inflows are not assets or liabilities of the current period and therefore are not reported in the funds:	
Deferred outflows related to other postemployment benefits	255,671
Deferred inflows related to other postemployment benefits	(27,979)
Deferred outflows related to pension	6,413,877
Deferred inflows related to pension	(3,820,344)
Net position of governmental activities	<u>\$ 145,296,939</u>

See notes to basic financial statements.

COUNTY OF GENESEE, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Real property taxes	\$ 30,244,364	\$ -	\$ -	\$ 30,244,364
Real property tax items	976,611	-	-	976,611
Non-property tax items	43,460,674	-	-	43,460,674
Departmental income	8,152,251	-	252,062	8,404,313
Intergovernmental charges	1,471,745	18,483	111,547	1,601,775
Use of money and property	1,736,466	-	48	1,736,514
Licenses and permits	25,167	-	12,496	37,663
Fines and forfeitures	160,968	-	-	160,968
Sale of property and compensation for loss	156,213	-	880,279	1,036,492
Miscellaneous local sources	211,041	600,000	21,691	832,732
Interfund revenues	761,162	-	917,034	1,678,196
State sources	13,117,715	3,169,819	95,856	16,383,390
Federal sources	7,636,921	3,316,562	446,229	11,399,712
Total revenues	<u>108,111,298</u>	<u>7,104,864</u>	<u>2,737,242</u>	<u>117,953,404</u>
EXPENDITURES				
Current:				
General government	32,565,033	-	-	32,565,033
Education	5,812,660	-	-	5,812,660
Public safety	17,314,289	-	119,357	17,433,646
Health	10,196,717	-	-	10,196,717
Transportation	812,337	-	7,081,910	7,894,247
Economic assistance and opportunity	27,597,642	-	735,729	28,333,371
Culture and recreation	1,077,140	-	-	1,077,140
Home and community services	943,236	-	-	943,236
Debt service:				
Principal	1,680,000	-	-	1,680,000
Interest	523,394	-	-	523,394
Capital outlay:				
General government	-	479,501	-	479,501
Education	-	450,794	-	450,794
Public safety	-	1,005,129	-	1,005,129
Transportation	-	8,074,524	-	8,074,524
Total expenditures	<u>98,522,448</u>	<u>10,009,948</u>	<u>7,936,996</u>	<u>116,469,392</u>
Excess (deficit) of revenues over expenditures	<u>9,588,850</u>	<u>(2,905,084)</u>	<u>(5,199,754)</u>	<u>1,484,012</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	287,499	1,119,073	5,213,403	6,619,975
Interfund transfers out	<u>(7,446,516)</u>	<u>(140,999)</u>	-	<u>(7,587,515)</u>
Total other financing sources (uses)	<u>(7,159,017)</u>	<u>978,074</u>	<u>5,213,403</u>	<u>(967,540)</u>
Net change in fund balances	2,429,833	(1,927,010)	13,649	516,472
Fund balances - beginning	<u>40,630,990</u>	<u>1,859,226</u>	<u>1,150,879</u>	<u>43,641,095</u>
Fund balances (deficit) - ending	<u>\$ 43,060,823</u>	<u>\$ (67,784)</u>	<u>\$ 1,164,528</u>	<u>\$ 44,157,567</u>

See notes to basic financial statements.

**COUNTY OF GENESEE, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Amounts reported for governmental activities in the Statement of Activities (page 16) are different because:

Net change in fund balances - total governmental funds (page 18)	\$	516,472	
Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$13,365,707) exceeded depreciation (\$5,069,521) in the current period.			8,296,186
The net effect of various miscellaneous transactions involving capital assets (i.e. sales) is to decrease net position.			(24,912)
Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the Statement of Activities.			47,727
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.			
Repayment of serial bonds	\$	1,680,000	
Premium amortization		31,899	
Change in compensated absences		45,531	
Change in other postemployment benefits		65,109	
Change in net pension liability		<u>(3,787,865)</u>	(1,965,326)
Interest on debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the fund when it is due and payable, and thus require current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.			46,090
Changes in deferred outflows and inflows reported in the Statement of Net Position during the measurement period between the County's contributions and its proportionate share to the total contributions subsequent to the measurement date do not provide for or require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in deferred outflows and inflows - other postemployment benefits	\$	(62,658)	
Change in deferred outflows and inflows - pension - proportionate share		<u>3,171,211</u>	<u>3,108,553</u>
Change in net position of governmental activities	\$		<u><u>10,024,790</u></u>

COUNTY OF GENESEE, NEW YORK
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2019

	Business-Type Activities - Enterprise Funds				
	TASC	Self Insurance	Workers' Compensation	Water Fund	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 268,901	\$ 4,863,260	\$ 8,291,257	\$ 3,007,788	\$ 16,431,206
Accounts receivable	-	360,699	-	-	360,699
Due from other governments	-	-	-	1,120,730	1,120,730
Due from component unit	-	-	-	285,000	285,000
Prepays and other current assets	5,556	-	-	-	5,556
Total current assets	<u>274,457</u>	<u>5,223,959</u>	<u>8,291,257</u>	<u>4,413,518</u>	<u>18,203,191</u>
Noncurrent assets:					
Cash and cash equivalents - restricted	966,573	-	-	2,496,750	3,463,323
Due from component unit	-	-	-	3,715,000	3,715,000
Capital assets not being depreciated	-	-	-	2,805,078	2,805,078
Total noncurrent assets	<u>966,573</u>	<u>-</u>	<u>-</u>	<u>9,016,828</u>	<u>9,983,401</u>
Total assets	<u>1,241,030</u>	<u>5,223,959</u>	<u>8,291,257</u>	<u>13,430,346</u>	<u>28,186,592</u>
LIABILITIES					
Current liabilities:					
Accounts payable	2,014	839,425	60,513	1,773,270	2,675,222
Accrued liabilities	-	2,052,856	1,011	-	2,053,867
Accrued interest payable	75,435	-	-	56,545	131,980
Accretion payable	5,585,344	-	-	-	5,585,344
Due to other funds	-	-	-	1,612,497	1,612,497
Unearned revenues	-	17,507	-	-	17,507
Accrued and unpaid claim liabilities	-	-	118,460	-	118,460
Serial bonds payable	595,000	-	-	425,000	1,020,000
Total current liabilities	<u>6,257,793</u>	<u>2,909,788</u>	<u>179,984</u>	<u>3,867,312</u>	<u>13,214,877</u>
Noncurrent liabilities:					
Accrued and unpaid claim liabilities	-	-	7,513,540	-	7,513,540
Serial bonds payable	14,274,376	-	-	7,075,000	21,349,376
Total noncurrent liabilities	<u>14,274,376</u>	<u>-</u>	<u>7,513,540</u>	<u>7,075,000</u>	<u>28,862,916</u>
Total liabilities	<u>20,532,169</u>	<u>2,909,788</u>	<u>7,693,524</u>	<u>10,942,312</u>	<u>42,077,793</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	-	-	-	1,801,828	1,801,828
Restricted	1,241,030	2,282,562	-	-	3,523,592
Unrestricted (deficit)	(20,532,169)	31,609	597,733	686,206	(19,216,621)
Total net position (deficit)	<u>\$ (19,291,139)</u>	<u>\$ 2,314,171</u>	<u>\$ 597,733</u>	<u>\$ 2,488,034</u>	<u>\$ (13,891,201)</u>

See notes to basic financial statements.

**COUNTY OF GENESEE, NEW YORK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities - Enterprise Funds				Total
	TASC	Self Insurance	Workers' Compensation	Water Fund	
OPERATING REVENUES					
Charges for services	\$ -	\$ 9,491,705	\$ 1,559,677	\$ 4,516,518	\$ 15,567,900
Tobacco settlement revenues	727,057	-	-	-	727,057
Other operating revenues	-	1,296,114	172,736	-	1,468,850
Total operating revenues	<u>727,057</u>	<u>10,787,819</u>	<u>1,732,413</u>	<u>4,516,518</u>	<u>17,763,807</u>
OPERATING EXPENSES					
Salaries and employee benefits	-	24,147	27,612	-	51,759
Contractual expenses	27,046	13,788,713	1,558,411	4,523,796	19,897,966
Total operating expenses	<u>27,046</u>	<u>13,812,860</u>	<u>1,586,023</u>	<u>4,523,796</u>	<u>19,949,725</u>
Operating income (loss)	<u>700,011</u>	<u>(3,025,041)</u>	<u>146,390</u>	<u>(7,278)</u>	<u>(2,185,918)</u>
NONOPERATING REVENUES (EXPENSES)					
Accretion	(605,646)	-	-	-	(605,646)
Interest income	31,606	130,656	195,047	71,582	428,891
Interest expense	(643,671)	-	-	(159,774)	(803,445)
Total nonoperating revenues (expenses)	<u>(1,217,711)</u>	<u>130,656</u>	<u>195,047</u>	<u>(88,192)</u>	<u>(980,200)</u>
Income (loss) before transfers	(517,700)	(2,894,385)	341,437	(95,470)	(3,166,118)
Transfers in	-	145,677	458,363	515,000	1,119,040
Transfers out	<u>(20,000)</u>	<u>(100,000)</u>	<u>(16,500)</u>	<u>(15,000)</u>	<u>(151,500)</u>
Change in net position	(537,700)	(2,848,708)	783,300	404,530	(2,198,578)
Net position (deficit) - beginning	<u>(18,753,439)</u>	<u>5,162,879</u>	<u>(185,567)</u>	<u>2,083,504</u>	<u>(11,692,623)</u>
Net position (deficit) - ending	<u>\$ (19,291,139)</u>	<u>\$ 2,314,171</u>	<u>\$ 597,733</u>	<u>\$ 2,488,034</u>	<u>\$ (13,891,201)</u>

See notes to basic financial statements.

**COUNTY OF GENESEE, NEW YORK
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities - Enterprise Funds				
	TASC	Self Insurance	Workers' Compensation	Water Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ -	\$ 9,478,623	\$ 1,559,677	\$ 4,318,756	\$ 15,357,056
Payments to suppliers	(26,917)	(12,549,214)	(1,671,139)	(3,510,435)	(17,757,705)
Payments to employees	-	(24,147)	(27,612)	-	(51,759)
Proceeds from tobacco receipts	727,057	-	-	-	727,057
Other operating revenue	-	1,296,114	172,736	-	1,468,850
Net cash provided (used) by operating activities	<u>700,140</u>	<u>(1,798,624)</u>	<u>33,662</u>	<u>808,321</u>	<u>(256,501)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating subsidies and transfers from (to) other funds	(20,000)	45,677	440,727	500,000	966,404
Proceeds from issuance of debt	-	-	-	3,500,000	3,500,000
Principal repayment of bonds payable	(100,000)	-	-	-	(100,000)
Interest payments on bonds payable	(643,671)	-	-	(154,556)	(798,227)
Net cash provided (used) by noncapital financing activities	<u>(763,671)</u>	<u>45,677</u>	<u>440,727</u>	<u>3,845,444</u>	<u>3,568,177</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	-	-	-	(2,805,078)	(2,805,078)
Interfund loan	-	-	-	1,612,497	1,612,497
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,192,581)</u>	<u>(1,192,581)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds on sale of investments	-	4,696,681	6,134,973	1,246,378	12,078,032
Interest income	31,606	130,656	195,047	71,582	428,891
Net cash provided by investing activities	<u>31,606</u>	<u>4,827,337</u>	<u>6,330,020</u>	<u>1,317,960</u>	<u>12,506,923</u>
Net increase (decrease) in cash and cash equivalents	(31,925)	3,074,390	6,804,409	4,779,144	14,626,018
Cash and cash equivalents - beginning	<u>1,267,399</u>	<u>1,788,870</u>	<u>1,486,848</u>	<u>725,394</u>	<u>5,268,511</u>
Cash and cash equivalents - ending	<u>\$ 1,235,474</u>	<u>\$ 4,863,260</u>	<u>\$ 8,291,257</u>	<u>\$ 5,504,538</u>	<u>\$ 19,894,529</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position					
Cash and cash equivalents	\$ 268,901	\$ 4,863,260	\$ 8,291,257	\$ 3,007,788	\$ 16,431,206
Cash and cash equivalents - restricted	966,573	-	-	2,496,750	3,463,323
Total cash and cash equivalents	<u>\$ 1,235,474</u>	<u>\$ 4,863,260</u>	<u>\$ 8,291,257</u>	<u>\$ 5,504,538</u>	<u>\$ 19,894,529</u>

See notes to basic financial statements.

