

**COUNTY OF GENESEE,
NEW YORK**

*Basic Financial Statements, Required Supplementary
Information, Supplementary Information and Federal Awards
Information for the Year Ended
December 31, 2023 and Independent Auditors' Reports*

COUNTY OF GENESEE, NEW YORK
Table of Contents
Year Ended December 31, 2023

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet—Governmental Funds	17
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position.....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds.....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds to the Government-wide Statement of Activities....	20
Statement of Net Position—Proprietary Funds.....	21
Statement of Revenues, Expenses, and Changes in Net Position— Proprietary Funds	22
Statement of Cash Flows—Proprietary Funds.....	23
Statement of Fiduciary Net Position—Fiduciary Fund.....	25
Statement of Changes in Fiduciary Net Position—Fiduciary Fund.....	26
Combining Statement of Net Position—Discretely Presented Component Units	27
Combining Statement of Activities—Discretely Presented Component Units.....	28
Notes to the Financial Statements	29
Required Supplementary Information:	
Schedule of the Local Government's Proportionate Share of the Net Pension Liability/ (Asset)—Teachers' Retirement System.....	69

(continued)

COUNTY OF GENESEE, NEW YORK
Table of Contents
Year Ended December 31, 2023

	(concluded)
	<u>Page</u>
Schedule of the Local Government’s Contributions—Teachers’ Retirement System	70
Schedule of the Local Government’s Proportionate Share of the Net Pension Liability/ (Asset)—Employees’ Retirement System	71
Schedule of the Local Government’s Contributions—Employees’ Retirement System.....	72
Schedule of Changes in the County’s Total OPEB Liability and Related Ratios	73
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—General Fund.....	76
Notes to the Required Supplementary Information.....	77
Supplementary Information:	
Combining Balance Sheet—Nonmajor Governmental Funds.....	78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds	79
Federal Awards Information:	
Schedule of Expenditures of Federal Awards	80
Notes to the Schedule of Expenditures of Federal Awards	83
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	84
Independent Auditors’ Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance	86
Schedule of Findings and Questioned Costs	89
Summary Schedule of Prior Year Audit Findings and Corrective Action Plan	90

DRESCHER & MALECKI LLP

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



INDEPENDENT AUDITORS' REPORT

Honorable County Legislature
County of Genesee, New York:

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited 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, 2023 (with the Genesee Community College for the fiscal year ended August 31, 2023), and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Unmodified Opinions on the Governmental Activities, Business-type Activities, Major Funds, and Aggregate Remaining Fund Information

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2023, 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.

Qualified Opinion on the Aggregate Discretely Presented Component Units

In our opinion, based on the reports of other auditors, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinion on the Aggregate Discretely Presented Component Units section, the accompanying financial statements present fairly, in all material respects, the financial position of the discretely presented component units for the County, as of December 31, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Genesee County Tobacco Asset Securitization Corporation ("GTASC"), which represents 4.7 percent of the assets and 7.2 percent of the revenues of the business-type activities. We did not audit the financial statements of the Genesee Community College (the "College") or the Genesee County Economic Development Center ("GCEDC"), which represent 70.1 percent and 29.0 percent, respectively, of the assets, and 82.0 percent and 15.3 percent, respectively, of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for GTASC, GCEDC and GCC is based solely on the reports of such other auditors.

Basis for Qualified and Unmodified Opinions

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

Matters Giving Rise to Qualified Opinion on the Aggregate Discretely Presented Component Units

The financial statements of the Genesee County Soil and Water Conservation District (“SWCD”) have not been audited, and we were not engaged to audit the SWCD’s financial statements as part of our audit of the County’s basic financial statements. SWCD’s financial activities are included in the County’s basic financial statements as a discretely presented component unit and represent 0.9 percent and 2.7 percent of the assets and revenues, respectively, of the County’s aggregate discretely presented component units.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The Supplementary Information, as listed in the table of contents, and 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* (“Uniform Guidance”), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, and 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* (“Uniform Guidance”) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards 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 *Governmental Auditing Standards*, we have also issued our report dated May 8, 2024 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.

Drescher & Malecki LLP

May 8, 2024

COUNTY OF GENESEE, NEW YORK
Management's Discussion and Analysis
Year Ended December 31, 2023

As management of the County of Genesee, New York (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative. For comparative purposes, certain data from the prior year has been reclassified to conform with the current year presentation.

Financial Highlights

- The assets and deferred outflows of resources of the County's primary government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$212,300,489 (*net position*). This consists of \$148,277,941 net investment in capital assets, \$11,771,825 restricted for specific purposes, and unrestricted net position of \$63,887,498.
- The County's primary government total net position increased \$17,600,437 during the year ended December 31, 2023. Governmental activities increased the County's net position by \$16,540,060, and business-type activities increased net position by \$1,060,377.
- At the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$108,031,333, a decrease of \$21,829,851 in comparison with the prior year's fund balance of \$129,861,184 largely due to an increase in capital outlay.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$22,245,020, or 16.8 percent of total General Fund expenditures and transfers out. This amount constitutes approximately 26.4 percent of the General Fund's total fund balance of \$84,286,701 at December 31, 2023.
- The County's primary government serial bonds, excluding its blended component units, decreased by \$2,315,000 during the current year due to scheduled principal payments.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government support, education, public safety, health, transportation, economic assistance and opportunity, culture and recreation, and home and community services. The County reports the operations of the Genesee County Tobacco Asset Securitization Corporation ("GTASC"), workers' compensation, and water as business-type activities.

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 ("GTASC") as a blended component unit of the County's business-type activities. The County also includes Genesee Community College (the "College") Genesee County Economic Development Center ("GCEDC"), and the Genesee County Soil and Water Conservation District ("SWCD") as discretely presented component units.

The government-wide financial statements can be found on pages 15-16 of this report.

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

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

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

The County maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General and Capital Projects Funds, which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor funds is provided in the form of the combining statements in the Supplementary Information section of this report.

The basic governmental fund financial statements can be found on pages 17-20 of this report.

Proprietary funds—The County maintains two different types 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 the operations of GTASC, workers' compensation and water. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for the operation of the health self-insurance programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund is presented in the proprietary fund financial statements.

The proprietary fund financial statements can be found on pages 21-24 of this report.

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

The fiduciary fund financial statements can be found on pages 25-26 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-68 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County's net pension liability/(asset), the changes in the County's other postemployment benefits ("OPEB") obligation, and the County's budgetary comparison for the General Fund. Required supplementary information and the related notes to the required supplementary information can be found on pages 69-77 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Required Supplementary Information section in the Supplementary Information section of this report on pages 78-79.

Finally, the Federal Awards Information presents the County's Schedule of Expenditures of Federal Awards and can be found on pages 80-90 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the County's primary government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$212,300,487 at the close of the most recent fiscal year, as compared to \$194,700,052, at the close of the fiscal year ended December 31, 2022.

Table 1—Condensed Statements of Net Position—Primary Government

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2023	2022 (as adjusted)	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 140,485,482	\$ 162,918,948	\$ 24,518,542	\$ 24,720,587	\$ 165,004,024	\$ 187,639,535
Noncurrent assets	207,075,574	176,186,048	5,448,848	4,759,040	212,524,422	180,945,088
Total assets	347,561,056	339,104,996	29,967,390	29,479,627	377,528,446	368,584,623
Deferred outflows of resources	19,873,294	21,113,781	51,245	35,507	19,924,539	21,149,288
Liabilities:						
Current liabilities	24,678,563	25,183,406	1,370,396	1,280,974	26,048,959	26,464,380
Noncurrent liabilities	116,283,395	92,517,077	37,290,123	37,882,388	153,573,518	130,399,465
Total liabilities	140,961,958	117,700,483	38,660,519	39,163,362	179,622,477	156,863,845
Deferred inflows of resources	5,520,612	38,106,574	9,407	63,440	5,530,019	38,170,014
Net position:						
Net investment in capital assets	146,690,217	134,660,334	1,587,724	1,820,964	148,277,941	136,481,298
Restricted	10,374,065	13,633,150	1,397,760	1,378,943	11,771,825	15,012,093
Unrestricted	63,887,498	56,118,236	(11,636,775)	(12,911,575)	52,250,723	43,206,661
Total net position	\$ 220,951,780	\$ 204,411,720	\$ (8,651,291)	\$ (9,711,668)	\$ 212,300,489	\$ 194,700,052

The largest positive portion, \$148,277,947, of the County's primary government net position reflects its net investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), net of accumulated depreciation, less any debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$11,771,825, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining balance of the County's net position, \$52,250,723, represents unrestricted net position and may be used to meet the County's ongoing operations.

Table 2, presented on the following page shows the changes in net position for the years ended December 31, 2023 and December 31, 2022.

Table 2—Condensed Statements of Changes in Net Position—Primary Government

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues	\$ 63,896,220	\$ 64,256,460	\$ 8,343,719	\$ 8,219,165	\$ 72,239,939	\$ 72,475,625
General revenues	<u>101,058,880</u>	<u>90,977,805</u>	<u>5,623,925</u>	<u>7,679,077</u>	<u>106,682,805</u>	<u>98,656,882</u>
Total revenues	<u>164,955,100</u>	<u>155,234,265</u>	<u>13,967,644</u>	<u>15,898,242</u>	<u>178,922,744</u>	<u>171,132,507</u>
Program expenses	<u>148,415,040</u>	<u>130,803,041</u>	<u>12,907,267</u>	<u>12,744,313</u>	<u>161,322,307</u>	<u>143,547,354</u>
Change in net position	16,540,060	24,431,224	1,060,377	3,153,929	17,600,437	27,585,153
Net position—beginning	<u>204,411,720</u>	<u>179,980,496</u>	<u>(9,711,668)</u>	<u>(12,865,597)</u>	<u>194,700,052</u>	<u>167,114,899</u>
Net position—ending	<u>\$ 220,951,780</u>	<u>\$ 204,411,720</u>	<u>\$ (8,651,291)</u>	<u>\$ (9,711,668)</u>	<u>\$ 212,300,489</u>	<u>\$ 194,700,052</u>

Governmental activities—Governmental activities increased the County’s net position by \$16,540,060. A summary of revenues for governmental activities for the years ended December 31, 2023 and December 31, 2022 is presented below in Table 3.