COUNTY OF GENESEE, NEW YORK
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)

	Business-Type Activities - Enterprise Funds				
	TASC	Self Insurance	Workers' Compensation	Water Fund	Total
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>					
Operating income (loss)	\$ 700,011	\$ (3,025,041)	\$ 146,390	\$ (7,278)	\$ (2,185,918)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
(Increase) in accounts receivable	-	(25,110)	-	-	(25,110)
(Increase) in due from other governments	-	-	-	(197,762)	(197,762)
Decrease in prepaids and other current assets	2,042	-	-	-	2,042
Increase (decrease) in accounts payable	(958)	778,636	40,261	1,013,361	1,831,300
Increase (decrease) in accrued liabilities	(955)	460,863	1,011	-	460,919
(Decrease) in accrued and unpaid claim liabilities	-	-	(154,000)	-	(154,000)
Increase in unearned revenues	-	12,028	-	-	12,028
	<u>\$ 700,140</u>	<u>\$ (1,798,624)</u>	<u>\$ 33,662</u>	<u>\$ 808,321</u>	<u>\$ (256,501)</u>
Net cash provided (used) by operating activities					
	<u>\$ 700,140</u>	<u>\$ (1,798,624)</u>	<u>\$ 33,662</u>	<u>\$ 808,321</u>	<u>\$ (256,501)</u>
<u>Supplemental disclosure of cash flow information:</u>					
Cash paid during the year for interest	<u>\$ 643,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 643,671</u>

See notes to basic financial statements.

COUNTY OF GENESEE, NEW YORK
STATEMENT OF NET POSITION – COMPONENT UNITS
DECEMBER 31, 2019

	<u>Community College</u>	<u>Economic Development Center</u>	<u>Soil and Water Conservation District (Unaudited)</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 16,555,626	\$ 15,943,706	\$ 153,837	\$ 32,653,169
Cash and cash equivalents - restricted	-	-	1,125,077	1,125,077
Other receivables, net	8,263,511	1,703,713	22,516	9,989,740
Due from other governments	-	-	151,891	151,891
Prepays and current assets	473,565	33,355	5,090	512,010
Other assets	5,984,343	-	-	5,984,343
Land held for investment	-	13,886,275	-	13,886,275
Capital assets, net of accumulated depreciation	51,645,727	65	-	51,645,792
Net pension asset	668,506	-	-	668,506
Total assets	<u>83,591,278</u>	<u>31,567,114</u>	<u>1,458,411</u>	<u>116,616,803</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred OPEB outflows	326,190	-	-	326,190
Deferred pension outflows	3,510,536	160,725	-	3,671,261
Total deferred outflows of resources	<u>3,836,726</u>	<u>160,725</u>	<u>-</u>	<u>3,997,451</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,543,569	927,789	22,010	2,493,368
Accrued liabilities	69,206	12,608	5,090	86,904
Due to other governments	-	-	506	506
Other liabilities	2,269,077	-	-	2,269,077
Agency liabilities	1,320,064	-	-	1,320,064
Unearned revenues	7,266,809	10,408,563	151,891	17,827,263
Loan payable	-	285,000	-	285,000
Mortgages payable	447,309	-	-	447,309
Grant payable	450,000	-	-	450,000
Restricted liabilities - customer deposits	87,000	-	-	87,000
Noncurrent liabilities:				
Annuities payable	10,566	-	-	10,566
Capital lease payable	29,114	-	-	29,114
Loans payable	-	8,911,487	-	8,911,487
Mortgages payable	6,364,487	-	-	6,364,487
Total OPEB liability	2,907,458	-	-	2,907,458
Aggregated net pension liability	2,280,712	199,875	-	2,480,587
Total liabilities	<u>25,045,371</u>	<u>20,745,322</u>	<u>179,497</u>	<u>45,970,190</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred OPEB inflows	14,236	-	-	14,236
Deferred pension inflows	2,061,394	109,989	-	2,171,383
NYS tuition assistance	568,832	-	-	568,832
Total deferred inflows of resources	<u>2,644,462</u>	<u>109,989</u>	<u>-</u>	<u>2,754,451</u>
NET POSITION				
Net investment in capital assets	44,799,216	65	-	44,799,281
Restricted	7,354,440	417,973	1,125,077	8,897,490
Unrestricted	7,584,515	10,454,490	153,837	18,192,842
Total net position	<u>\$ 59,738,171</u>	<u>\$ 10,872,528</u>	<u>\$ 1,278,914</u>	<u>\$ 71,889,613</u>

See notes to basic financial statements.

COUNTY OF GENESEE, NEW YORK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Community College</u>	<u>Economic Development Center</u>	<u>Soil and Water Conservation District (Unaudited)</u>	<u>Total</u>
OPERATING REVENUES				
Tuition and fees, net	\$ 9,481,393	\$ 474,452	\$ 33,457	\$ 9,989,302
State grants and contracts	1,681,266	-	1,060,434	2,741,700
Federal grants and contracts	2,097,182	-	327,842	2,425,024
Nongovernmental grants and contracts	363,420	-	-	363,420
Auxiliary enterprises	1,289,325	-	-	1,289,325
County of Genesee	-	233,513	151,891	385,404
Economic development program support	-	300,000	-	300,000
Interest income on loans	-	3,934	-	3,934
Rent income	-	24,452	-	24,452
Grant income	-	3,111,488	-	3,111,488
Other revenues	715,500	6,197	20,351	742,048
Gain on sale of land held for development and sale	-	42,946	-	42,946
Total operating revenues	<u>15,628,086</u>	<u>4,196,982</u>	<u>1,593,975</u>	<u>21,419,043</u>
OPERATING EXPENSES				
Salaries and benefits	-	975,258	293,873	1,269,131
Site development	-	2,232,072	-	2,232,072
Educational and general expenditures	34,217,675	-	-	34,217,675
Financial aid and scholarships	3,659,576	-	-	3,659,576
Operation and maintenance	4,714,941	-	-	4,714,941
Depreciation	2,572,381	977	-	2,573,358
General and administrative	-	640,916	575,846	1,216,762
Auxiliary expenses	3,713,150	-	-	3,713,150
Total operating expenses	<u>48,877,723</u>	<u>3,849,223</u>	<u>869,719</u>	<u>53,596,665</u>
Operating income (loss)	<u>(33,249,637)</u>	<u>347,759</u>	<u>724,256</u>	<u>(32,177,622)</u>
NONOPERATING REVENUES (EXPENSES)				
County appropriations	2,586,374	-	-	2,586,374
Other counties' appropriations	9,226,893	-	-	9,226,893
Federal and State nonoperating grants	8,707,738	-	-	8,707,738
State appropriations	10,974,845	-	-	10,974,845
Investment income, net	478,858	42,772	50	521,680
Economic development loan fund expense	-	(233,764)	-	(233,764)
Gain on sale of capital assets	1,037	-	-	1,037
Total nonoperating revenues	<u>31,975,745</u>	<u>(190,992)</u>	<u>50</u>	<u>31,784,803</u>
Income (loss) before capital appropriations	<u>(1,273,892)</u>	<u>156,767</u>	<u>724,306</u>	<u>(392,819)</u>
Capital appropriations - state and county	97,265	-	-	97,265
Capital appropriations - private	10,000	-	-	10,000
Change in net position	<u>(1,166,627)</u>	<u>156,767</u>	<u>724,306</u>	<u>(285,554)</u>
Net position - beginning	<u>60,904,798</u>	<u>10,715,761</u>	<u>554,608</u>	<u>72,175,167</u>
Net position - ending	<u>\$ 59,738,171</u>	<u>\$ 10,872,528</u>	<u>\$ 1,278,914</u>	<u>\$ 71,889,613</u>

See notes to basic financial statements.

**COUNTY OF GENESEE, NEW YORK
 STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUND
 DECEMBER 31, 2019**

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents - restricted	\$ <u>654,844</u>
Total assets	<u>654,844</u>
LIABILITIES	
Due to other governments	<u>159,493</u>
Total liabilities	<u>159,493</u>
NET POSITION	
Restricted for:	
Bail deposits	65,567
Individuals	<u>429,784</u>
Total net position	\$ <u><u>495,351</u></u>

**COUNTY OF GENESEE, NEW YORK
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Custodial Funds</u>
ADDITIONS	
Bail deposits received	\$ 118,455
Interest earned	138
Mortgage taxes collected for other governments	699,570
Social services receipts for individuals	<u>1,491,731</u>
Total additions	<u>2,309,894</u>
DEDUCTIONS	
Payments of bail deposits	101,842
Mortgage taxes collected for other governments	699,570
Social services disbursements to individuals	<u>1,415,798</u>
Total deductions	<u>2,217,210</u>
Change in net position	92,684
Net position - beginning, as restated (see Note 11)	<u>402,667</u>
Net position - ending	<u><u>\$ 495,351</u></u>

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COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

PRIMARY GOVERNMENT

The County of Genesee, State of New York was incorporated in 1802 and is governed by the County Law, local law and other general laws of the State of New York. The County Legislature, which is the legislative body responsible for the overall operation of the County, consists of nine members. The Chairman of the Legislature serves as Chief Executive Officer and the County Treasurer serves as a Chief Fiscal Officer. The County provides the following principle services: general governmental support, education, public safety, public health, transportation, highway construction and maintenance, economic assistance and opportunity, culture and recreation, and home and community service. In addition, the County is the sole member of the Genesee County Funding Corporation.

The financial reporting entity includes all organizational functions, and activities over which the County's elected officials exercise oversight responsibility. The oversight responsibility is derived from the governmental unit's power and includes, but is not limited to, financial interdependency, selection of government authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

COMPONENT UNITS

In conformity with accounting principles generally accepted in the United States of America, the financial statements of three component units have been included in the financial reporting entity as discretely presented component units. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government.

The Genesee County Economic Development Center (GCEDC) was established by the Genesee County Legislature to facilitate economic development in the County of Genesee, New York. The Board of Legislature appoints the directors of the GCEDC; however, the GCEDC members have complete responsibility for management of the GCEDC and accountability for fiscal matters. The GCEDC financial statements have been prepared on an accrual method of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). In order to ensure observance of limitations and restrictions placed on the use of resources available to the GCEDC, the accounts are maintained in accordance with the principles of fund accounting and reporting purposes into funds that are established according to their nature and purpose.

Separate accounts are maintained for each fund. The GCEDC is discretely presented as a component unit in the accompanying financial statements. A copy of the financial statements for the GCEDC may be obtained from the Director's Office, 99 Med Tech Drive, Suite 106, Batavia, New York 14020.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

The Genesee Community College (GCC) was established under the sponsorship of the County pursuant to the New York State Education Law. The operations of GCC are funded by New York State, the County and the students of GCC. GCC uses the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). During the year ended August 31, 2003, GCC implemented GASB Statement No. 34, No. 35 and No. 37. In accordance with those Statements, the financial statements of GCC are required to present a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows using the direct method. The statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses and the recognition of depreciation on capital assets. The GCC Funds includes current and restricted accounts. The amounts included in the County's financial statements are as of and for the GCC's year ended August 31, 2019. A copy of the financial statements for GCC may be obtained from the Office of the Vice President of Finance and Operations, R. Stephen Hawley Drive, Batavia, New York 14020.

The Genesee County Soil and Water Conservation District (SWCD) was established in accordance with the Soil and Water Conservation Districts Law to provide for the conservation of the County's soil and water resources. Members of the SWCD's board of directors are appointed by the Legislature, and administrative costs of the SWCD are funded primarily through County appropriations. The SWCD derives other revenues and performs other activities outside the County's general oversight responsibilities. The directors of the SWCD have sole responsibility for management of the SWCD and full accountability for fiscal matters. The SWCD's financial statements are prepared on the modified accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). The SWCD is discretely presented as a component unit in the accompanying financial statements; however the SWCD financial statements included are unaudited. A copy of the financial statements for the SWCD may be obtained from the District Manager's Office, 29 Liberty Street, Suite 3, Batavia, New York 14020.

B. RELATED ORGANIZATION

In January 1997, the State of New York filed a lawsuit against the tobacco industry, seeking to recover the costs that the State and Local governments had incurred in treating smoking related illnesses. Under an agreement reached with the tobacco industry referred to as the Master Settlement Agreement (MSA), the State and Counties are entitled to receive annual payments. During 2000, the County sold its right to receive payments under the MSA to the Genesee Tobacco Asset Securitization Corporation (TASC) for \$10,154,624. The TASC is a related organization and is presented as a blended component unit based on the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and Statement No. 61, *The Financial Reporting Entity: Omnibus*. This criteria includes legal standing, fiscal dependency, and financial accountability. Although the County appoints the governing board of the TASC, they are not responsible for the operations of the TASC.

The financial statements of the TASC are included with the primary government of Genesee County as a blended component unit. The TASC financial statements are presented in the proprietary fund statements and are blended with the business-type activities in the government-wide statements.

C. JOINT VENTURES

The following joint ventures are related to the County but are not included in the reporting entity:

1. WATERSHED PROTECTION DISTRICT

The County participates with the County of Orleans in the operations of the Oak Orchard Small Watershed Protection District. The Orleans County Treasurer acts as the entity's Chief Fiscal Officer and custodian, maintaining all accounting records.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

Summary financial information from the Oak Orchard Small Watershed Protection District's unaudited financial statements for the year ended December 31, 2019 is as follows:

Assets	\$	67,943
Liabilities		7,181
Fund balance		60,762
Total revenues		53,971
Total expenditures		118,320

2. SOLID WASTE

The County is a participant in the GLOW Region Solid Waste Management Committee. The GLOW Region Solid Waste Management Committee is organized under an inter-municipal agreement under the authority of Article 5-G of the General Municipal Law. The Committee consists of representatives from the counties of Genesee, Livingston, and Wyoming. The Committee addresses the collective waste disposal requirements of the three counties.

Summary financial information from the joint Committee's annual financial report update document for the year ended December 31, 2019 is as follows:

Assets	\$	346,840
Liabilities		46,332
Fund balance		300,508
Total revenues		133,306
Total expenditures		127,308

D. BASIS OF PRESENTATION

1. 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. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

2. FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories.

Governmental Funds:

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

General Fund - The General Fund is the general operating fund of the County. The fund is used to account for all financial resources except for those required to be accounted for in a separate fund.

Capital Projects Fund - To account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the enterprise funds.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

The County reports the following nonmajor governmental funds consolidated into the nonmajor governmental funds column:

Special Revenue Funds - To account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes or for which separate accounting is required by administrative action.

County Road - To account for the repairs and maintenance of County roads in accordance with New York State Laws.

Road Machinery - To account for the purchase of highway machinery and equipment in accordance with New York State Laws.

Special Grant - To account for the use of Federal monies received under the Workforce Investment Act.

Enterprise Funds:

These funds are used to account for ongoing operations or activities, which are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position and cash flows. The County applies all applicable GASB pronouncements, as well as, Financial Accounting Standards Board's (FASB) Accounting Standards Codification unless these standards conflict with or contradict GASB pronouncements.

TASC - This fund is used to report the assets, liabilities, revenues, expenses and net position of the Tobacco Asset Securitization Corp., a blended component unit of the County. A copy of the financial statements of the TASC may be obtained by contacting the County Treasurer.

Self Insurance - The Self Insurance Fund is used to accumulate reserve funds to account for certain claims related to health insurance and to purchase insurance coverage from an insurance company.

Workers' Compensation - The Workers' Compensation Fund is used to account for the accumulation of resources for payment of compensation, assessments and other obligations under the Workers' Compensation Law.

Water Fund - This fund is used to account for activity of a county wide water project including transmission lines and operation of the County water plant by the County.

Other Fund Types:

Fiduciary Funds are used to account for certain trust funds and other custodial funds. Custodial Funds report fiduciary activities not held in trust. These activities are not included in the government-wide financial statements because their resources do not belong to the County and are not available for use.

Custodial Funds - This fund is used to account for activity related to mortgage tax for local governments, certain social services for individuals and bail deposits held on behalf of the court.

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

E. 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 and fiduciary fund 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 the 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 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 with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within sixty 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, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within sixty days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the County.

1. REVENUES AND EXPENDITURES/EXPENSES

1. 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.

2. PROPERTY TAXES

County real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes are collected during the period January 1 to April 1 by Town collectors. Taxes for County purposes apportioned to the area of the County outside the City of Batavia are levied together with taxes for town and special district purposes as a single bill. The towns and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the towns. The collection of County taxes levied on properties within the City of Batavia is enforced by the City; the County receives the full amount of such taxes within the year of levy.

Unpaid Village and non-County school district taxes are turned over to the County for enforcement. Any such taxes remaining unpaid at year end are relieved as County taxes in the subsequent year.

At December 31, 2019, the taxes receivable amounted to \$4,290,540, which is offset by an allowance for uncollected taxes of \$97,771. Current year returned village and school taxes of \$2,304,284 are offset by liabilities to the villages and school districts which will be paid no later than April 15, 2020. The remaining portion of tax assets is partially offset by unavailable revenue of \$1,474,167, which represents the tax liens which will not be collected within the first sixty (60) days of the subsequent year.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

The New York State Constitution limits the amount of property taxes which may be raised for County purposes. The County had exhausted 65.30% of its constitutional tax limit as of December 31, 2019.

3. COMPENSATED ABSENCES

Vacation

The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from County service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements.

A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

County employees may accumulate vacation time, subject to certain limitations, and carry it forward to subsequent years. The County's liability for earned and unused compensated absences was \$1,840,826 at December 31, 2019 for the governmental activities.

G. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

1. CASH AND CASH EQUIVALENTS

The County's cash and cash equivalents consists of cash on hand, demand deposits, and investments with original maturities of three months or less from the date of acquisition.

2. RESTRICTED ASSETS

Certain assets are classified on the balance sheet as restricted because their use is limited. The proceeds of bond sales can only be used for the stated purpose of the borrowing and certain assets are considered restricted to support fund balance restrictions.

3. INVENTORY

All inventories are valued at cost using the first-in/first-out (FIFO) method for proprietary funds and include no realization reserve for the Road Machinery Fund. Inventories of the governmental fund are recorded as expenditures when purchased rather than when consumed.

4. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5. RECEIVABLES

Receivables are carried at their net realizable value. Accounts are written off as uncollectible after the likelihood of payment is considered remote by management. Generally accepted accounting principles require the establishment of an allowance for uncollectible accounts. The allowance for uncollectible accounts related to tax collections amounted to \$97,771 at December 31, 2019.

Management has deemed all other accounts receivable for the primary government to be fully collectable.

6. CAPITAL ASSETS

Government-wide statements:

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business type activities columns in the government-wide financial statements.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

Capital assets are defined by the County within the capitalization policies established by the County. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. 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 constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

	Capitalization Threshold	Estimated Useful Life
Buildings and improvements	\$ 25,000	50 years
Other capital assets	10,000	2-20 years
Machinery and equipment	10,000	5-35 years
Infrastructure:		
Roads and surfaces	10,000	25-50 years
Bridges	10,000	50 years

Fund Financial Statements:

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

7. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category and they relate to pensions and other postemployment benefits (OPEB) reported in the government-wide Statement of Net Position. They represent the effect of the net change in the County's proportion of the collective net pension and OPEB liabilities and the difference during the measurement period between the County's contributions and its proportional share of total contributions to the pension system and OPEB plan not included in pension and OPEB expense. See details of deferred pension outflows in Note 3.E and deferred OPEB outflows in Note 3.F.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has four types of items that qualify for reporting in this category. Two items are related to pension and OPEB activity reported in the government-wide Statement of Net Position. They represent the effect of the net change in the County's proportion of the collective net pension and OPEB liabilities and difference during the measurement period between the County's contributions and its proportional share of total contributions to the pension system and OPEB plan not included in pension and OPEB expense. See details of deferred pension inflows in Note 3.E and deferred OPEB inflows in Note 3.F. The third item that qualifies arises under the modified accrual basis of accounting and is the unavailable revenues from property taxes. This deferred inflow is only reported in the governmental funds Balance Sheet and is the amount that is deferred and recognized as an inflow of resources in the period that the amounts become available. The final item is the tuition assistance payments received by GCC on behalf of eligible students prior to GCC's fiscal year end. These payments have a time restriction as they are applicable to the following semester and are recorded as deferred inflows of resources on the Statement of Net Position – Component Units along with the deferred OPEB inflows.

8. UNEARNED REVENUES

Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the County has legal claim to resources, the liability for unearned revenues is removed and revenues are recognized.

9. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums during the current period. The face amount of debt and bond premiums issued are reported as other financing sources.

10. POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits, the County provides health insurance coverage for certain retired employees as discussed in Note 3.E.

11. 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 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.

12. FUND BALANCE FLOW ASSUMPTIONS

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

The County Legislature adopted a formal spending policy under the provisions of GASB Statement No. 54 stating that the County Legislature will assess the current financial condition of the County and then determine the order of application of expenditures to which fund balance classification will be charged.

13. 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 an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) 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 may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

14. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

15. ACCOUNTING PRONOUNCEMENTS

During the fiscal year ended December 31, 2019, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The primary objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The County reclassified certain activities, no longer considered fiduciary in nature, to the governmental funds to comply with this Statement in the current year.