Table 3—Summary of Sources of Revenues—Governmental Activities

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent (%)
Charges for services	\$ 24,271,003	\$ 23,601,901	\$ 669,102	2.8
Operating grants and contributions	30,858,728	27,263,768	3,594,960	13.2
Capital grants and contributions	8,766,489	13,390,791	(4,624,302)	(34.5)
Property taxes and tax items	33,287,228	32,585,979	701,249	2.2
Non-property tax items	57,181,078	55,642,584	1,538,494	2.8
Use of money and property	6,630,922	2,432,735	4,198,187	172.6
Sale of property and compensation for loss	1,098,503	1,304,795	(206,292)	(15.8)
Miscellaneous	3,886,647	2,873,263	1,013,384	35.3
Transfers	<u>(1,025,498)</u>	<u>(3,861,551)</u>	<u>2,836,053</u>	<u>(73.4)</u>
Total revenues	<u>\$ 164,955,100</u>	<u>\$ 155,234,265</u>	<u>\$ 9,720,835</u>	<u>6.3</u>

The most significant source of revenues for governmental activities during the year ended December 31, 2023 were non-property tax items, which account for \$57,181,078, or 34.7 percent of total revenues. The next largest significant sources of revenue include property taxes and tax items, which comprise \$33,287,228, or 20.2 percent of total revenues, and operating grants and contributions, which comprise \$30,858,728, or 18.7 percent of total revenues. Similarly, for the year ended December 31, 2022 the most significant sources of revenue were non-property tax items, which account for \$55,642,584, or 35.8 percent of total revenues. The next largest significant sources of revenue include property taxes and tax items, which comprise \$32,585,979, or 21.0 percent of total revenues, and operating grants and contributions, which comprise \$27,263,768, or 17.6 percent of total revenue.

During the year ended December 31, 2023, total revenues increased by \$9,720,835. Non-property tax items accounted for a \$4,198,184 increase, resulting primarily from a significant increase in sales tax revenue.

A summary of program expenses of governmental activities for the years ended December 31, 2023 and December 31, 2022 is presented below.

Table 4—Summary of Program Expenses—Governmental Activities

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent (%)
General government support	\$ 44,937,236	\$ 43,927,507	\$ 1,009,729	2.3
Education	9,795,555	8,256,004	1,539,551	18.6
Public safety	21,473,977	18,960,309	2,513,668	13.3
Health	17,431,011	12,918,586	4,512,425	34.9
Transportation	12,741,006	12,512,179	228,827	1.8
Economic assistance and opportunity	36,035,814	29,828,898	6,206,916	20.8
Culture and recreation	1,349,750	995,597	354,153	35.6
Home and community services	1,535,717	1,583,811	(48,094)	(3.0)
Interest and fiscal charges	3,114,974	1,820,150	1,294,824	71.1
Total program expenses	<u>\$ 148,415,040</u>	<u>\$ 130,803,041</u>	<u>\$ 17,611,999</u>	13.5

The County’s most significant expense category for governmental activities during the year ended December 31, 2023 was general government support of \$44,937,236, or 30.3 percent of program expenses. The next largest significant expenses include economic assistance and opportunity of \$36,035,814, or 24.3 percent of program expenses, and public safety expenses of \$21,473,977, or 14.5 percent of total expenses. Similarly, for the year ended December 31, 2022 the most significant expense category was general government support of \$43,927,506, or 33.6 percent of program expenses. The other significant expenses include economic assistance and opportunity of \$29,828,898, or 22.8 percent of program expenses, and public safety expenses of \$18,960,309, or 14.5 percent of total expenses.

During the year ended December 31, 2023, total expenses increased 13.5 percent. Economic assistance and opportunity accounted for a \$6,206,916 increase, resulting primarily from a significant increase in employee benefits allocated to economic assistance and opportunity.

Business-type activities—For the County’s business-type activities, the results for the current fiscal year were positive in that overall net position increased by \$1,060,377 to reach an ending balance of \$(8,651,291). The total increase in net position for business-type activities was due in large part to an increase of revenues and transfers in within the Water Fund.

Financial Analysis of County Funds

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

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

At December 31, 2023, the County’s governmental funds reported combined ending fund balances of \$108,031,333, a decrease of \$21,829,851 from the prior year. Approximately 20.6 percent of this amount, \$22,245,020 constitutes *unassigned fund balance*, which may be available for spending per the County’s fund balance policy. The remainder of fund balance is either *nonspendable*, *restricted* or *assigned* to indicate that it is: (1) not in spendable form, \$1,167,246, (2) restricted for particular purposes, \$32,608,876, or (3) assigned for particular purposes, \$52,010,191.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$22,245,020, while total fund balance increased to \$84,286,701. As a measure of the General Fund’s liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to the total General Fund expenditures and transfers out. Unassigned fund balance represents approximately 16.8 percent of the total General Fund expenditures and transfers out, while total fund balance represents approximately 63.7 percent of that same amount.

The fund balance in the Capital Projects Fund decreased \$30,587,383 from the prior year due primarily to an increase in capital outlay. The ending fund balance in the Capital Projects Fund is \$22,234,811, which is entirely restricted for capital projects.

Proprietary funds—The County’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of the enterprise fund have already been addressed in the aforementioned discussion of the County’s business-type activities.

The Internal Service Fund is used to account for the County’s health care costs program. Total net position at the end of the fiscal year was \$7,964,395. This represents an increase in total net position of \$2,044,928 from the prior year, due primarily to increases in the self-insurance charges for services and lower than anticipated contractual expenses.

General Fund Budgetary Highlights

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

A summary of the General Fund results of operations for the year ended December 31, 2023 is presented in Table 6 below:

Table 6—Summary of General Fund Results of Operations

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 123,016,686	\$ 137,978,687	\$ 141,103,036	\$ 3,124,349
Expenditures and other financing uses	125,936,896	144,505,881	132,400,409	12,105,472
Excess (deficiency) of revenues over expenditures and other financing uses	<u>\$ (2,920,210)</u>	<u>\$ (6,527,194)</u>	<u>\$ 8,702,627</u>	<u>\$ 15,229,821</u>

Original budget compared to final budget—During the year, the budget is modified, primarily to reflect the acceptance of new state and federal grants. These grants, along with an amendment for non-property taxes, explain the majority of increases in appropriations and revenues from the original adopted budget to the final budget.

Final budget compared to actual results—The General Fund had a favorable variance from final budgetary appropriations of \$15,229,821. The largest positive variances were realized in general government support, primarily due to lower than anticipated contractual service costs related to ARPA projects, and nonproperty tax items, specifically sales tax for the current year.

Capital Assets and Debt Administration

Capital assets—The County’s investment in capital assets for its governmental and business-type activities as of December 31, 2023 amounts to \$212,524,422 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, infrastructure, machinery and equipment, intangible lease assets, and subscription assets. All depreciable/amortizable capital assets were depreciated/amortized from acquisition date to the end of the current year, as outlined in the County’s capital asset policy.

Capital assets net of depreciation/amortization for the governmental activities and business-type activities at December 31, 2023 and December 31, 2022 are presented in Table 7 below.

Table 7—Summary of Capital Assets (Net of Accumulated Depreciation/Amortization)

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2023	2022 (as adjusted)	2023	2022	2023	2022 (as adjusted)
Land	\$ 2,594,013	\$ 2,594,013	\$ -	\$ -	\$ 2,594,013	\$ 2,594,013
Construction in progress	58,815,067	27,224,442	1,404,929	875,715	60,219,996	28,100,157
Buildings	56,546,867	54,775,768	-	-	56,546,867	54,775,768
Infrastructure	73,127,835	66,405,488	1,562,655	945,250	74,690,490	67,350,738
Machinery and equipment	4,230,526	4,479,276	-	-	4,230,526	4,479,276
Right-to-use lease asset - buildings	5,993,712	6,575,775	2,481,264	2,871,215	8,474,976	9,446,990
Right-to-use lease asset - machinery and equipment	1,260,499	440,356	-	-	1,260,499	440,356
Subscription assets	277,016	94,908	-	-	277,016	94,908
Other capital assets	4,230,039	3,932,472	-	-	4,230,039	3,932,472
Total	\$ 207,075,574	\$ 166,522,498	\$ 5,448,848	\$ 4,692,180	\$ 212,524,422	\$ 171,214,678

The County’s infrastructure assets are recorded at historical cost in the government-wide and proprietary fund financial statements. The County has elected to depreciate its infrastructure assets. Additional information on County’s capital assets can be found in Note 5 of this report.

Long-term debt—The County currently has approximately \$107 million in total bonded debt for functions of the primary government and blended component unit. This includes serial bonds and bonds with accreted interest issued by the Genesee Tobacco Asset Securitization Corporation (the “GTASC”).

The GTASC is considered a blended component unit of the County and its long-term debt is included within the noncurrent liabilities of the business-type activities of the County. The long-term debt of GTASC at December 31, 2023 is \$13,969,376. GTASC was created by the County in 2000 for the purpose of issuing bonds backed by the County’s interests in the national tobacco Master Settlement Agreement (“MSA”) in

exchange for the County’s future rights to a portion of this revenue stream. The County was entitled to the proceeds of this sale as compensation.

A summary of the County’s long-term liabilities at December 31, 2023 and December 31, 2022 is presented in Table 8 below.

Table 8—Summary of Long-Term Liabilities

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2023	2022 (as adjusted)	2023	2022	2023	2022 (as adjusted)
Serial bonds	\$ 79,845,000	\$ 82,160,000	\$ 5,745,000	\$ 6,200,000	\$ 85,590,000	\$ 88,360,000
Unamortized premiums - County	298,282	347,228	-	-	298,282	347,228
GTASC bonds	-	-	10,655,000	10,955,000	10,655,000	10,955,000
GTASC Subordinate turbo CABs	-	-	11,806,143	10,999,696	11,806,143	10,999,696
Compensated absences	1,659,589	2,187,124	-	-	1,659,589	2,187,124
Workers' compensation	-	-	6,530,000	6,805,000	6,530,000	6,805,000
Other postemployment benefits	646,279	711,687	1,865	1,726	648,144	713,413
Lease liability	7,254,211	7,016,130	2,481,264	2,920,966	9,735,475	9,937,096
Subscription liability	277,016	94,908	-	-	277,016	94,908
Installment purchase agreements	180,063	-	-	-	180,063	-
Net pension liability	26,122,955	-	70,851	-	26,193,806	-
Total	\$ 116,283,395	\$ 92,517,077	\$ 37,290,123	\$ 37,882,388	\$ 153,573,518	\$ 130,399,465

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

Economic Factors

- On June 1, 2021, the County received \$5,562,985 from the Federal government, half of the County’s allocated funds from the American Rescue Plan Act (ARPA). On June 9, 2022, the County received \$5,562,985 from the Federal government, the second half of the County’s allocated funds from the American Rescue Plan Act (ARPA). The County has allocated \$7,926,492 for water infrastructure, \$2,000,000 for broadband internet expansion, \$548,675 for workforce retention, \$157,927 for cybersecurity, \$150,000 for job training, and \$10,000 for consulting services.
- 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 were held flat in 2024, however it is likely that future increases will be necessary. The County approved new collective bargaining agreements with CSEA and the Deputy Sheriff’s Association (DSA) that begin in 2024. The CSEA agreement includes raises of 5% plus \$1 per hour in 2024, 4% in 2025, and 3% in 2026. The DSA agreement includes raises of 7.5% in 2024, 5% in 2025, and 3% in 2026. The agreement with the Sheriff’s Employee Association (SEA) has been approved through 2025, it includes a raise of 3% per year for the remainder of the agreement. The agreement with AFSCME has been approved through 2026, it includes a raises of 3% per year for the remainder of the contract.
- The 2024 equalized County tax rate is \$8.08 per thousand which is a decrease of \$0.37 per thousand compared to the 2023 tax rate. The County did not override the tax cap with the 2024 budget.