The County has evaluated the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations*, Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*, and Statement No. 90, *Majority Equity Interests-an Amendment of GASB Statements No. 14 and 61*, which became effective for the fiscal year ended December 31, 2019, and determined that they have no significant impact on the County's financial statements.

The following are GASB Statements that have been issued recently and are currently being evaluated, by the County, for their potential impact in future years.

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the year ending December 31, 2021.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2022.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2022.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending December 31, 2022.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32*, which will be effective for the year ending December 31, 2022.

On May 8, 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in response to the COVID-19 pandemic. The effective dates of GASB Statements not yet implemented by the County have been updated above to reflect the impact of this Statement.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LEGAL COMPLIANCE - BUDGETS

Budgets and Budgetary Accounting - The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- No later than November 15th, the Budget Officer submits a tentative budget to the County Legislature for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds except Capital Projects and the Fiduciary Fund.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

- After public hearings are conducted to obtain taxpayer comments, no later than December 20th, the County Legislature adopts the budget. All modifications of the budget must be approved by the County Legislature, however, the Budget Officer/County Manager is authorized to transfer certain budgeted amounts within departments.
- Budgets are prepared for Proprietary Funds to establish the estimated contributions required from other funds and to control expenditures.

B. DEFICIT FUND BALANCE AND NET POSITION

At December 31, 2019, the Capital Projects Fund, a major fund, reported a deficit fund balance of \$67,784. It is not unusual for a Capital Projects Fund especially one that finances capital projects mainly by borrowings, to report a deficit. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt financing).

The TASC reported unrestricted deficit net position at December 31, 2019 in the amount of \$20,532,169. The deficit is due to various expenses associated with the bonds. The future cash receipts from the Master Settlement Agreement (MSA) are expected to offset this deficit.

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. DEPOSITS AND INVESTMENTS

The County's investment policies are governed by State statutes. In addition, the County has its own written investment policy. County monies must be deposited in FDIC insured commercial banks or trust companies located within the State. Permissible investments include demand accounts and certificates of deposit, 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 and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and municipalities and school districts.

The County's aggregate bank balances were fully collateralized at December 31, 2019.

At December 31, 2019, restricted cash and cash equivalents consisted of \$17,768,178 in the General Fund, \$966,573 in the TASC Fund, \$2,496,750 in the Water Fund, \$654,844 in the Custodial Funds and \$1,125,077 in the Soil and Water Conservation District.

Investment and Deposit Policy

The County follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the County Treasurer.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The County's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The County's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts
- Certificates of deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of New York State and its localities

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the County's investment and deposit policy, all deposits of the County including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities, as provided in General Municipal Law, Section 10.

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States Agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

B. RECEIVABLES

Major revenues accrued by the County at December 31, 2019, include the following:

Accounts Receivable:

General Fund

Mental Health	\$ 562,641
Miscellaneous	771,041
Total	<u>\$ 1,333,682</u>

Self-Insurance Fund

GCC medical and dental	\$ 334,825
Miscellaneous	25,874
	<u>\$ 360,699</u>

Due From Other Governments:

General Fund

Sales tax	\$ 2,533,714
Miscellaneous	168,129
Total	<u>\$ 2,701,843</u>

Water Fund

City of Batavia	\$ 490,493
Town of Batavia	477,358
Villages - Elba and Oakfield	152,879
Total	<u>\$ 1,120,730</u>

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

State and Federal Receivables - represent the amounts due primarily from New York State and the Federal government at December 31, 2019:

General Fund:

RF2 and 2A State and Federal	\$	2,423,623
RF3 State		347,088
RF4 Federal		26,217
RF17 State and Federal		322,026
State aid - court facilities		105,701
Indigent legal services		352,094
Unified court budget-security services		499,107
Community services/DSS - justice for children		76,461
Physically Handicapped Children - Education		771,771
Programs for the Aging		414,637
Public Health		306,449
Sheriff - Local wireless 911		230,534
Miscellaneous state and federal receivables		226,230
Total	\$	<u><u>6,101,938</u></u>

Capital Projects Fund:

State and federal reimbursements - Airport	\$	31,542
State and federal reimbursements - DOT		398,782
State and federal reimbursements - CHIPS/PAVE NY/EWR		278,000
State and federal reimbursements - GCC Emergency power		173,303
State and federal reimbursements - Sheriff		115,172
Miscellaneous state and federal receivables		14,010
Total	\$	<u><u>1,010,809</u></u>

C. DUE FROM COMPONENT UNIT

During 2017 the County entered into a water supply agreement with the GCEDC whereas the GCEDC agreed to make twelve annual payments to the County commencing in January 2020 and ending after the final payment in January 2031 in the amount of \$4,000,000 with interest and principal payments beginning after January 1, 2018 and January 1, 2020, respectively. The allocation of principal and interest was determined based on the principal agreeing to the principal being paid by the County on the related general obligation serial bonds.

	<u>Balance</u> <u>01/01/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/19</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities					
GCEDC - water improvements	\$ <u>4,000,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,000,000</u>	\$ <u>285,000</u>

Year ending December 31,	<u>Due from component unit</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 285,000	\$ 100,956
2021	290,000	95,209
2022	295,000	89,359
2023	305,000	83,166
2024	315,000	76,381
2025-2029	1,740,000	247,381
2030-2031	770,000	23,250
Total	\$ <u><u>4,000,000</u></u>	\$ <u><u>715,702</u></u>

**COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

D. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended December 31, 2019, is as follows:

	Balance 01/01/19	Increases	Decreases	Balance 12/31/19
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,573,492	\$ -	\$ -	\$ 2,573,492
Construction work in process	-	1,302,766	-	1,302,766
Total capital assets not being depreciated	<u>2,573,492</u>	<u>1,302,766</u>	<u>-</u>	<u>3,876,258</u>
Capital assets being depreciated:				
Buildings	72,567,607	2,420,864	-	74,988,471
Other capital assets	18,063,404	669,781	79,062	18,654,123
Machinery & equipment	6,888,811	627,362	-	7,516,173
Infrastructure	77,938,180	8,344,934	-	86,283,114
Total capital assets, being depreciated	<u>175,458,002</u>	<u>12,062,941</u>	<u>79,062</u>	<u>187,441,881</u>
Less accumulated depreciation:				
Buildings	19,410,687	1,335,730	-	20,746,417
Other capital assets	10,943,857	1,503,504	54,150	12,393,211
Machinery & equipment	3,097,806	455,865	-	3,553,671
Infrastructure	29,024,653	1,774,422	-	30,799,075
Total accumulated depreciation	<u>62,477,003</u>	<u>5,069,521</u>	<u>54,150</u>	<u>67,492,374</u>
Total capital assets being depreciated, net	<u>112,980,999</u>	<u>6,993,420</u>	<u>24,912</u>	<u>119,949,507</u>
Governmental activities capital assets, net	<u>\$ 115,554,491</u>	<u>\$ 8,296,186</u>	<u>\$ 24,912</u>	<u>\$ 123,825,765</u>

Depreciation expense was charged to the functions/programs of the governmental activities as follows:

General government	\$ 788,217
Public safety	1,408,783
Health	570
Transportation	2,793,748
Economic assistance and opportunity	78,203
Total depreciation expense - governmental activities	<u>\$ 5,069,521</u>

	Balance 01/01/19	Increases	Decreases	Balance 12/31/19
Business-Type Activities:				
Capital assets not being depreciated:				
Construction work in process	\$ -	\$ 2,805,078	\$ -	\$ 2,805,078
Total capital assets not being depreciated	<u>-</u>	<u>2,805,078</u>	<u>-</u>	<u>2,805,078</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ 2,805,078</u>	<u>\$ -</u>	<u>\$ 2,805,078</u>

**COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

E. PENSION OBLIGATIONS

Genesee County - New York State and Local Employees' Retirement System (ERS)

Plan Description

The County participates in the New York State and Local Employees' Retirement System (the System). This is a cost sharing multiple public employer retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net 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 (RSSL). 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 County also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefit's provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The County's participation in the System includes GCC, however, the allocation for the GCC portion of the pension plan is excluded from the information in this section for the County's presentation purposes.

Funding Policy

The System is noncontributory, except for employees who joined 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. Under the authority of NYSRSSL, 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, 2019, the County reported the following liability for their proportionate share of the net pension liability to the System. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2018. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. This information was made available by the System in a report provided to the County.

	<u>ERS</u>
Measurement date	03/31/19
Net pension liability	\$ 7,684,207
County's portion of the Plan's total net pension liability	0.1084528 %
Change in proportion since the prior measurement date	-0.0122725
Pension expense at December 31, 2019	\$ 4,519,878

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

At December 31, 2019 the County's reported deferred outflows of resources and deferred inflows of resources related to pensions arose from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	ERS	ERS
Differences between expected and actual experience	\$ 1,513,181	\$ 515,826
Change of assumptions	1,931,495	-
Net difference between projected and actual earnings on pension plan investments	-	1,972,192
Changes in proportion and differences between the County's contributions and proportionate share of contributions	36,406	1,332,326
County's contributions subsequent to the measurement date	<u>2,932,795</u>	<u>-</u>
Total	<u>\$ 6,413,877</u>	<u>\$ 3,820,344</u>

The County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS
<u>Year ended March 31:</u>	
2020	\$ 1,137,270
2021	(1,862,009)
2022	(429,961)
2023	815,438
2024	-
Thereafter	-

Actuarial Assumptions

The total pension liability as of the March 31, 2019 was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to March 31, 2019. The actuarial valuation used the following actuarial assumptions.

	ERS
Inflation	2.5 %
Salary increases	4.2
Investment rate of return (net of investment expense, including inflation)	7.0
Cost of living adjustments	1.3

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2014. The actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by 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 as of March 31, 2019 are summarized below:

Asset Class:	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	36.0 %	4.6 %
International equity	14.0	6.4
Private equity	10.0	7.5
Real estate	10.0	5.6
Absolute return strategies	2.0	3.8
Opportunistic funds/portfolio	3.0	5.7
Real assets	3.0	5.3
Bonds and mortgages	17.0	1.3
Cash	1.0	(0.3)
Inflation-indexed bonds	4.0	1.3
Total	<u>100.0 %</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. 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 determined. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following tables presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Assumption (7.0%)</u>	<u>1% Increase (8.0%)</u>
County's proportionate share of the net pension liability/(asset)	\$ 33,596,580	\$ 7,684,207	\$ (14,084,024)

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2019 were as follows:

	<u>Dollars in Thousands</u>	
	<u>ERS</u>	
Employers' total pension liability	\$	189,803,429
Plan net position		182,718,124
Employers' net pension liability	\$	<u>7,085,305</u>
Ratio of plan net position to the employers' total pension liability		96.3%

Prepays to the Pension Plan

Employer contributions are paid annually based on the ERS fiscal year which ends on March 31st. Prepaid retirement contributions as of December 31, 2019 represent the employer contribution for the period of January 1, 2020 through March 31, 2020 based on the retirement invoice for the Plan year April 1, 2019 through March 31, 2020. Prepaid retirement contributions as of December 31, 2019 amounted to \$977,509.

F. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS (OPEB) LIABILITY

Plan Description

The County administers the Plan as a single-employer defined benefit OPEB plan. The Plan provides for continuation of medical and dental 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 standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy

The obligations of the plan members, employers and other entities are established by action of the County pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members varies depending on the applicable agreement. The County currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the County.

As of the January 1, 2019 valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	32
Inactive employees entitled to but not receiving benefit payments	-
Active employees	<u>492</u>
Total	<u>524</u>

The County's total OPEB liability of \$734,009 was measured as of January 1, 2019 and was based upon plan data and the actuarial valuation as of January 1, 2018 and financial data and actuarial rollforward techniques to calculate the results for the fiscal year ended December 31, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuation for the fiscal year ended December 31, 2019 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20 %
Salary scale	3.00 %
Discount rate	4.10 %
Healthcare cost trend rates	6.75 % decreasing to an ultimate healthcare cost trend rate of 4.03%
Retirees' share of benefit-related costs:	
Retiree	20.00 %
Retiree's spouse	50.00 %

The discount rate was based on a 20-year tax-exempt general obligation municipal bond rated AA/Aa or higher as of the measurement date.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

The mortality tables were updated to the RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward using scale MP-2017.

Retirement and termination assumptions reflect general published tables based on large-scale retirement plan population data. The plan's estimated termination and retirement experience is then analyzed, and the base table is adjusted accordingly as necessary. No formal experience study is prepared for this plan.

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at January 1, 2018 - measurement date	\$ 799,118
Changes for the year:	
Service cost	25,688
Interest	26,922
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(33,329)
Benefit payments	(84,390)
Net changes	<u>(65,109)</u>
Balance at January 1, 2019 - measurement date	<u>\$ 734,009</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.44 percent on January 1, 2018 to 4.10 percent on January 1, 2019.

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

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.10%) or 1 percentage point higher (5.10%) than the current discount rate.

	<u>1% Decrease (3.10%)</u>	<u>Discount Rate (4.10%)</u>	<u>1% Increase (5.10%)</u>
Total OPEB liability	\$ <u>785,186</u>	\$ <u>734,009</u>	\$ <u>686,811</u>

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

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current healthcare cost trend rate:

	<u>1% Decrease (5.75% decreasing to 3.03%)</u>	<u>Healthcare Cost Trend Rates (6.75% decreasing to 4.03%)</u>	<u>1% Increase (7.75% decreasing to 5.03%)</u>
Total OPEB liability	\$ <u>554,966</u>	\$ <u>734,009</u>	\$ <u>943,370</u>

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

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

For the year ended December 31, 2019, the County recognized OPEB expense of \$86,716. At December 31, 2019, the County reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 130,324	\$ -
Changes of assumptions or other inputs	36,180	27,979
Contributions subsequent to the measurement date	89,167	-
Total	<u>\$ 255,671</u>	<u>\$ 27,979</u>

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

Year ended December 31:

2020	\$ 34,106
2021	34,106
2022	34,106
2023	34,106
2024 and thereafter	2,101

G. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the Statement of Net Position.

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

The County's outstanding long-term liabilities include serial bonds, TASC bonds, compensated absences, workers' compensation, other postemployment benefits, and net pension liability. A summary of changes in the County's long-term liabilities for the year ended December 31, 2019 are presented as follows:

Governmental Activities	<u>Balance 01/01/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/19</u>	<u>Due Within One Year</u>
Bonds payable:					
General obligation bonds	\$ 18,130,000	\$ -	\$ 1,680,000	\$ 16,450,000	\$ 1,320,000
Plus: unamortized premium	183,941	-	31,899	152,042	31,899
Compensated absences	1,886,357	69,901	115,432	1,840,826	184,083
Total OPEB liability	799,118	19,281	84,390	734,009	-
Net pension liability *	<u>3,896,342</u>	<u>3,787,865</u>	<u>-</u>	<u>7,684,207</u>	<u>-</u>
Total governmental activities	<u>\$ 24,895,758</u>	<u>\$ 3,877,047</u>	<u>\$ 1,911,721</u>	<u>\$ 26,861,084</u>	<u>\$ 1,535,982</u>

* Additions/reductions to the net pension liability are presented net.

**COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

	Balance 01/01/19	Additions	Reductions	Balance 12/31/19	Due Within One Year
Business-Type Activities					
Bonds payable:					
General obligation bonds	\$ 4,000,000	\$ 3,500,000	\$ -	\$ 7,500,000	\$ 425,000
TASC IV	11,655,000	-	100,000	11,555,000	595,000
Subordinate turbo CABs					
TASC IV Series 2005	1,458,440	-	-	1,458,440	-
TASC V	1,855,936	-	-	1,855,936	-
Workers' compensation	7,786,000	926,577	1,080,577	7,632,000	118,460
Total business-type activities	\$ 26,755,376	\$ 4,426,577	\$ 1,180,577	\$ 30,001,376	\$ 1,138,460
Total primary government	\$ 51,651,134	\$ 8,303,624	\$ 3,092,298	\$ 56,862,460	\$ 2,674,442

Long-term debt maturity schedule:

Purpose	Original Issue Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding Balance 12/31/19
Governmental activities					
<i>Bonds issued by the County:</i>					
County Public Facility Building - Ref 2007	03/2017	\$ 2,315,000	3.00%	10/2027	\$ 1,740,000
Radio System	06/2013	4,200,000	3.00%	06/2023	1,855,000
Airport	12/2014	4,370,000	2.25%	12/2034	3,770,000
					<u>7,365,000</u>
Add: Unamortized Premium					152,042
Total bonds issued by the County					<u>7,517,042</u>
<i>Bonds issued by the County for GCC:</i>					
GCC Athletic Fields	07/2009	1,845,000	4.00%	09/2024	820,000
Community College Project	02/2015	9,326,464	2.50%	08/2039	8,265,000
Total bonds issued by the County for GCC					<u>9,085,000</u>
Total governmental activities					<u>\$ 16,602,042</u>

Business-type activities:

<i>Bonds issued by the County:</i>					
Water supply extension - STAMP	04/2018	4,000,000	2.00%	04/2031	\$ 4,000,000
Water supply extension - Phase II	08/2019	3,500,000	2.00%	08/2039	3,500,000
Total bonds issued by the County					<u>7,500,000</u>
<i>Bonds issued by TASC:</i>					
TASC IV Bonds - Turbo Term Bonds	-	-	6.65%	06/2041	5,100,000
TASC IV Bonds - Turbo Term Bonds	-	-	5.00%	06/2042	3,925,000
TASC IV Bonds - Turbo Term Bonds	-	-	5.00%	06/2045	2,530,000
Subordinate Turbo CAB - TASC IV Bonds - Series 2005	-	-	0.00%	06/2045	784,054
Subordinate Turbo CAB - TASC IV Bonds - Series 2005	-	-	0.00%	06/2050	674,386
Subordinate Turbo CAB - TASC V Bonds	-	-	7.85%	06/2060	1,855,936
Total bonds issued by TASC					<u>14,869,376</u>
Total business-type activities					<u>\$ 22,369,376</u>
Total primary government					<u>\$ 38,971,418</u>

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

Summary schedule of maturing debt - The following is a summary of maturing debt service requirements for the County's serial bonds, TASC term bonds and capital appreciation bond:

Year ending December 31,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	Serial Bonds		Serial Bonds	
	Principal	Interest	Principal	Interest
2020	\$ 1,320,000	\$ 480,844	\$ 425,000	\$ 182,538
2021	1,350,000	442,644	435,000	173,988
2022	1,395,000	403,631	440,000	165,056
2023	1,430,000	363,206	455,000	155,784
2024	975,000	337,769	470,000	145,813
2025-2029	3,815,000	1,289,819	2,560,000	542,844
2030-2034	3,610,000	764,094	1,690,000	222,156
2035-2039	2,555,000	254,312	1,025,000	83,681
Total	<u>\$ 16,450,000</u>	<u>\$ 4,336,319</u>	<u>\$ 7,500,000</u>	<u>\$ 1,671,860</u>

Year ending December 31,	<u>Business-Type Activities (con't)</u>			
	Tobacco Asset Securitization Corp			
	Term Bonds		Capital Appreciation Bond	
	Principal	Interest	Principal	Interest
2020	\$ 595,000	\$ 686,500	\$ -	\$ 436,820
2021	255,000	671,800	-	471,783
2022	265,000	655,950	-	509,545
2023	85,000	641,500	-	550,329
2024	-	629,000	-	594,378
2025-2029	600,000	2,879,375	-	3,766,385
2030-2034	2,100,000	2,329,375	-	5,535,093
2035-2039	2,910,000	1,592,750	-	8,134,395
2040-2044	3,870,000	720,500	-	11,954,341
2045-2049	875,000	21,875	-	17,568,146
2050-2054	-	-	-	25,818,219
2055-2059	-	-	-	37,942,557
2060	-	-	1,855,936	4,660,524
Total	<u>\$ 11,555,000</u>	<u>\$ 10,828,625</u>	<u>\$ 1,855,936</u>	<u>\$ 117,942,515</u>

TASC IV - Series 2005 bonds payable consist of the following at December 31:

Subordinate Turno CABs - Redeemable in annual installments of various amounts beginning June 1, 2045 through June 1, 2050. This is a noninterest bearing bond.	\$ 784,054
Subordinate Turno CABs - Redeemable in annual installments of various amounts beginning June 1, 2050 through June 1, 2055. This is a noninterest bearing bond.	<u>674,386</u>
Total	<u>\$ 1,458,440</u>

In 2005 TASC refunded and defeased in substance its outstanding 2000 Series bonds with a portion of the Series 2005 bonds. All of the issuance costs, and reserves were funded from the bond proceeds. The net proceeds were deposited into an irrevocable trust to provide funding for the debt service on the Series 2000 bonds to the call date in the year 2010.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

In conjunction with the advanced refunding, TASC completed the sale of Series 2005D and 2005E capital appreciation bonds carrying varying yields and were sold discounted (zero coupon). As required by accounting principles generally accepted in the United States of America, TASC accretes the effective interest appreciation over the life of the bonds to maturity. These bonds are subordinate to the Series 2005 bonds in the advanced refunding. No interest or principal will be paid on these bonds until all other series bonds of TASC are redeemed. Funds expected to be used for redemption of these bonds will come from the tobacco settlement revenue (TSR) and payments are not anticipated until 2026. Increase to the bond values was \$201,197 for the year ending December 31, 2019. At December 31, 2019 accretion payable for TASC IV Series 2005 amounted to \$1,983,795.

Required maturities for the Series 2005 Bonds represent the minimum amount of principal that TASC must pay as of the specific distribution dates in order to avoid a default. Turbo (accelerated) amortization payments are required to be made against outstanding principal providing that the TASC receives sufficient TSR to make the Turbo. The interest payment requirements shown above are based on the required principal maturity schedule and includes the accreted value portion of capital appreciation bonds in the year in which they are required to be redeemed.

Accretion expense for TASC V bond payable amounts to \$404,448 and accretion payable amounted to \$3,601,549 for the year ended December 31, 2019.

H. NET POSITION AND FUND BALANCE

NET POSITION

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 capital assets. Accumulated depreciation and debt used to fund capital asset purchases reduce the balance in this category. The following presents a reconciliation of capital assets (net of accumulated depreciation), to net investment in capital assets:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of accumulated depreciation	\$ 123,825,765	\$ 2,805,078
Bonds payable used for capital assets, net of unamortized premiums	(7,517,042)	(3,500,000)
Unspent debt proceeds	166,852	2,496,750
Net investment in capital assets	<u>\$ 116,475,575</u>	<u>\$ 1,801,828</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. Restricted net position are consistent with restricted fund balance amounts at December 31, 2019.