- The County's last bond rating with Standard & Poor's in 2022 maintained a favorable AA- bond rating with a stable outlook. This rating reflects well on the financial standing of the County.
- New York State employer retirement rates for the County increased by an average of approximately 19% in 2024.
- Sales tax revenue received from New York State increased by approximately 2.7% from 2022 to 2023. The County finalized a forty-year sales tax agreement with the City of Batavia that began in 2020. The City of Batavia is now receiving a capped minimum percentage of 14% of the sales tax revenue received. In 2021, the agreement was amended to include the towns and villages within the county. The towns and villages cumulatively received \$10 million in sales tax revenue in 2023 and will receive \$10 million each year for the remainder of the agreement. Due to unanticipated revenue growth in 2023 the County made an additional voluntary distribution to the towns, villages, and city which totaled \$1 million.
- The County's ability to raise property tax revenues is limited by the State's 2% property tax cap. The County can override the tax cap if needed by adoption of a local law. The County has remained below the property tax cap in 2023 and 2024.
- The State has mandated that the County needs to replace its existing jail facilities. Pursuant to a bed needs analysis study, the County is in the process of building a new 184 bed facility in accordance with New York State Commission of Correction guidelines. In 2022, the County issued \$70 million in bonds to pay for this project. The additional sales tax revenue retained by the County through the amended 40 year sales tax agreement with the City of Batavia will provide funding for the debt payments for these bonds. Construction commenced in 2022 and the main facility was completed in March 2024 and is to be dedicated in May 2024. There is additional work to still be completed at the facility for a backup 911 call center.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Genesee County Treasurer's Office, 15 Main Street, Batavia, New York 14020.

BASIC FINANCIAL STATEMENTS

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

COUNTY OF GENESEE, NEW YORK
Statement of Net Position
December 31, 2023

	Primary Government			Aggregate
	Governmental Activities	Business-type Activities	Total	Discretely Presented Component Units
ASSETS				
Cash and cash equivalents	\$ 7,975,735	\$ 999,670	\$ 8,975,405	\$ 32,624,511
Restricted cash and cash equivalents	1,068,297	43,764	1,112,061	645,890
Investments	68,578,625	18,648,075	87,226,700	23,114,796
Restricted investments	40,804,577	-	40,804,577	-
Receivables:				
Property taxes, net	3,381,027	-	3,381,027	-
Accounts receivable	1,436,112	-	1,436,112	7,637,675
Grants receivable	-	-	-	78,079
Lease receivable	2,063,908	-	2,063,908	-
Notes receivable	-	-	-	136,168
Interest receivable	-	-	-	51,255
Intergovernmental receivables	14,009,955	1,995,161	16,005,116	20,131
Due from component unit	-	2,825,000	2,825,000	-
Inventory	131,459	-	131,459	-
Prepaid items	1,035,787	6,872	1,042,659	913,033
Other assets	-	-	-	985,177
Capital assets not being depreciated/amortized	61,409,080	1,404,929	62,814,009	24,143,667
Capital assets, net of accumulated depreciation/amortization	<u>145,666,494</u>	<u>4,043,919</u>	<u>149,710,413</u>	<u>58,305,839</u>
Total assets	<u>347,561,056</u>	<u>29,967,390</u>	<u>377,528,446</u>	<u>148,656,221</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows—relating to pensions	19,724,137	50,815	19,774,952	6,450,750
Deferred outflows—relating to OPEB	<u>149,157</u>	<u>430</u>	<u>149,587</u>	<u>661,089</u>
Total deferred outflows of resources	<u>19,873,294</u>	<u>51,245</u>	<u>19,924,539</u>	<u>7,111,839</u>
LIABILITIES				
Accounts payable	11,450,257	1,081,834	12,532,091	2,319,139
Retainage payable	2,807,062	181,949	2,989,011	-
Accrued liabilities	886,724	106,613	993,337	63,268
Intergovernmental payables	2,190,851	-	2,190,851	506
Unearned revenue	5,337,988	-	5,337,988	13,762,216
Accrued and unpaid claim liabilities	2,005,681	-	2,005,681	-
Other liabilities	-	-	-	1,864,142
Mortgages payable	-	-	-	7,844,198
Noncurrent liabilities:				
Due within one year	4,043,184	3,690,095	7,733,279	3,649,197
Due in more than one year	<u>112,240,211</u>	<u>33,600,028</u>	<u>145,840,239</u>	<u>19,554,219</u>
Total liabilities	<u>140,961,958</u>	<u>38,660,519</u>	<u>179,622,477</u>	<u>49,056,885</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows—relating to pensions	3,272,676	8,876	3,281,552	971,738
Deferred inflows—relating to OPEB	184,028	531	184,559	588,011
Deferred inflows—relating to leases	2,063,908	-	2,063,908	-
Deferred inflows—relating to tuition assistance	-	-	-	515,982
Total deferred inflows of resources	<u>5,520,612</u>	<u>9,407</u>	<u>5,530,019</u>	<u>2,075,731</u>
NET POSITION				
Net investment in capital assets	146,690,217	1,587,724	148,277,941	45,108,388
Restricted for:				
Capital projects	8,460,423	-	8,460,423	-
Debt service	1,374,045	-	1,374,045	-
Miscellaneous	539,597	1,397,760	1,937,357	9,599,142
Unrestricted	<u>63,887,498</u>	<u>(11,636,775)</u>	<u>52,250,723</u>	<u>49,927,914</u>
Total net position	<u>\$ 220,951,780</u>	<u>\$ (8,651,291)</u>	<u>\$ 212,300,489</u>	<u>\$ 104,635,444</u>

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

COUNTY OF GENESEE, NEW YORK
Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position						Aggregate Discretely Presented Component Units
		Program Revenues			Primary Government			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government support	\$ 44,937,236	\$ 3,399,680	\$ 448,273	\$ 199,914	\$ (40,889,369)	\$ -	\$ (40,889,369)	\$ -
Education	9,795,555	-	-	-	(9,795,555)	-	(9,795,555)	-
Public safety	21,473,977	2,193,796	4,069,791	-	(15,210,390)	-	(15,210,390)	-
Health	17,431,011	11,850,039	1,969,487	-	(3,611,485)	-	(3,611,485)	-
Transportation	12,741,006	1,344,247	-	6,786,810	(4,609,949)	-	(4,609,949)	-
Economic assistance and opportunity	36,035,814	5,346,319	23,560,100	-	(7,129,395)	-	(7,129,395)	-
Culture and recreation	1,349,750	136,922	275,023	1,079,791	141,986	-	141,986	-
Home and community services	1,535,717	-	536,054	699,974	(299,689)	-	(299,689)	-
Interest and fiscal charges	3,114,974	-	-	-	(3,114,974)	-	(3,114,974)	-
Total governmental activities	<u>148,415,040</u>	<u>24,271,003</u>	<u>30,858,728</u>	<u>8,766,489</u>	<u>(84,518,820)</u>	<u>-</u>	<u>(84,518,820)</u>	<u>-</u>
Business-type activities:								
GTASC	1,419,066	-	-	-	-	(1,419,066)	(1,419,066)	-
Workers' compensation	1,465,129	502,799	-	-	-	(962,330)	(962,330)	-
Water	10,023,072	7,840,920	-	-	-	(2,182,152)	(2,182,152)	-
Total business-type activities	<u>12,907,267</u>	<u>8,343,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,563,548)</u>	<u>(4,563,548)</u>	<u>-</u>
Total primary government	<u>\$ 161,322,307</u>	<u>\$ 32,614,722</u>	<u>\$ 30,858,728</u>	<u>\$ 8,766,489</u>	<u>(84,518,820)</u>	<u>(4,563,548)</u>	<u>(89,082,368)</u>	<u>-</u>
Component units:								
Genesee Community College	\$ 46,340,787	\$ 7,967,448	\$ 34,200,739	\$ 2,603,000				\$ (1,569,600)
Genesee County Economic Development Center	3,170,705	1,714,074	3,525,500	-				2,068,869
Genesee County Soil and Water Conservation District	1,687,801	46,190	1,536,839	-				(104,772)
Total component units	<u>\$ 51,199,293</u>	<u>\$ 9,727,712</u>	<u>\$ 39,263,078</u>	<u>\$ 2,603,000</u>				<u>394,497</u>
General revenues:								
Real property taxes and tax items					33,287,228	-	33,287,228	-
Nonproperty tax items					57,181,078	-	57,181,078	-
Use of money and property					6,630,922	839,192	7,470,114	1,515,938
Sale of property and compensation for loss					1,098,503	-	1,098,503	-
Miscellaneous					3,886,647	2,885,031	6,771,678	7,523,987
Tobacco settlement revenue					-	874,204	874,204	-
Transfers					(1,025,498)	1,025,498	-	-
Total general revenues and transfers					<u>101,058,880</u>	<u>5,623,925</u>	<u>106,682,805</u>	<u>9,039,925</u>
Change in net position					16,540,060	1,060,377	17,600,437	9,434,422
Net position—beginning					204,411,720	(9,711,668)	194,700,052	95,201,022
Net position—ending					<u>\$ 220,951,780</u>	<u>\$ (8,651,291)</u>	<u>\$ 212,300,489</u>	<u>\$ 104,635,444</u>

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

COUNTY OF GENESEE, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 4,169,988	\$ -	\$ 1,247,541	\$ 5,417,529
Restricted cash and cash equivalents	-	1,067,520	777	1,068,297
Investments	60,629,602	-	-	60,629,602
Restricted investments	15,689,303	25,115,274	-	40,804,577
Property taxes receivable, net	3,381,027	-	-	3,381,027
Receivables	1,337,091	-	96,434	1,433,525
Intergovernmental receivables	11,716,580	2,133,185	160,190	14,009,955
Lease receivable	1,909,351	-	154,557	2,063,908
Due from other funds	4,195,400	-	115,081	4,310,481
Inventory	-	-	131,459	131,459
Prepaid items	947,565	-	88,222	1,035,787
Total assets	<u>\$ 103,975,907</u>	<u>\$ 28,315,979</u>	<u>\$ 1,994,261</u>	<u>\$ 134,286,147</u>
LIABILITIES				
Accounts payable	\$ 8,754,618	\$ 1,949,693	\$ 206,951	\$ 10,911,262
Accrued liabilities	149,973	-	37,002	186,975
Due to other funds	115,081	4,131,475	63,925	4,310,481
Intergovernmental payables	2,190,851	-	-	2,190,851
Unearned revenue	<u>5,315,238</u>	<u>-</u>	<u>22,005</u>	<u>5,337,243</u>
Total liabilities	<u>16,525,761</u>	<u>6,081,168</u>	<u>329,883</u>	<u>22,936,812</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue—relating to property taxes	1,254,094	-	-	1,254,094
Deferred inflows—relating to leases	<u>1,909,351</u>	<u>-</u>	<u>154,557</u>	<u>2,063,908</u>
Total deferred inflows of resources	<u>3,163,445</u>	<u>-</u>	<u>154,557</u>	<u>3,318,002</u>
FUND BALANCES				
Nonspendable	947,565	-	219,681	1,167,246
Restricted	10,374,065	22,234,811	-	32,608,876
Assigned	50,720,051	-	1,290,140	52,010,191
Unassigned	<u>22,245,020</u>	<u>-</u>	<u>-</u>	<u>22,245,020</u>
Total fund balances	<u>84,286,701</u>	<u>22,234,811</u>	<u>1,509,821</u>	<u>108,031,333</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 103,975,907</u>	<u>\$ 28,315,979</u>	<u>\$ 1,994,261</u>	<u>\$ 134,286,147</u>

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

COUNTY OF GENESEE, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
December 31, 2023

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

Total fund balances—governmental funds (page 17)	\$	108,031,333
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$296,394,527 and the accumulated depreciation/amortization is \$89,318,953.		207,075,574
Uncollected property taxes are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.		1,254,094
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows related to employer contributions	\$ 3,108,267	
Deferred outflows related to experience, changes of assumptions, investment earnings, and changes in proportion	16,615,870	
Deferred inflows of resources related to pensions	<u>(3,272,676)</u>	16,451,461
Deferred outflows and inflows of resources related to other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows related to OPEB	\$ 149,157	
Deferred inflows related to OPEB	<u>(184,028)</u>	(34,871)
Internal service funds are used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		7,964,395
Retained percentages are not a current liability and, therefore, are not reported in the funds.		(2,807,062)
Net accrued interest expense for serial bonds is not reported in the funds.		(699,749)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:		
Serial bonds	\$ (79,845,000)	
Premium on serial bonds	(298,282)	
Lease liability	(7,254,211)	
Installment purchase debt	(180,063)	
Subscription based IT arrangements	(277,016)	
Compensated absences	(1,659,589)	
OPEB obligation	(646,279)	
Net pension liability	<u>(26,122,955)</u>	<u>(116,283,395)</u>
Net position of governmental activities	\$	<u>220,951,780</u>

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

COUNTY OF GENESEE, NEW YORK
Statement of Revenues, Expenditures, and
Changes in Fund Balances—Governmental Funds
For the Year Ended December 31, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Real property taxes and tax items	\$ 32,996,180	\$ -	\$ -	\$ 32,996,180
Nonproperty tax items	57,181,078	-	-	57,181,078
Departmental income	8,021,583	-	190,558	8,212,141
Intergovernmental charges	1,934,610	-	161,284	2,095,894
Use of money and property	4,923,419	1,335,415	47,006	6,305,840
Licenses and permits	19,173	-	12,942	32,115
Fines and forfeitures	120,080	-	-	120,080
Sale of property and compensation for loss	1,603	-	1,096,900	1,098,503
Miscellaneous	693,870	-	2,101	695,971
Interfund revenues	1,336,995	-	1,249,856	2,586,851
State aid	19,222,496	5,758,607	118,901	25,100,004
Federal aid	12,111,560	1,928,091	485,562	14,525,213
Total revenues	<u>138,562,647</u>	<u>9,022,113</u>	<u>3,365,110</u>	<u>150,949,870</u>
EXPENDITURES				
Current:				
General government support	32,382,884	-	-	32,382,884
Education	6,447,198	-	-	6,447,198
Public safety	15,806,243	-	141,984	15,948,227
Health	12,427,855	-	-	12,427,855
Transportation	917,601	-	7,449,264	8,366,865
Economic assistance and opportunity	27,123,588	-	632,719	27,756,307
Culture and recreation	1,056,608	-	-	1,056,608
Home and community services	1,183,670	-	-	1,183,670
Employee benefits	12,095,160	-	1,238,656	13,333,816
Debt service:				
Principal	3,090,111	-	246,461	3,336,572
Interest and other fiscal charges	3,768,336	-	26,989	3,795,325
Capital outlay	-	45,801,824	-	45,801,824
Total expenditures	<u>116,299,254</u>	<u>45,801,824</u>	<u>9,736,073</u>	<u>171,837,151</u>
Excess (deficiency) of revenues over expenditures	<u>22,263,393</u>	<u>(36,779,711)</u>	<u>(6,370,963)</u>	<u>(20,887,281)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,433,170	7,545,498	6,187,359	15,166,027
Transfers out	(16,101,155)	(1,353,170)	-	(17,454,325)
Issuance of leases	1,107,219	-	238,509	1,345,728
Total other financing sources (uses)	<u>(13,560,766)</u>	<u>6,192,328</u>	<u>6,425,868</u>	<u>(942,570)</u>
Net change in fund balances	8,702,627	(30,587,383)	54,905	(21,829,851)
Fund balances—beginning	75,584,074	52,822,194	1,454,916	129,861,184
Fund balances—ending	<u>\$ 84,286,701</u>	<u>\$ 22,234,811</u>	<u>\$ 1,509,821</u>	<u>\$ 108,031,333</u>

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

COUNTY OF GENESEE, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances—Governmental Funds to the Government-wide Statement of Activities
For the Year Ended December 31, 2023

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

Net change in fund balances—total governmental funds (page 19)		\$ (21,829,851)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded the loss on disposal of assets and depreciation/amortization expense in the current period.</p>		
Capital asset additions	\$ 50,923,045	
Loss on disposal of assets	(3,709,845)	
Depreciation/amortization expense	<u>(6,660,124)</u>	40,553,076
<p>Governmental funds recognize real property taxes only if collected within 60 days after the end of the fiscal year; however, the government-wide statements recognize revenue on a full accrual basis.</p>		
		291,048
<p>Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:</p>		
County pension contributions	\$ 3,972,318	
Cost of benefits earned net of employee contributions	<u>(8,557,575)</u>	(4,585,257)
<p>Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. These amounts are shown net of current year amortization and are as follows:</p>		
Changes of assumptions	\$ (51,285)	
Differences between expected and actual experience	<u>(63,579)</u>	(114,864)
<p>Internal service funds are used by management to charge the costs of managing health insurance to individual funds. The net expense of certain activities of internal service funds is reported within the governmental activities.</p>		
		2,044,928
<p>Governmental funds report retained percentages expenditures on construction contracts when such a retained percentage is paid. However, in the statement of activities retained percentages on construction contracts is reported as an expense as it accrues.</p>		
		(2,807,062)
<p>In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.</p>		
		631,405
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:</p>		
Repayment of serial bonds	2,315,000	
Amortization of premium on serial bonds	48,946	
Issuance of leases	(1,071,546)	
Repayment of leases	833,465	
Issuance of installment purchase debt	(276,096)	
Repayment of installment purchase debt	96,033	
Issuance of subscription based IT arrangements	(274,182)	
Repayment of subscription based IT arrangements	92,074	
Change in compensated absences	527,535	
Change in OPEB obligation	<u>65,408</u>	<u>2,356,637</u>
Change in net position of governmental activities		<u>\$ 16,540,060</u>

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

COUNTY OF GENESEE, NEW YORK
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-type Activities				Governmental
	Genesee				Activities
	Tobacco Asset Securitization Corporation	Workers' Compensation	Water	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 419,481	\$ 351,407	\$ 228,782	\$ 999,670	\$ 2,558,206
Restricted cash and cash equivalents	43,764	-	-	43,764	-
Investments	929,855	9,027,237	8,690,983	18,648,075	7,949,023
Accounts receivable	-	-	-	-	2,587
Intergovernmental receivables	-	-	1,995,161	1,995,161	-
Due from component unit	-	-	315,000	315,000	-
Prepaid items	4,660	296	1,916	6,872	-
Total current assets	1,397,760	9,378,940	11,231,842	22,008,542	10,509,816
Noncurrent assets:					
Due from component unit	-	-	2,510,000	2,510,000	-
Capital assets, not being depreciated/amortized	-	-	1,404,929	1,404,929	-
Capital assets, net of accumulated depreciation/amortization	-	-	4,043,919	4,043,919	-
Total noncurrent assets	-	-	7,958,848	7,958,848	-
Total assets	1,397,760	9,378,940	19,190,690	29,967,390	10,509,816
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows—relating to pensions	-	-	50,815	50,815	-
Deferred outflows—relating to OPEB	-	-	430	430	-
Total deferred outflows of resources	-	-	51,245	51,245	-
LIABILITIES					
Current liabilities:					
Accounts payable	7,809	41,431	1,032,594	1,081,834	538,995
Retainage payable	-	-	181,949	181,949	-
Accrued interest payable	60,595	-	46,018	106,613	-
Unearned revenue	-	-	-	-	745
Accrued and unpaid claim liabilities	-	-	-	-	2,005,681
Total current liabilities	68,404	41,431	1,260,561	1,370,396	2,545,421
Noncurrent liabilities:					
Due within one year	300,000	2,462,539	927,556	3,690,095	-
Due in more than one year	22,161,143	4,067,461	7,371,424	33,600,028	-
Total noncurrent liabilities	22,461,143	6,530,000	8,298,980	37,290,123	-
Total liabilities	22,529,547	6,571,431	9,559,541	38,660,519	2,545,421
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows—relating to pensions	-	-	8,876	8,876	-
Deferred inflows—relating to OPEB	-	-	531	531	-
Total deferred inflows of resources	-	-	9,407	9,407	-
NET POSITION					
Net investment in capital assets	-	-	1,587,724	1,587,724	-
Restricted	1,397,760	-	-	1,397,760	-
Unrestricted	(22,529,547)	2,807,509	8,085,263	(11,636,775)	7,964,395
Total net position	\$ (21,131,787)	\$ 2,807,509	\$ 9,672,987	\$ (8,651,291)	\$ 7,964,395