Unrestricted net position – This category represents net position of the County not restricted for any project or other purpose.

FUND BALANCE

In the governmental fund financial statements there are five classifications of fund balance:

Nonspendable – represents amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balances maintained by the County at December 31, 2019 include:

- *Prepaid items* – represents amounts prepaid to the retirement system and other miscellaneous items that are applicable to future accounting periods. This balance is nonspendable as the asset does not represent an available resource.
- *Inventory* – represents nonspendable inventory in the Road Machinery Fund.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

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

- *Restricted for capital projects* – represents funds to be used for construction, reconstruction and or acquisition of capital improvements and equipment.
- *Restricted for debt service* – represents unspent debt proceed funds to be used towards future debt service requirements.
- *Restricted for miscellaneous purposes* – represents funds required to be used for the following purposes:

STOP DWI program	131,521
District attorney	13,886
Bed tax	72,024
Other	44,648
	\$ 288,465

Committed – represents amounts that are subject to a purpose constraint imposed by a formal action of the County’s highest level of decision-making authority. As of December 31, 2019, the County had no committed fund balance.

Assigned – represents amounts that are constrained by the County’s intent to be used for the specified purposes noted below, but are neither restricted nor committed.

- *Assigned for subsequent years’ expenditures* – represents available fund balance being appropriated to meet expenditure requirements in the 2020 fiscal year.
- *Assigned for Encumbrances* – represent amounts related to unperformed contracts for goods and services.
- *Assigned for specific use* – represents fund balances within the General Fund and special revenue funds that are assigned for a specific purpose. The purpose of the special revenue fund’s assignments relates to each fund’s operations and represents amounts within funds that are not committed or restricted.

Unassigned – represents the residual classification of the General Fund’s surplus. Residual deficit amounts of other governmental funds would also be reported as unassigned.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

Detail of Fund Balances

As of December 31, 2019, governmental fund balances were classified as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<u>Nonspendable:</u>				
Inventory	\$ -	\$ -	\$ 119,120	\$ 119,120
Prepaid items	899,428	-	78,081	977,509
<u>Restricted:</u>				
Capital	17,312,861	-		17,312,861
Debt service	166,852	-		166,852
Miscellaneous	288,465	-		288,465
<u>Assigned:</u>				
Subsequent years' expenditures	1,800,035	-	511,518	2,311,553
Encumbrances -				
General government	270,671	-	-	270,671
Public safety	19,424	-	-	19,424
Economic assistance and opportunity	30,164	-	-	30,164
Sales tax	6,173,031	-	-	6,173,031
Mental health	853,778	-	-	853,778
Animal shelter	36,975	-	-	36,975
K-9 donations	44,074	-	-	44,074
County road	-	-	187,794	187,794
Road machinery	-	-	156,218	156,218
Special grant - job development	-	-	111,797	111,797
<u>Unassigned:</u>				
Capital Projects (deficit)	-	(67,784)	-	(67,784)
General Fund	15,165,065	-	-	15,165,065
 Total	 \$ <u>43,060,823</u>	 \$ <u>(67,784)</u>	 \$ <u>1,164,528</u>	 \$ <u>44,157,567</u>

I. INTERFUND ACTIVITY

Interfund receivables, payables and transfers as of and for the year ended December 31, 2019, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General	\$ 4,154,078	\$ 1,727,763	\$ 287,499	\$ 7,446,516
Capital projects	1,727,761	2,460,524	1,119,073	140,999
Nonmajor special revenue	2	81,057	5,213,403	-
Self insurance	-	-	145,677	100,000
Workers' compensation	-	-	458,363	16,500
Water	-	1,612,497	515,000	15,000
TASC	-	-	-	20,000
Total	\$ <u>5,881,841</u>	\$ <u>5,881,841</u>	\$ <u>7,739,015</u>	\$ <u>7,739,015</u>

To improve cash management, all County accounts are pooled into a consolidated bank account. The interfund receivables and payables arise due to a reclassification of negative pooled cash and are short term in nature and are typically repaid in less than one year.

Transfers among funds are provided for as part of the annual budget process. They facilitate annual contributions from the operating budget to other funds. They also include transfers to close out capital projects for excess cash remaining after the termination of the project.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4 – OPERATING LEASE AGREEMENTS

The County has entered into various operating leases in excess of \$100,000. The future minimum operating lease payments as of December 31, 2019 are as follows:

Year Ending December 31:	Mental Health	County Water	County	Total
	Building		Career Center	
2020	\$ 671,720	\$ 550,000	\$ 116,892	\$ 1,338,612
2021	687,712	550,000	116,892	1,354,604
2022	698,028	550,000	-	1,248,028
2023	708,498	550,000	-	1,258,498
2024	719,125	550,000	-	1,269,125
2025-2029	2,222,747	2,750,000	-	4,972,747
Total	\$ 5,707,830	\$ 5,500,000	\$ 233,784	\$ 11,441,614

NOTE 5 - CONTINGENCIES

A. COUNTY CONTINGENCIES

Litigation – The County is involved in litigation in the ordinary course of its operations. Various legal actions are pending against the County. The outcome of these matters is not presently determinable, but in the opinion of management, the ultimate liability will not have a material adverse effect on the financial condition or results of operation of the County.

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

B. GENESEE TOBACCO ASSET SECURITIZATION CORPORATION (TASC) CONTINGENCIES

During 2000, the TASC purchased the rights to receive TSRs (Tobacco Settlement Revenues) from the County of Genesee. There are a number of risks associated with receipts of such TSRs including, litigation affecting participating manufactures and possible bankruptcy as a result thereof, and future adjustments to the calculation of the TSRs. The TASC's financial existence is contingent upon receiving these TSRs from the tobacco manufacturers.

NOTE 6 - COMMITMENTS

County - MCWA Agreement:

The County has entered into an agreement with Monroe County Water Authority (MCWA) to pay a service fee in consideration for the water system and improvements made by MCWA. The service fee is directly related to the debt issued by MCWA for the improvements. The amounts due under this agreement will be funded from the fees charged to the water customers.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

The future obligations and the net present value of these payments as of December 31, 2019, were as follows:

Year Ending December 31:

2020	\$ 1,079,922
2021	1,083,461
2022	1,085,633
2023	1,087,698
2024	1,090,856
2025-2029	5,437,218
2030-2034	5,371,633
2035-2036	<u>2,168,523</u>
Total payments	18,404,944
Less: amount representing net interest and admin fees	<u>4,869,944</u>
Present value of payments	<u><u>\$ 13,535,000</u></u>

County – Construction Commitments:

The County has entered into agreements with vendors for various projects. Significant projects and the remaining commitments are presented below:

<u>Project Name:</u>	<u>Remaining Commitment as of 12/31/19</u>
Jail construction	\$ 3,119,280
Public safety communications tower	1,140,000
Building security upgrades	56,385
Airport projects	334,011
Bridge projects	129,535
Facilities projects	216,734
Water projects	<u>7,259,691</u>
Total significant construction commitments	<u><u>\$ 12,255,636</u></u>

NOTE 7 - RISK FINANCING

The workers' compensation plan maintains excess insurance, which insures against catastrophic claim losses for amounts over \$500,000, per occurrence, up to the limitations provided under the contract. The plan establishes reserve liabilities based on the estimated cost of individual claims incurred. Those estimates are determined based on many factors, one of the most significant being past experience. Since the reserve liability is an estimate it may not reflect the plan's ultimate liability.

The schedule below presents the changes in the County's estimated claims since December 31, 2017 for workers' compensation and major medical programs. The estimated claims for workers' compensation represent outstanding claim losses, including case reserves, the development of known claims and incurred but not reported claim liabilities. The calculation is based on the present value of future payouts. The estimated claims for major medical represent an amount based on prior experience with actual payments of claims. The estimated claims for the Major Medical is included in the accrued liabilities total in the Self Insurance Fund.

	<u>Workers' Compensation</u>	<u>Major Medical</u>
Estimated claims as of December 31, 2017	\$ 7,795,000	\$ 1,516,803
Claims incurred and adjustments during 2018	1,352,361	9,613,662
Payments made during 2018	<u>(1,361,361)</u>	<u>(9,538,472)</u>
Estimated claims as of December 31, 2018	7,786,000	1,591,993
Claims incurred and adjustments during 2019	926,577	12,835,855
Payments made during 2019	<u>(1,080,577)</u>	<u>(12,374,992)</u>
Estimated claims as of December 31, 2019	<u><u>\$ 7,632,000</u></u>	<u><u>\$ 2,052,856</u></u>

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8 – RELATED PARTY TRANSACTIONS

In August 2014, the Board of Directors of the Genesee Community College Foundation, Inc. (the Foundation) approved a \$3,000,000 commitment in support of the college’s capital initiative plans. This commitment is being paid over twenty quarterly payments of \$150,000. The following are the agreed payments from the Foundation to the County:

<u>Year ending December 31:</u>	
2020	\$ 150,000
Total payments	\$ <u>150,000</u>

NOTE 9 – LABOR CONTRACTS

The County’s employees operate under four collective bargaining units and all of the contracts are settled through December 31, 2019.

NOTE 10 – TAX ABATEMENTS

The Genesee Industrial Economic Development Agency d/b/a Genesee County Economic Development Corporation (the Agency), created by Chapter 565 of the Laws of 1970 of the State of New York pursuant to Title I of Article 18-A of General Municipal Law of the State of New York (collectively “the Act”), has sixty-nine real property tax abatement agreements with various businesses in the County under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act for the purpose of economic development in the County.

Generally, these agreements provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on the requirements noted in said individual agreements. Should the property owner not comply with the policies and laws as set forth in each agreement, the PILOT will discontinue as outlined in each agreement.

As a result of these tax abatement agreements, for the year ended December 31, 2019, the County’s total tax revenues were reduced by \$1,096,719.

Copies of the agreements may be obtained from the County Treasurer, County Building #1, 15 Main Street, Batavia, NY 14020.

NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2019, the County implemented GASB Statement No. 84, *Fiduciary Funds*. The implementation of Statement No. 84 resulted in the reporting of a net position in the Fiduciary Fund statements related to the Custodial Funds.

	Custodial Funds
	<hr/>
Net position - beginning, as previously stated	\$ -
GASB Statement No. 84 implementation	402,667
Net position - beginning, as restated	\$ <u>402,667</u>

NOTE 12 – SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The County’s management has assessed these events and the impact of these restrictions and closures related to the County’s operations. As of the date of these financial statements and as these events continue to unfold management believes there will be an impact related to sales and mortgage tax, as well as potential reductions in State aid, that the County will receive in 2020. Management believes that these revenues will be lower in 2020 than anticipated in the adopted 2020 budget. Management has assessed the financial condition and the potential impact on revenues and has determined that the County has assets and fund balances to absorb this potential decrease in revenues for 2020. The County has also taken steps to help to mitigate the financial impact of COVID-19 by placing a number of employees on an unpaid furlough, instituting a hiring freeze, and by reevaluating the voluntary revenue distributions to the local towns and villages, amongst other things.