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

COUNTY OF GENESEE, NEW YORK
Statement of Revenues, Expenses and Changes in Net Position—
Proprietary Funds
Year Ended December 31, 2023

	Business-type Activities				Governmental Activities
	Genesee Tobacco Asset Securitization Corporation	Workers' Compensation	Water	Total	Internal Service Funds
Operating revenues:					
Charges for services	\$ -	\$ 502,799	\$ 7,840,920	\$ 8,343,719	\$ 11,223,922
Tobacco settlement proceeds	874,204	-	-	874,204	-
Other operating revenue	-	293,414	2,591,617	2,885,031	3,190,676
Total operating revenues	<u>874,204</u>	<u>796,213</u>	<u>10,432,537</u>	<u>12,102,954</u>	<u>14,414,598</u>
Operating expenses:					
Salaries and employee benefits	-	78,614	-	78,614	-
Contractual expenses	23,983	1,386,515	9,293,767	10,704,265	13,957,552
Depreciation/amortization	-	-	466,039	466,039	-
Total operating expenses	<u>23,983</u>	<u>1,465,129</u>	<u>9,759,806</u>	<u>11,248,918</u>	<u>13,957,552</u>
Operating income (loss)	<u>850,221</u>	<u>(668,916)</u>	<u>672,731</u>	<u>854,036</u>	<u>457,046</u>
Nonoperating revenues (expenses):					
Interest income	60,904	346,847	431,441	839,192	325,082
Accretion and interest expense	(1,395,083)	-	(263,266)	(1,658,349)	-
Total nonoperating revenues (expenses)	<u>(1,334,179)</u>	<u>346,847</u>	<u>168,175</u>	<u>(819,157)</u>	<u>325,082</u>
Income (loss) before transfers	(483,958)	(322,069)	840,906	34,879	782,128
Transfers in	-	-	1,045,498	1,045,498	1,322,800
Transfers out	-	(20,000)	-	(20,000)	(60,000)
Change in net position	(483,958)	(342,069)	1,886,404	1,060,377	2,044,928
Net position—beginning	<u>(20,647,829)</u>	<u>3,149,578</u>	<u>7,786,583</u>	<u>(9,711,668)</u>	<u>5,919,467</u>
Net position—ending	<u>\$ (21,131,787)</u>	<u>\$ 2,807,509</u>	<u>\$ 9,672,987</u>	<u>\$ (8,651,291)</u>	<u>\$ 7,964,395</u>

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

COUNTY OF GENESEE, NEW YORK
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2023

	Business-type Activities				Governmental Activities
	Genesee Tobacco Asset Securization Corporation	Workers' Compensation	Water	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ -	\$ 502,799	\$ 8,036,541	\$ 8,539,340	\$ 11,630,244
Payments to suppliers	(30,405)	(1,353,741)	(9,230,007)	(10,614,153)	(13,816,591)
Payments to employees	-	(354,729)	14,796	(339,933)	235,260
Proceeds from tobacco receipts	874,204	-	-	874,204	-
Other operating revenue	-	293,414	2,591,617	2,885,031	3,189,937
Net cash provided by (used for) operating activities	<u>843,799</u>	<u>(912,257)</u>	<u>1,412,947</u>	<u>1,344,489</u>	<u>1,238,850</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating subsidies and transfers from (to) other funds	-	(21,003)	1,041,930	1,020,927	1,262,800
Repayment of component unit loans	-	-	305,000	305,000	-
Principal repayment of bonds payable	(300,000)	-	-	(300,000)	-
Interest payments on bonds payable	(588,636)	-	-	(588,636)	-
Net cash provided by (used for) noncapital financing activities	<u>(888,636)</u>	<u>(21,003)</u>	<u>1,346,930</u>	<u>437,291</u>	<u>1,262,800</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	-	-	(1,172,957)	(1,172,957)	-
Principal repayment of bonds payable	-	-	(455,000)	(455,000)	-
Interest payments on bonds payable	-	-	(263,266)	(263,266)	-
Principal repayment of leases	-	-	(439,702)	(439,702)	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(2,330,925)</u>	<u>(2,330,925)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	60,904	346,847	431,442	839,193	325,083
Net cash provided by investing activities	<u>60,904</u>	<u>346,847</u>	<u>431,442</u>	<u>839,193</u>	<u>325,083</u>
Net increase (decrease) in cash and cash equivalents	16,067	(586,413)	860,394	290,048	2,826,733
Cash, cash equivalents and investments—beginning	<u>1,377,033</u>	<u>9,965,057</u>	<u>8,059,371</u>	<u>19,401,461</u>	<u>7,680,496</u>
Cash, cash equivalents and investments—ending	<u>\$ 1,393,100</u>	<u>\$ 9,378,644</u>	<u>\$ 8,919,765</u>	<u>\$ 19,691,509</u>	<u>\$ 10,507,229</u>

(continued)

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

COUNTY OF GENESEE, NEW YORK
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2023

(concluded)

	<u>Business-type Activities</u>				<u>Governmental</u>
	<u>Genesee Tobacco Asset Securitization Corporation</u>	<u>Workers' Compensation</u>	<u>Water</u>	<u>Total</u>	<u>Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 850,221	\$ (668,916)	\$ 672,731	\$ 854,036	\$ 457,046
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization	-	-	466,039	466,039	-
Decrease in accounts receivable	-	-	-	-	406,322
(Increase) in due from other governments	-	-	195,621	195,621	-
(Increase) in prepaids and other current assets	(2,750)	(296)	(912)	(3,958)	-
Decrease in net pension asset	-	-	17,110	17,110	-
(Increase) in deferred outflows	-	-	(15,738)	(15,738)	-
Increase (decrease) in accounts payable	2,317	32,774	51,646	86,737	140,961
Increase in retainage payable	-	-	12,309	12,309	-
Increase (decrease) in accrued liabilities	(5,989)	-	(2,816)	(8,805)	-
(Decrease) in accrued and unpaid claim liabilities	-	(275,819)	-	(275,819)	235,260
(Decrease) in unearned revenues	-	-	-	-	(739)
Increase in deferred inflows	-	-	(54,033)	(54,033)	-
Increase in OPEB liability	-	-	139	139	-
Increase in net pension liability	-	-	70,851	70,851	-
Total adjustments	<u>(6,422)</u>	<u>(243,341)</u>	<u>740,216</u>	<u>490,453</u>	<u>781,804</u>
Net cash provided by (used for) operating activities	<u>\$ 843,799</u>	<u>\$ (912,257)</u>	<u>\$ 1,412,947</u>	<u>\$ 1,344,489</u>	<u>\$ 1,238,850</u>

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

COUNTY OF GENESEE, NEW YORK
Statement of Fiduciary Net Position—Fiduciary Fund
December 31, 2023

	Custodial Fund
ASSETS	
Restricted cash and cash equivalents	\$ 343,221
Total assets	<u>343,221</u>
NET POSITION	
Restricted for:	
Individuals	<u>343,221</u>
Total net position	<u>\$ 343,221</u>

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

COUNTY OF GENESEE, NEW YORK
Statement of Changes in Fiduciary Net Position—Fiduciary Fund
Year Ended December 31, 2023

	Custodial Fund
ADDITIONS	
Bail deposits received	\$ 77,668
Interest earned	14
Social services receipts for individuals	1,477,029
Total additions	1,554,711
 DEDUCTIONS	
Payments of bail deposits	52,874
Social services disbursements to individuals	1,471,235
Total deductions	1,524,109
Change in fiduciary net position	30,602
Net position—beginning	312,619
Net position—ending	\$ 343,221

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

COUNTY OF GENESEE, NEW YORK
Combining Statement of Net Position
Discretely Presented Component Units
December 31, 2023

	Genesee Community College (August 31, 2023)	Genesee County Economic Development Center	Genesee County Soil and Water Conservation District (unaudited)	Aggregate Discretely Presented Component Units
ASSETS				
Cash and cash equivalents	\$ 13,683,552	\$ 18,554,182	\$ 386,777	\$ 32,624,511
Restricted cash and cash equivalents	-	-	645,890	645,890
Investments	23,114,796	-	-	23,114,796
Receivables (net of allowance for uncollectibles):				
Accounts receivable	7,566,242	71,433	-	7,637,675
Grants receivable	-	78,079	-	78,079
Loans receivable	-	136,168	-	136,168
Interest receivable	-	51,255	-	51,255
Intergovernmental receivables	-	-	20,131	20,131
Prepaid items	860,033	46,848	6,152	913,033
Other assets	713,692	2,832	268,653	985,177
Capital assets, net of accumulated depreciation/amortization	58,271,989	33,850	-	58,305,839
Land held for development and sale	-	24,143,667	-	24,143,667
Total assets	<u>104,210,304</u>	<u>43,118,314</u>	<u>1,327,603</u>	<u>148,656,221</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows—relating to pensions	6,058,177	392,573	-	6,450,750
Deferred outflows—relating to OPEB	661,089	-	-	661,089
Total deferred outflows of resources	<u>6,719,266</u>	<u>392,573</u>	<u>-</u>	<u>7,111,839</u>
LIABILITIES				
Accounts payable	1,826,083	466,773	26,283	2,319,139
Accrued liabilities	28,409	34,859	-	63,268
Intergovernmental payables	-	-	506	506
Unearned revenue	7,470,876	6,291,340	-	13,762,216
Other liabilities	1,845,637	18,505	-	1,864,142
Mortgages payable	7,844,198	-	-	7,844,198
Noncurrent liabilities:				
Due within one year	3,321,890	327,307	-	3,649,197
Due in more than one year	11,330,080	8,224,139	-	19,554,219
Total liabilities	<u>33,667,173</u>	<u>15,362,923</u>	<u>26,789</u>	<u>49,056,885</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows—relating to pensions	931,211	40,527	-	971,738
Deferred inflows—relating to OPEB	588,011	-	-	588,011
Deferred inflows—relating to tuition assistance	515,982	-	-	515,982
Total deferred inflows of resources	<u>2,035,204</u>	<u>40,527</u>	<u>-</u>	<u>2,075,731</u>
NET POSITION				
Net investment in capital assets	45,106,969	1,419	-	45,108,388
Restricted	8,375,710	577,542	645,890	9,599,142
Unrestricted	21,744,514	27,528,476	654,924	49,927,914
Total net position	<u>\$ 75,227,193</u>	<u>\$ 28,107,437</u>	<u>\$ 1,300,814</u>	<u>\$ 104,635,444</u>