Management has also assessed the coronavirus pandemic as it relates to Genesee Community College. The College has shifted to the use of virtual learning for the end of the Spring semester as well as for the Summer semester. The College has indicated that they hope to be able to return to in-person teaching for the Fall semester with appropriate social distancing measures in place. The College’s proposed 2020-21 budget has been reduced by approximately 8%, due in part to the College anticipating an approximate 30% reduction in State aid. The College has informed the County of a number of cost saving measures that will be implemented including instituting freezes on travel, training, and hiring of adjunct professors, deferral of non-critical capital projects and other equipment purchases, instituting a pay freeze for 2020-21, and by cutting a number of positions. The College has also indicated that tuition will be increased for the 2020-21 school year.

In November 2018, the County Legislature authorized a request for the Monroe County Water Authority to issue bonds not to exceed \$20,000,000 for phase two of the Countywide water program. This debt was issued in April 2020 with a par amount of \$17,405,000 to be repaid by the County over the next thirty years. The first principal payment will be due in the 2021 fiscal year.

Management has evaluated subsequent events through July 6, 2020, which is the date the financial statements are available for issuance, and have determined, with exception to the events noted in the above paragraphs, that there are no subsequent events that require disclosure under generally accepted accounting principles.

REQUIRED SUPPLEMENTARY INFORMATION

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**COUNTY OF GENESEE, NEW YORK
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS ***

<u>Total OPEB Liability</u>	Year Ended December 31,	
	<u>2018</u>	<u>2019</u>
Service cost	\$ 20,231	\$ 25,688
Interest	21,186	26,922
Changes of benefit terms	-	-
Differences between expected and actual experience	192,090	-
Changes of assumptions or other inputs	53,326	(33,329)
Benefit payments	<u>(55,904)</u>	<u>(84,390)</u>
Net change in total OPEB liability	230,929	(65,109)
Total OPEB liability - beginning	<u>568,189</u>	<u>799,118</u>
Total OPEB liability - ending	<u>\$ 799,118</u>	<u>\$ 734,009</u>
Covered-employee payroll	\$ 26,432,017	\$ 26,686,029
Total OPEB liability as a percentage of covered-employee payroll	3.0%	2.8%

* This Schedule is intended to show information for ten years. Additional years will be included as they become available.

COUNTY OF GENESEE, NEW YORK
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Year Ended December 31,					
	2014	2015	2016	2017	2018	2019
<u>Employees' Retirement System</u>						
Measurement date	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
County's proportion of the net pension liability	0.1254780%	0.1254780%	0.1248693%	0.1245932%	0.1207253%	0.1084528%
County's proportionate share of the net pension liability	\$ <u>5,670,178</u>	\$ <u>4,238,956</u>	\$ <u>20,041,862</u>	\$ <u>11,707,050</u>	\$ <u>3,896,342</u>	\$ <u>7,684,207</u>
County's covered payroll	\$ 26,930,419	\$ 27,048,403	\$ 28,343,915	\$ 28,759,832	\$ 24,712,163	\$ 25,352,736
County's proportionate share of the net pension liability as a percentage of its covered payroll	21.1%	15.7%	70.7%	40.7%	15.8%	30.3%
Plan fiduciary net position as a percentage of the total pension liability	97.2%	97.9%	90.7%	94.7%	98.2%	96.3%

* Pension schedules in the Required Supplementary Information are intended to show information for ten years, additional years' information will be displayed as it becomes available.

COUNTY OF GENESEE, NEW YORK
SCHEDULE OF THE COUNTY'S PENSION CONTRIBUTIONS – EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Year Ended December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Employees' Retirement System</u>										
Contractually required contribution	\$ 3,631,507	\$ 4,635,545	\$ 5,362,190	\$ 6,007,667	\$ 5,547,616	\$ 4,899,802	\$ 4,663,488	\$ 4,080,538	\$ 3,940,249	\$ 4,519,878
Contributions in relation to the contractually required contribution	<u>3,631,507</u>	<u>4,635,545</u>	<u>5,362,190</u>	<u>6,007,667</u>	<u>5,547,616</u>	<u>4,899,802</u>	<u>4,663,488</u>	<u>4,080,538</u>	<u>3,940,249</u>	<u>4,519,878</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	**	**	**	**	**	**	**	\$ 24,633,222	\$ 25,214,633	\$ 26,171,323
Contributions as a percentage of covered payroll	**	**	**	**	**	**	**	16.6%	15.6%	17.3%

** Information was not available.

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

**COUNTY OF GENESEE, NEW YORK
 BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Real property taxes	\$ 30,292,091	30,292,091	\$ 30,244,364	\$ (47,727)
Real property tax items	762,062	812,062	976,611	164,549
Non-property tax items	41,300,109	41,836,851	43,460,674	1,623,823
Departmental income	8,437,114	8,452,098	8,152,251	(299,847)
Intergovernmental charges	1,440,098	1,481,361	1,471,745	(9,616)
Use of money and property	1,012,868	1,012,868	1,736,466	723,598
Licenses and permits	34,000	34,000	25,167	(8,833)
Fines and forfeitures	133,000	136,017	160,968	24,951
Sale of property and compensation for loss	108,125	120,774	156,213	35,439
Miscellaneous local sources	440,419	456,358	211,041	(245,317)
Interfund revenues	769,037	794,118	761,162	(32,956)
State sources	17,936,709	18,362,635	13,117,715	(5,244,920)
Federal sources	9,466,235	9,606,325	7,636,921	(1,969,404)
	<u>112,131,867</u>	<u>113,397,558</u>	<u>108,111,298</u>	<u>(5,286,260)</u>
EXPENDITURES				
Current:				
General government	34,708,450	34,585,149	32,565,033	2,020,116
Education	5,664,739	5,839,779	5,812,660	27,119
Public safety	18,214,707	18,521,774	17,314,289	1,207,485
Health	12,203,004	12,222,773	10,196,717	2,026,056
Transportation	1,018,353	1,018,353	812,337	206,016
Economic assistance and opportunity	31,610,279	31,800,738	27,597,642	4,203,096
Culture and recreation	1,151,193	1,194,444	1,077,140	117,304
Home and community services	965,472	967,647	943,236	24,411
Debt service:				
Principal	1,680,000	1,680,000	1,680,000	-
Interest	523,394	523,394	523,394	-
	<u>107,739,591</u>	<u>108,354,051</u>	<u>98,522,448</u>	<u>9,831,603</u>
Excess of revenues over expenditures	4,392,276	5,043,507	9,588,850	4,545,343
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	105,000	125,000	287,499	162,499
Interfund transfers out	(6,321,695)	(16,175,049)	(7,446,516)	8,728,533
	<u>(6,216,695)</u>	<u>(16,050,049)</u>	<u>(7,159,017)</u>	<u>8,891,032</u>
Net change in fund balance **	(1,824,419)	(11,006,542)	2,429,833	13,436,375
Fund balance - beginning	40,630,990	40,630,990	40,630,990	-
Fund balance - ending	<u>\$ 38,806,571</u>	<u>\$ 29,624,448</u>	<u>\$ 43,060,823</u>	<u>\$ 13,436,375</u>

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

**COUNTY OF GENESEE, NEW YORK
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

NOTE 1 - BUDGETARY INFORMATION

BUDGETARY BASIS OF ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. The Capital Projects Fund is appropriated on a project-length basis. Other special revenue funds 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, function and department. The County's Budget Officer/County Manager may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the County Legislature. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related 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. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

NOTE 2 – RETIREMENT SYSTEM PENSION

A. BASIS OF PRESENTATION

The Schedule of the County's Proportionate Share of the Net Pension Liability and the Schedule of the County's Pension Contributions are both presented with the County's allocation of the New York State Local Retirement System information, excluding the portion attributed to GCC.

B. FACTORS AFFECTING TRENDS IN THE RETIREMENT SYSTEM PENSION

The County's proportionate share of the net pension liability of the pension system is significantly dependent on the performance of the stock market and the funds that the retirement system invests in. In addition to this factor, the discount factor as of the measurement date has varied from 7.5% to 7.0% over the past four years.

NOTE 3 – FACTORS AFFECTING TRENDS IN RETIREE HEALTH PLAN (OPEB)

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period which is used in the calculation of the OPEB liability. The discount rate in effect at the measurement date is as follows:

<u>Year ended December 31:</u>	<u>Discount Rate</u>	<u>Salary Scale</u>	<u>Inflation Rate</u>	<u>Ultimate Healthcare Cost Trend Rate</u>
2019	4.10 %	3.00 %	2.20 %	6.75 %
2018	3.44	3.00	2.20	6.75

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FEDERAL FINANCIAL ASSISTANCE

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**COUNTY OF GENESEE, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Agriculture</u>				
<i>Passed through New York State Office of Temporary Disability Assistance:</i>				
<i>SNAP Cluster</i>				
Administrative Matching Grant for the Supplemental Nutrition Assistance Program	10.561	18-LCM-19; OTDA 18-LCM-05; OTDA 19-LCM-04; NYSFRM, Vol. 1-3	\$ -	\$ 568,999
<i>Total SNAP Cluster</i>			-	568,999
<i>Total U.S. Department of Agriculture</i>			-	568,999
<u>U.S. Department of Justice</u>				
<i>Passed through Bureau of Justice Assistance:</i>				
State Criminal Alien Assistance Program	16.606	2020-AP-BX-0934	-	930
<i>Total U.S. Department of Justice</i>			-	930
<u>U.S. Department of Labor</u>				
<i>Passed through Livingston County:</i>				
Trade Adjustment Assistance	17.245	PY2019-2	-	13,505
<i>WIOA Cluster</i>				
WIA/WIOA - Adult Program	17.258	550863; PY2019-2	-	124,429
WIA/WIOA - Youth Activities	17.259	550863; PY2019-2	-	157,810
WIA/WIOA - Dislocated Worker Formula Grants	17.278	PY2019-2	-	122,400
<i>Total WIOA Cluster</i>			-	404,639
<i>Total U.S. Department of Labor</i>			-	418,144
<u>U.S. Department of Transportation</u>				
<i>Direct program:</i>				
Airport Improvement Program	20.106	N/A	-	1,719,741
<i>Passed through New York State Department of Transportation:</i>				
<i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction	20.205	PIN3314960; PIN4BNY24; PIN4BNY27; PIN4BNY22; PIN4BNY25; D035541; D036079; D035540; D035988	-	2,227,217
<i>Total Highway Planning and Construction Cluster</i>			-	2,227,217
<i>Highway Safety Cluster</i>				
National Priority Safety Programs - NYS STOP DWI Program 10/1/18-9/30/19	20.616	HS1-2019; HS1-2020	-	14,363
<i>Passed through New York State Governor's Traffic Safety Committee:</i>				
State and Community Highway Safety - Rural Traffic Enforcement Initiative - 10/1/18-9/30/19	20.600	T006342	-	22,505
State and Community Highway Safety - Rural Traffic Enforcement Initiative - 10/1/19-9/30/20	20.600	T006521	-	1,669
National Priority Safety Programs - Child Passenger Safety Program 10/1/17-9/30/18	20.616	00185-(019)	-	110
<i>Total Highway Safety Cluster</i>			-	38,647
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	T837786	-	5,172
<i>Total U.S. Department of Transportation</i>			-	3,990,777

See notes to schedule of expenditures of federal awards.