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

COUNTY OF GENESEE, NEW YORK
Combining Statement of Activities
Discretely Presented Component Units
Year Ended December 31, 2023

	<u>Genesee Community College (August 31, 2023)</u>	<u>Genesee County Economic Development Center</u>	<u>Genesee County Soil and Water Conservation District (unaudited)</u>	<u>Aggregate Discretely Presented Component Units</u>
OPERATING REVENUES				
Tuition and fees, net	\$ 6,981,447	\$ -	\$ -	\$ 6,981,447
State and federal grants and contracts	4,021,907	-	1,362,988	5,384,895
Nongovernmental grants and contracts	472,726	2,966,987	-	3,439,713
Auxiliary enterprises	986,001	-	-	986,001
Genesee County	-	258,513	173,851	432,364
Economic development program support	-	300,000	-	300,000
Charges for services	-	1,714,074	46,190	1,760,264
Interest income on loans	-	2,169	-	2,169
Rent income	-	25,599	-	25,599
Gain on sale of land held for redevelopment and sale	-	3,729,667	-	3,729,667
Other revenues	<u>3,753,542</u>	<u>5,765</u>	<u>4,461</u>	<u>3,763,768</u>
Total operating revenues	<u>16,215,623</u>	<u>9,002,774</u>	<u>1,587,490</u>	<u>26,805,887</u>
OPERATING EXPENSES				
Salaries and benefits	-	1,073,137	315,736	1,388,873
Site development	-	1,106,810	-	1,106,810
Educational and general expenditures	34,179,271	-	-	34,179,271
Financial aid and scholarships	2,381,390	-	-	2,381,390
Operating and maintenance	5,526,370	20,849	-	5,547,219
Depreciation/amortization	3,060,519	24,919	-	3,085,438
General and administrative	-	944,990	1,372,065	2,317,055
Auxiliary expenses	<u>1,172,688</u>	<u>-</u>	<u>-</u>	<u>1,172,688</u>
Total operating expenses	<u>46,320,238</u>	<u>3,170,705</u>	<u>1,687,801</u>	<u>51,178,744</u>
NONOPERATING REVENUES (EXPENSES)				
County appropriations	12,381,887	-	-	12,381,887
Federal and state nonoperating grants	7,743,720	-	-	7,743,720
State appropriations	9,580,499	-	-	9,580,499
Investment income (loss)	1,194,448	286,928	32,393	1,513,769
Loss on sale of capital assets	(20,549)	-	4,953	(15,596)
Capital contributions	<u>2,603,000</u>	<u>-</u>	<u>-</u>	<u>2,603,000</u>
Total general revenues (expenses)	<u>33,483,005</u>	<u>286,928</u>	<u>37,346</u>	<u>33,807,279</u>
Change in net position	3,378,390	6,118,997	(62,965)	9,434,422
Net position—beginning	<u>71,848,803</u>	<u>21,988,440</u>	<u>1,363,779</u>	<u>95,201,022</u>
Net position—ending	<u>\$ 75,227,193</u>	<u>\$ 28,107,437</u>	<u>\$ 1,300,814</u>	<u>\$ 104,635,444</u>

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

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

COUNTY OF GENESEE, NEW YORK
Notes to the Financial Statements
Year Ended December 31, 2023

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 as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

Description of Government-wide Financial Statements

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

Reporting Entity

The County was established in 1802 and is governed by County Law and other general laws of the State of New York and various local laws. The County Legislature is responsible for overall operations of the County, consists of nine members. The Chair of the Legislature serves as the Chief Executive Officer and the County Treasurer serves as chief fiscal officer.

Independently elected officials of the County include:

County Treasurer	District Attorney
County Legislators (9)	Sheriff
County Clerk	Coroner’s (4)

The County provides the following principle services: general government support, education, public safety, public health, transportation, highway construction and maintenance, economic assistance and opportunity, culture and recreation, and home and community service.

The County’s financial statements include those entities for which the County has clear oversight responsibility. This responsibility is determined through a review of such factors as the selecting of governing boards, financial interdependency and the ability to influence management and operations on a continuing basis. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. 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 government.

Discretely Presented Component Units—The component unit columns in the government-wide financial statements include the financial data of the County’s aggregate discretely presented component units. The combining statements of discretely presented component units present the major component units in separate columns and the nonmajor component units aggregated into a single column. These statements are presented separately from the financial data of the primary government to emphasize that they are legally separate from the County.

Genesee County Economic Development Center—The Genesee County Economic Development Center (“GCEDC”) was established by the Genesee County Legislature to facilitate economic development in Genesee County. The Board of Legislature appoints the directors of the GCEDC and accountability for fiscal matters. The GCEDC financial statements have been prepared on an accrual method of accounting in conformity with 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 considered a component unit of the County and is discretely presented. The Center’s annual financial report can be obtained by contacting the Center’s Director’s Office, 99 Med Tech Drive, Suite 106, Batavia, New York 14020.

Genesee Community College—The Genesee Community College (the “College”) was established under Article 126 of the Education Act of the State of New York under the sponsorship of Genesee County. The College is a locally sponsored, two-year community college founded in 1966 and is part of a statewide system of two-year institutions designed to provide technical, para-professional, and university parallel education. The College is one of thirty community colleges within the State University of New York (“SUNY”). SUNY community colleges are financed primarily by student tuition, New York State, and a local government sponsor. The College’s annual financial report can be obtained by contacting Genesee Community College, One College Road, Batavia, New York 14020.

The College’s 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

The financial statements of the College include three discretely presented component units; the Genesee Community College Association, Inc., Genesee Community College Foundation, Inc., and the Genesee Community College Foundation Housing Services, Inc.

Genesee County Soil and Water Conservation District—The Genesee County Soil and Water Conservation District (“SWCD”) was established under provisions of Article 3, Section 30, of the General Municipal Law. The SWCD is a nonprofit organization set up to coordinate state and federal conservation programs on a local level. The SWCD provides education and technical assistance on managing soil, water and related natural resources to municipalities, farmers, business owners and homeowners. The Soil and Water Conservation District is considered a component unit of the County and is discretely presented. The SWCD financial statements are not audited.

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

Genesee Tobacco Asset Securitization Corporation—Genesee Tobacco Asset Securitization Corporation (“GTASC”) was incorporated on October 11, 2000 for the purpose of issuing Asset Backed Bonds in order to provide funds to purchase from the County all of the County’s right, title and interest under Master Settlement Agreement (the “MSA”) and the Consent Decree and Final Judgment (the “Decree”) as described herein.

The MSA was entered into on November 23, 1998, among the Attorneys General of 46 states (including New York), the District of Columbia, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa and the Territory of the Northern Marianas and for the four largest United States tobacco manufacturers: Philip Morris Incorporated, R.J. Reynolds Tobacco Company, Brown and Williamson Tobacco Company and Lorillard Tobacco Company (collectively the “Original Participating Manufacturers” or “OPMs”) in settlement of certain smoking-related litigation and the Decree entered in New York Supreme Court, including the County’s right to receive initial and annual payments to be made by the OPMs under the MSA.

The GTASC is a special purpose local development corporation organized under the Not-for-Profit Corporation Law of the State of New York and is an instrumentality of the County. Management determined that GTASC meets the criteria of a blended component unit as defined by GASB. Accordingly, the financial statements of GTASC are included in the County’s financial statements and reported as a proprietary fund. Complete financial statements for GTASC may be obtained at Genesee Tobacco Asset Securitization Corporation, 29 Liberty Street, Suite 3, Batavia, New York 14020.

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

Oak Orchard Small 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. Separate financial data for this joint venture has been excluded from the financial statements, consistent with GASB.

A summary of the financial information from the joint venture’s annual financial report update document for the year ended December 31, 2023 is as follows:

Assets	<u>\$ 86,965</u>
Liabilities	<u>\$ 103</u>
Fund balance	<u>\$ 86,862</u>
Total revenues	<u>\$ 58,446</u>
Total expenditures	<u>\$ 129,409</u>

GLOW Region Solid Waste Management Committee—The County is a participant in the GLOW Region Solid Waste Management Committee (the “Committee”). The 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.

A summary of the financial information from the joint venture’s annual financial report update document for the year ended December 31, 2023 is as shown as follows:

Assets	<u>\$353,033</u>
Liabilities	<u>\$ 22,549</u>
Fund balance	<u>\$330,484</u>
Total revenues	<u>\$145,545</u>
Total expenditures	<u>\$163,087</u>

Basis of Presentation—Government-wide Financial Statements

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

As discussed earlier, the County has three discretely presented component units, Genesee County Economic Development Center, Genesee Community College, and Genesee County Soil and Water Conservation District. They are presented in separate columns in the Combining Statement of Net Position—Major Component Units and the Combining Statement of Activities—Major Component Units, and are aggregated in a single column in the government-wide Statement of Net Position and the Statement of Activities.

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

Basis of Presentation—Fund Financial Statements

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

The County reports the following major governmental funds:

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

The County reports the following major proprietary funds:

- *GTASC Fund*—The GTASC Fund accounts for the financial resources of GTASC, a blended component unit of the government. GTASC issues bonds backed by the County’s interests in the MSA in exchange for the County’s future rights to a portion of this revenue stream.
- *Workers’ Compensation Fund*—The Workers’ Compensation fund is used to account for the County’s self-insurance program for workers’ compensation claims.
- *Water Fund*—The Water fund is used to account for activity of a county wide water project including transmission lines and operation of the City water plant by the County.

Additionally, the County reports the following fund types:

Internal Service Fund—The Internal Service Fund is used to account for self-insurance programs related to the administration of health, vision, and dental claims.

- *Self Insurance Fund*—The Self Insurance fund is used to accumulate reserve funds to account for certain claims related to the County’s health insurance program.

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

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

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

Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as

revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

Cash, Cash Equivalents and Investments—Cash and cash equivalents include cash on hand, demand deposits, time deposits, and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. The County’s short-term investments consist of certificates of deposit, obligations of New York State, the United States Government and its agents. State statutes and various resolutions of the County Legislature govern the County’s investment policies. County monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Investments are recorded at fair values in accordance with GASB.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represents amounts to support restricted fund balance held by the County, unearned revenues, debt proceeds and amounts held in custody for others.

Intergovernmental Receivables—Receivables are stated net of allowances for estimated uncollectible amounts. Amounts due from state and federal governments represent amounts owed to the County to reimburse it for expenditures incurred pursuant to state and federally funded programs.

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

Inventories—Inventories are recorded at cost using the first-in, first-out method. Inventories largely consist of office supplies reported within governmental activities.

Capital Assets—Capital assets, which include buildings, infrastructure, machinery and equipment and right-to-use leased buildings, machinery and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. The County defines capital assets as assets with an initial individual cost of more than \$25,000 for buildings and \$10,000 for all other assets, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Subscription and right-to-use lease assets were initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs and are amortized on a straight-line basis over their useful lives.

Land and construction in progress are not depreciated/amortized. The capital assets of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives as presented below:

Assets	Capitalization	
	Threshold	Years
Building and improvements	\$25,000	50
Other capital assets	10,000	2-20
Machinery and equipment	10,000	5-35
Infrastructure:		
Roads and surfaces	10,000	25-50
Bridges	10,000	50
Right-to-use lease assets	100,000	3-10

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

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2023, the County has two items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide financial statements, as well as within individual proprietary funds. This represents the effect of the net change in the County’s proportion of the collective pension liability/(asset), the difference during the measurement period between the County’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension system made subsequent to the measurement date. The second item is related to OPEB reported in the government-wide and proprietary fund financial statements and represents the effects of the change in the County’s proportion of the collective OPEB liability and difference during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At December 31, 2023, the County has six items that qualify for reporting in this category. The first item arises under a modified accrual basis of accounting.

Accordingly, *unavailable revenues* are reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is related to leases receivable and reported on the government-wide statements and on the balance sheet of governmental funds, is recognized at the commencement of the County's lease receivable and amortized over the life of the lease. Additionally, the County reports deferred inflows of resources for items which represent resources that have been received before timing requirements have been met. An additional item represents the effect of the net change in the County's proportion of the collective pension liability/(asset) and the difference during the measurement periods between the County's contributions and its proportionate share of total contributions to the pension systems not included in pension expense and is reported on the government-wide financial statements as well as within the individual proprietary funds. The final item represents the effects of the change in the County's proportion of the collective OPEB liability and difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability.

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

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

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

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

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes, but do not meet the criteria to be classified as committed. The County Legislature ("Legislature") has by resolution authorized the County Treasurer to assign fund balance. The 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.

Revenues and Expenses/Expenditures

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

Property Taxes—The County-wide property tax is levied by the County Legislature no later than December 31 and become a lien on January 1. 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 firms 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, 2023, the taxes receivable amounted to \$3,381,027, which is reported net of an allowance for uncollected taxes of \$88,521.

Constitutional Tax Limit—The amount that may be raised by the County-wide tax levy on real estate in any fiscal year (for purposes other than debt service on County indebtedness) is limited to one and one-half percent of the five-year average full valuations of taxable real estate of the County, per New York State statutes.

Unearned Revenue—Certain cash receipts have not met the revenue recognition criteria for government-wide or fund financial statement purposes. At December 31, 2023, the County reported unearned revenues within the General Fund, Special Grant Fund, and the Self-Insurance Fund of \$5,315,238, \$22,005, and \$745, respectively. The County received cash in advance but has not performed the related services and therefore recognizes a liability. Included within unearned revenues at December 31, 2023, the County reported \$4,360,351 and \$22,005 within the General Fund and Special Grant Fund, respectively, for unspent American Rescue Plan Act (“ARPA”) federal funds.

Compensated Absences—The County employees are entitled, with certain limitations, to accrue vacation time. Estimated vacation time accumulated by governmental fund type employees is reported as a liability and expenditure in the government-wide financial statements under governmental activities. For proprietary fund type employees, the accumulation is recorded as a noncurrent liability of the proprietary fund type; and for the College employees, the accumulation of compensated absences is recorded as a noncurrent liability of the College. The compensated absences liability for the County’s governmental activities at December 31, 2023 totaled \$1,659,589 and is reported in the government-wide financial statements.

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

Proprietary Funds Operating and Nonoperating Revenues and Expenses—Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the internal service funds are charges to customers (funds) for sales and services. Operating expenses for enterprise funds and

internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Pension Plans—The County and its discretely presented component units are mandated by New York State law to participate in the New York State Teachers’ Retirement System (“TRS”) and the New York State Local Employees’ Retirement System (“ERS”). For purposes of measuring the net pension (asset)/liability, deferred inflows and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 7.

Other Postemployment Benefits—In addition to providing pension benefits, the County provides health insurance coverage and/or payments for fractional values of unused sick leave for certain retired employees at the time of retirement as discussed in Note 8.

Other

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

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

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

Adoption of New Accounting Pronouncements—During the year ended December 31, 2023, the County implemented GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology Arrangements*; and a portion of No. 99, *Omnibus 2022*. GASB Statement No. 94 improves financial reporting by addressing issues related to public-private and public-public partnerships arrangements (“PPPs”). GASB Statement No. 96 improves financial reporting by establishing a definition for Subscription-Based Information Technology Arrangements (“SBITAs”) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. GASB Statement No. 99 enhances comparability in the application of accounting and financial reporting requirements and improves the consistency of authoritative literature related to GASB Statements No. 94 and 96. The implementation of GASB Statement No. 96 did not have a material impact on the County’s governmental activities and business-type activities net position or results from operations. However, beginning capital assets were adjusted for right-to-use assets of \$94,908 for governmental noncurrent liabilities were adjusted to include \$94,908 of SBITA liabilities. Additionally, GASB Statements No. 94 and a portion of 99 did not have a material impact on the County’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The County has not completed the process of evaluating the impact that will result from adopting the remainder of GASB Statement No. 99, *Omnibus 2022*; No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*, effective for the year ending December 31, 2024; and No. 102, *Certain Risk Disclosures*, effective for the year ending December 31, 2025. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 99, 100, 101, and 102 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Legal Compliance—Budgets—The County’s annual procedures in establishing the budgetary data reflected in the basic financial statements are as follows:

- 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 Funds.
- 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.
- Total expenditures for each object may not legally exceed the total appropriations for that object. Encumbrances outstanding at year-end are accounted for by an assignment of fund balance.
- These budgets are adopted on a basis consistent with GAAP except that encumbrances are treated as budgetary expenditures in the year of occurrence of the commitment to purchase. All unencumbered appropriations lapse at the end of the fiscal year.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

Total cash and cash equivalents (including restricted amounts) reported by the County at December 31, 2023 is presented below:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Petty cash (uncollateralized)	\$ 7,675	\$ -	\$ -	\$ 7,675
Deposits	9,036,357	1,043,434	343,221	10,423,012
Investments	<u>109,383,202</u>	<u>18,648,075</u>	<u>-</u>	<u>128,031,277</u>
Total	<u>\$ 118,427,234</u>	<u>\$ 19,691,509</u>	<u>\$ 343,221</u>	<u>\$ 138,461,964</u>

Deposits—All deposits are carried at fair value, and are classified by credit risk at December 31, 2023 as follows:

	Bank Balance	Carrying Amount
FDIC insured	\$ 6,440,146	\$ 6,440,146
Uninsured:		
Collateral held by pledging bank's agent in County's name	<u>4,945,953</u>	<u>3,982,866</u>
Total deposits	<u>\$ 11,386,099</u>	<u>\$ 10,423,012</u>

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As noted above, by State Statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2023, the County's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in the County's name.

Restricted Cash and Cash Equivalents—Total governmental activities and business-type activities restricted cash and cash equivalents totals \$1,068,297 and \$43,764, respectively, which is to support unspent debt proceeds, unearned revenues, and restricted fund balance/net position. Total Custodial Fund restricted cash and cash equivalents totals \$343,222, and includes amounts held on behalf of others. These deposits were fully covered by FDIC insurance or collateral held by escrow agents in the name of the County.

Investments—At December 31, 2023, the County has investments of \$128,031,277, which consist of U.S. Treasury notes, certificates of deposits with maturities of twelve months, and investments in NYMuni Trust. Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The investments of the County at December 31, 2023 are considered level 1 inputs, however for consistency, the County elected to measure investments based on cost, which was determined not to have a material effect on the financial statements as of December 31, 2023.

Custodial Credit Risk—Investments—For investments, this is the risk that, in the event of failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Underlying securities must have a market value of at least the cost of the repurchase agreement

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

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

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

3. RECEIVABLES

Revenues accrued by the County at December 31, 2023 consisted of the following:

Taxes Receivable—Represents amounts due from County taxpayers that remain unpaid. At December 31, 2023, the County recorded \$3,381,027 related to taxes receivable. These amounts are reported net of an allowance for uncollectible taxes provision of \$88,521.

Accounts Receivable—Represent amounts due from various sources in governmental funds, primarily represents premiums due from participants in the County’s health care plans within the internal service fund. The County’s accounts receivable at December 31, 2023 are as follows:

Governmental funds:	
General Fund	\$ 1,337,091
Nonmajor governmental funds	<u>96,434</u>
Total governmental funds	<u>\$ 1,433,525</u>
Proprietary funds:	
Self-Insurance Fund	<u>\$ 2,587</u>
Total proprietary funds	<u>\$ 2,587</u>

Intergovernmental Receivables—Primarily represents claims for reimbursement of expenditures in administering various state and federal programs and amounts due from other local municipalities for chargebacks and other miscellaneous items. Amounts accrued at December 31, 2023 are as shown below.

Governmental funds:		
General Fund:		
Due from State and Federal	\$ 8,397,729	
Due from New York State—sales tax	3,217,205	
Due from local municipalities	<u>101,646</u>	\$ 11,716,580
Capital Projects Fund:		
Due from State and Federal		2,133,185
Nonmajor governmental funds:		
Due from New York State		<u>160,190</u>
Total governmental funds		<u>\$ 14,009,955</u>
Proprietary funds:		
Water Fund:		
Due from local municipalities		<u>\$ 1,995,161</u>
Total proprietary funds		<u>\$ 1,995,161</u>

Lease Receivable—During the year ended December 31, 2023, the County recognized the lease of airports, buildings, and towers to third parties, under the requirements of GASB 87, *Leases*. The County recognized \$259,089 in lease revenue and \$84,812 in interest revenue during the current fiscal year related to these leases. As of December 31, 2023, the County’s receivable for lease payments was \$2,063,908. The County reports a corresponding deferred inflow of resources that will be recognized as revenue over the lease term.