**COUNTY OF GENESEE, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)**

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
<u>Environmental Protection Agency</u>				
<i>Passed through New York State Department of Health:</i>				
State Indoor Radon Grants	66.032	T-30728GG	-	2,824
<i>Total Environmental Protection Agency</i>			-	2,824
<u>U.S. Department of Education</u>				
<i>Passed through New York State Department of Health:</i>				
Special Education - Grants for Infants and Families	84.181	C-31634GG	-	27,769
<i>Total U.S. Department of Education</i>			-	27,769
<u>U.S. Department of Health and Human Services</u>				
<i>Passed through New York State Department of Health:</i>				
Public Health Emergency Preparedness	93.069	1607-13	5,303	29,246
Guardianship Assistance	93.090	NYSFRM, Vol 1-3	-	256
NIAAA, NIDA and NIMH Small Instrumentation Program Grants	93.176	6161-01	85	6,291
Immunization Cooperative Agreements	93.268	C32518GG	-	33,479
Child Abuse and Neglect State Grants	93.669	18-OCFS-LCM-19	12,825	12,825
Maternal and Child Health Services Block Grant	93.994	C30894GG	-	41,278
Maternal and Child Health Services Block Grant	93.994	C32662GG	-	5,094
<i>Total Maternal and Child Health Services Block Grant</i>			-	46,372
Children's Health Insurance Program	93.767	NYSFRM, Vol. 1-3	-	55,498
<u>Medicaid Cluster</u>				
Medical Assistance Program	93.778	NYSFRM, Vol. 1-3	48,631	875,104
Medical Assistance Program	93.778	A4490	-	257,974
<i>Total Medicaid Cluster</i>			48,631	1,133,078
<i>Passed through New York State Department of Social Services:</i>				
<u>TANF Cluster</u>				
Temporary Assistance for Needy Families	93.558	NYSFRM, Vol. 1-3; OTDA 18-ADM-04; OTDA 19-ADM-06	-	1,302,222
Temporary Assistance for Needy Families	93.558	NYSFRM, Vol. 1-3;	-	772,020
Temporary Assistance for Needy Families	93.558	18-OCFS-LCM-13; 19-OCFS-LCM-22	24,992	24,992
Temporary Assistance for Needy Families	93.558	NYSFRM, Vol. 1-3	-	8,209
Temporary Assistance for Needy Families	93.558	NYSFRM, Vol. 1-3	-	31,868
Temporary Assistance for Needy Families	93.558	OTDA 12-LCM-11	-	650
<i>Total TANF Cluster</i>			24,992	2,139,961
<u>CCDF Cluster</u>				
Child Care and Development Block Grant	93.575	18-OCFS-LCM-16; 19-OCFS-LCM-19	-	640,087
Child Care and Development Block Grant	93.596	18-OCFS-LCM-16; 19-OCFS-LCM-19	-	49,337
<i>CCDF Cluster Total</i>			-	689,424

See notes to schedule of expenditures of federal awards.

**COUNTY OF GENESEE, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)**

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
Child Support Enforcement	93.563	NYSFRM, Vol. 1-3 OTDA 18-LCM-; OTDA 19-LCM-01; OTDA 20-	-	275,008
Low-Income Home Energy Assistance	93.568	LCM-02	-	60,329
Foster Care-Title IV-E	93.658	NYSFRM, Vol. 1-3	-	911,710
Adoption Assistance	93.659	NYSFRM, Vol. 1-3	-	299,422
Social Services Block Grant	93.667	NYSFRM, Vol. 1-3; 18-OCFS-LCM-08; 19-	-	547,780
Chafee Foster Care Independence Program	93.674	OCFS-LCM-16 18-OCFS-LCM-07; 19-OCFS-LCM-08	-	25,857
<i>Passed through New York State Office of Mental Health and the Office of Alcoholism and Substance Abuse Services:</i>				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	A4488; A4490	430,528	430,528
<i>Passed through New York State Office for the Aging:</i>				
Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	93.043	1000004328	-	3,393
National Family Caregiver Support, Title III, Part E	93.052	1000004328	-	33,742
<i>Aging Cluster</i>				
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	1000004328	-	68,535
Special Programs for the Aging-Title III, Part C-1 -Nutrition Services	93.045	1000004328	-	63,289
Special Programs for the Aging-Title III, Part C-2 Nutrition Services	93.045	1000004328	-	51,540
Nutrition Services Incentive Program	93.053	1000004328	-	22,057
<i>Total Aging Cluster</i>			-	205,421
Medicare Improvements for Patients and Providers Act - Aging and Disability Resource Center Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations - 18/19	93.071	1000004328	-	13,376
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations - 19/20	93.779	1000004328	-	11,924
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements - 7/1/18-6/30/19	93.074	1067.12	8,867	25,496
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements - Opioid Crisis Funding 9/1/18-8/31/19	93.074	1067.12	26,126	21,470
<i>Total Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Program</i>			34,993	46,966
Food and Drug Administration Research	93.103	G-T-1810-06222; G-SP-1709-05349; G-MP- 1810-06652; G-SP-1810-06653	-	18,964
<i>Total U.S. Department of Health and Human Services</i>			557,357	7,054,325
<u>Corporation for National and Community Service</u>				
<i>Direct Program:</i>				
Retired and Senior Volunteer Program	94.002	N/A	-	45,885
<i>Total Corporation for National and Community Service</i>			-	45,885

See notes to schedule of expenditures of federal awards.

**COUNTY OF GENESEE, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)**

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
U.S. Department of Homeland Security				
<i>Passed through New York State Division of Homeland Security and Management Services:</i>				
Homeland Security Grant Program	97.067	C837789	-	3,720
Homeland Security Grant Program	97.067	C837779	-	118,344
Homeland Security Grant Program	97.067	C151069	-	17,912
Homeland Security Grant Program	97.067	C970780	-	32,856
Homeland Security Grant Program	97.067	C970770	-	12,112
Homeland Security Grant Program	97.067	C970760	-	2,918
Homeland Security Grant Program	97.067	T180133	-	3,227
Homeland Security Grant Program	97.067	T970772	-	16,315
Homeland Security Grant Program	97.067	T970762	-	14,586
<i>Total Homeland Security Grant Program</i>			-	221,990
Emergency Management Performance Grant	97.042	T970775	-	21,423
Emergency Management Performance Grant	97.042	T897795	-	6,048
<i>Total Emergency Management Performance Grant Program</i>			-	27,471
Pre-Disaster Mitigation	97.047	C000787	-	20,520
<i>Total U.S. Department of Homeland Security</i>			-	269,981
Total Expenditures of Federal Awards			\$ 557,357	\$ 12,379,634

See notes to schedule of expenditures of federal awards.

COUNTY OF GENESEE, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of the federal financial assistance programs administered by the County of Genesee, New York (the County), an entity as defined in Note 1 to the County's basic financial statements and does not include the Genesee Community College and the Genesee County Economic Development Center. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal awards received directly from federal agencies, as well as, federal awards passed through from other government agencies are included in the schedule. Because the Schedule presents only a selected portion of the operations of the County, it is not intended and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2 - BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The amounts reported as federal expenditures were obtained from the County's financial reporting system, which is the source of the County's basic financial statements.

NOTE 3 – INDIRECT COST

The County has elected not to use the 10-percent de minimis indirect cost rate allowable under the Uniform Guidance.

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INTERNAL CONTROL AND COMPLIANCE

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the County Legislature
County of Genesee, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Genesee, New York (the County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 6, 2020. Our report includes a reference to other auditors who audited the financial statements of Genesee Community College, Genesee County Economic Development Center and Genesee Tobacco Asset Securitization Corporation (TASC), as described in our report on the County's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Freed Maxick CPAs, P.C.

Batavia, New York

July 6, 2020



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

The Honorable Members of County Legislature
County of Genesee

Report on Compliance for Each Major Federal Program

We have audited the County of Genesee, New York's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Freed Maxick CPAs, P.C.

Batavia, New York
July 6, 2020

**COUNTY OF GENESEE, NEW YORK
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2019**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to the financial statements noted?

 Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction Cluster
93.658	Foster Care-Title IV-E

Dollar threshold used to distinguish between Type A and Type programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes No

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings noted for the fiscal year ended December 31, 2019.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs noted for the fiscal year ended December 31, 2019.

**COUNTY OF GENESEE, NEW YORK
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

I. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings noted for the year ended December 31, 2018.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs noted for the year ended December 31, 2018.

**NEW YORK STATE TRANSPORTATION
ASSISTANCE EXPENDED**

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**REPORT ON COMPLIANCE FOR NEW YORK STATE TRANSPORTATION ASSISTANCE
EXPENDED AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH DRAFT PART 43 OF NYCRR**

INDEPENDENT AUDITOR'S REPORT

The Honorable Members of County Legislature
County of Genesee, New York

Report On Compliance For Each Major State Transportation Assistance Program

We have audited the County of Genesee, New York's, (the County) compliance with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on the major state transportation assistance program tested for the year ended December 31, 2019. The County's program tested is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for New York State Transportation Assistance Expended.

Management's Responsibility

Management is responsible for compliance with requirements of laws, regulations, contracts and grants applicable to its major state transportation assistance program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major state transportation assistance programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the preliminary Draft Part 43 of NYCRR. Those standards and regulations require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state transportation assistance programs tested has occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major State Transportation Assistance Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state transportation assistance programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state transportation assistance program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state transportation assistance program and to test and report on the internal control over compliance in accordance with the preliminary Draft Part 43 of NYCRR, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the preliminary Draft Part 43 of NYCRR. Accordingly, this report is not suitable for any other purpose.

Freed Maxick CPAs, P.C.

Batavia, New York
July 6, 2020

**COUNTY OF GENESEE, NEW YORK
 SCHEDULE OF NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED
 FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>Grantor/Program Title</u>	<u>NYS DOT Contract/ Reference Number</u>	<u>NYS DOT Expenditures</u>
Consolidated Local Street and Highway Improvement Program (CHIPS) Aid	410000	\$ 1,597,686
PAVE-NY	410000	427,856
Extreme Winter Recovery (EWR)	410000	242,184
Marchiselli Aid – Bridge Project	D036224; D035860; D035988; D025895	384,740
Airport Improvement Program	3-36-0006-35-15; 3-36-006-37-16 3-36-0006-38-16; 3-36-0006-39-17 3-36-0006-40-17; 3-36-0006-40-18 3-36-0006-40-19; 4902.05	<u>200,470</u>
Total New York State Transportation Assistance Expended		\$ <u>2,852,936</u>

**COUNTY OF GENESEE, NEW YORK
NOTES TO THE SCHEDULE OF NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of New York State Transportation Assistance Expended (the Schedule) by the County of Genesee, New York (the County) an entity as defined in Note 1 to the County's basic financial statements, presents the activity of all financial assistance programs provided by the New York State Department of Transportation.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting.

**COUNTY OF GENESEE, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR
THE NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 2019**

I. SUMMARY OF AUDITOR'S RESULTS

Internal control over New York State Transportation Assistance Expended:

- Material weaknesse(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Type of auditor's report issued on compliance for NYSDOT program(s) tested: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Draft Part 43 of NYCRR? Yes X No

Identification of New York Statement Transportation Assistance program(s) tested:

Name of Federal Program or Cluster:

Consolidated Local Street and Highway Improvement Program (CHIPs)

II. NEW YORK STATE TRANSPORTATION ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no New York State Transportation Assistance findings or questioned costs noted for the year ended December 31, 2019.