4. CAPITAL ASSETS

Governmental activities—Capital asset activity for the primary government’s governmental activities for the year ended December 31, 2023 was as follows:

	Balance 1/1/2023 (as adjusted)	Increases	Decreases	Balance 12/31/2023
Capital assets, not being depreciated/amortized:				
Land	\$ 2,594,013	\$ -	\$ -	\$ 2,594,013
Construction in progress	27,224,442	35,190,635	3,600,010	58,815,067
Total capital assets, not being depreciated/amortized	<u>29,818,455</u>	<u>35,190,635</u>	<u>3,600,010</u>	<u>61,409,080</u>
Capital assets, being depreciated/amortized:				
Buildings	79,763,568	3,246,314	-	83,009,882
Infrastructure	103,326,372	9,085,121	-	112,411,493
Machinery and equipment	8,633,838	320,071	265,250	8,688,659
Right-to-use leased asset - buildings	7,901,680	-	-	7,901,680
Right-to-use leased asset - machinery and equipment	1,816,835	1,090,534	626,054	2,281,315
Subscription assets	145,228	274,182	-	419,410
Other capital assets	19,019,571	1,716,188	462,751	20,273,008
Total capital assets, being depreciated/amortized	<u>220,607,092</u>	<u>15,732,410</u>	<u>1,354,055</u>	<u>234,985,447</u>
Less accumulated depreciation/amortization for:				
Buildings	24,987,800	1,475,215	-	26,463,015
Infrastructure	36,920,884	2,362,774	-	39,283,658
Machinery and equipment	4,154,562	542,296	238,725	4,458,133
Right-to-use leased asset - buildings	1,325,906	582,062	-	1,907,968
Right-to-use leased asset - machinery and equipment	1,376,479	251,402	607,065	1,020,816
Subscription assets	50,320	92,074	-	142,394
Other capital assets	15,087,098	1,354,301	398,430	16,042,969
Total accumulated depreciation/amortization	<u>83,903,049</u>	<u>6,660,124</u>	<u>1,244,220</u>	<u>89,318,953</u>
Total capital assets, being depreciated/amortized, net	<u>136,704,043</u>	<u>9,072,286</u>	<u>109,835</u>	<u>145,666,494</u>
Governmental activities capital assets, net	<u>\$ 166,522,498</u>	<u>\$ 44,262,921</u>	<u>\$ 3,709,845</u>	<u>\$ 207,075,574</u>

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

General government support	\$ 576,900
Public safety	1,884,206
Health	9,795
Transportation	3,536,326
Economic assistance and opportunity	623,462
Culture and recreation	29,435
Total	<u>\$ 6,660,124</u>

Business-type activities—Capital asset activity for the primary government’s business-type activities (Enterprise Fund) for the year ended December 31, 2023 was as follows:

	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023
Capital assets, not being depreciated/amortized:				
Construction in progress	\$ 875,715	\$ 1,083,811	\$ 554,597	\$ 1,404,929
Total capital assets, not being depreciated/amortized	<u>875,715</u>	<u>1,083,811</u>	<u>554,597</u>	<u>1,404,929</u>
Capital assets, being depreciated/amortized:				
Infrastructure	995,000	643,742	-	1,638,742
Right-to-use leased asset - building	<u>4,139,782</u>	<u>-</u>	<u>-</u>	<u>4,139,782</u>
Total capital assets, being depreciated/amortized	<u>5,134,782</u>	<u>643,742</u>	<u>-</u>	<u>5,778,524</u>
Less accumulated depreciation/amortization for:				
Infrastructure	49,750	26,337	-	76,087
Right-to-use leased asset - building	<u>1,218,817</u>	<u>439,701</u>	<u>-</u>	<u>1,658,518</u>
Total accumulated depreciation/amortization	<u>1,268,567</u>	<u>466,038</u>	<u>-</u>	<u>1,734,605</u>
Total capital assets, being depreciated/amortized, net	<u>3,866,215</u>	<u>177,704</u>	<u>-</u>	<u>4,043,919</u>
Business-type activities capital assets, net	<u>\$ 4,741,930</u>	<u>\$ 1,261,515</u>	<u>\$ 554,597</u>	<u>\$ 5,448,848</u>

5. ACCRUED LIABILITIES

Current accrued liabilities reported by the County’s governmental and proprietary funds at December 31, 2023 were as follows:

	Governmental Funds			Proprietary Funds		
	General Fund	Total Nonmajor Funds	Total Governmental Funds	GTASC	Water	Total Proprietary Funds
Salaries and employee benefits	\$ 149,973	\$ 37,002	\$ 186,975	\$ -	\$ -	\$ -
Accrued interest payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,595</u>	<u>46,018</u>	<u>106,613</u>
Total	<u>\$ 149,973</u>	<u>\$ 37,002</u>	<u>\$ 186,975</u>	<u>\$ 60,595</u>	<u>\$ 46,018</u>	<u>\$ 106,613</u>

6. PENSION PLANS

Plan Description and Benefits Provided

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

www.osc.state.ny.us /retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory, except for employees who joined the ERS after July 27, 1976 (tiers 3 & 4) who contribute three percent (3%) of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010 (tier 5) contribute three percent (3%) of their salary for all years of public service. Employees who joined on or after April 1, 2012 (tier 6) contribute three to six percent (3% - 6%) based on their annual salary for all years of public service. 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 Liability/(Asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—The net pension liability/(asset) was measured as of March 31, 2023. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to the measurement date. The County's proportion of the net pension liability/(asset) was based on a projection of the County's long-term share of contributions to the ERS relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS in reports provided to the County.

	ERS	
	Governmental Activities	Business-type Activities
Measurement date	March 31, 2023	
Net pension liability	\$ 26,122,955	\$ 70,851
County's portion of the Plan's total net pension liability	0.1218193%	0.0003304%

For the year ended December 31, 2023, the County recognized pension expense of \$8,514,456 and \$23,093 for governmental activities and business-type activities, respectively. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown below.

	ERS			
	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Differences between expected and actual experiences	\$ 2,782,299	\$ 7,546	\$ 733,631	\$ 1,990
Changes in assumptions	12,686,992	34,410	140,216	380
Net difference between projected and actual earnings on pension plan investments	-	-	153,472	416
Changes in proportion and differences between the County's contributions and proportionate share of contributions	1,146,579	3,110	2,245,357	6,090
County contributions subsequent to the measurement date	3,108,267	5,749	-	-
Total	<u>\$ 19,724,137</u>	<u>\$ 50,815</u>	<u>\$ 3,272,676</u>	<u>\$ 8,876</u>

County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>ERS</u>	
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
2024	\$ 3,016,653	\$ 8,182
2025	(1,710,365)	(4,639)
2026	5,014,435	13,600
2027	7,022,471	19,047

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

	<u>ERS</u>
Measurement date	March 31, 2023
Actuarial valuation date	April 1, 2022
Interest rate	5.9%
Salary scale	4.4%
Decrement tables	April 1, 2015- March 31, 2020
Inflation rate	2.9%
Cost-of-living adjustment	1.5%

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

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

Measurement date	ERS	
	Target Allocation	Long-Term Expected Real Rate of Return
	March 31, 2022	
Asset class:		
Domestic equity	32.0 %	4.3 %
International equity	15.0	6.9
Private equity	10.0	7.5
Real estate	9.0	4.6
Opportunistic /absolute return strategy	3.0	5.4
Credit	4.0	5.4
Real assets	3.0	5.8
Fixed income	23.0	1.5
Cash	1.0	0.0
Total	<u>100.0 %</u>	

Discount Rate—The discount rate used to calculate the total pension liabilities was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/(asset).

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Governmental activities:			
Employer's proportionate share of the net pension liability/(asset)—ERS	\$ 63,127,980	\$ 26,122,955	\$ (4,799,047)
Business-type activities:			
Employer's proportionate share of the net pension liability/(asset)—ERS	\$ 171,215	\$ 70,851	\$ (13,016)

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

	<u>(Dollars in Thousands)</u>
	<u>ERS</u>
Valuation date	April 1, 2022
Employers' total pension liability	\$ 232,627,259
Plan fiduciary net position	<u>211,183,223</u>
Employers' net pension liability/(asset)	<u>\$ 21,444,036</u>
System fiduciary net position as a percentage of total pension liability	90.8%

Discretely Presented Component Units

i) The College

Plan Description and Benefits Provided

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

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

Employees' Retirement System—The College participates in the ERS. The plan description is the same as disclosed previously within this footnote.

Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At August 31, 2023, the College reported the following liability/(asset) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension liability/(asset) were measured as of June 30, 2023 for TRS and March 31, 2023 for ERS. The total pension liability/(asset) used to calculate the net pension liability/(asset) were determined by actuarial valuations as of June 30, 2022 for TRS and April 1, 2022 for ERS. The College's proportion of the net pension liability/(asset) was based on a projection of the College's long-term share of contributions to the Systems relative to the

projected contributions of all participating members, actuarially determined. This information was provided by TRS and ERS in reports provided to the College.

	<u>TRS</u>	<u>ERS</u>
Measurement date	<u>June 30, 2023</u>	<u>March 31, 2023</u>
Net pension liability	\$ 236,942	\$ 6,526,071
The College's portion of the Plan's total net pension liability	0.020719%	0.0304330%

For the year ended August 31, 2023, the College recognized pension expense of \$7721,385 and \$2,156,948 for TRS and ERS, respectively. At August 31, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown below.

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>
Differences between expected and actual experiences of economic and demographic assumptions	\$ 574,521	\$ 695,078	\$ 1,420	\$ 183,277
Changes in assumptions	510,128	3,169,481	111,180	35,028
Net difference between projected and actual earnings on pension plan investments	121,120	-	-	38,340
Changes in proportion and differences between the College's contributions and proportionate share of contributions	152,403	286,440	1,028	560,938
College contributions subsequent to the measurement date	<u>57,081</u>	<u>491,925</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,415,253</u>	<u>\$ 4,642,924</u>	<u>\$ 113,628</u>	<u>\$ 817,583</u>

The College's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ending August 31, 2024. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to TRS and ERS will be recognized as pension expense as follows:

<u>Year Ending August 31,</u>	<u>TRS</u>	<u>ERS</u>
2024	\$ 151,421	\$ 753,624
2025	(86,593)	(427,285)
2026	986,062	1,252,713
2027	65,442	1,754,364
2028	62,250	-
Thereafter	35,962	-

Actuarial Assumptions—The pension liabilities as of the measurement dates were determined by using actuarial valuation dates as noted below with update procedures used to roll forward the total pension liabilities to the respective measurement dates. The actuarial valuations used the actuarial assumptions shown on the following page.

	TRS	ERS
Measurement date	June 30, 2023	March 31, 2023
Actuarial valuation date	June 30, 2022	April 1, 2022
Interest rate	6.95%	5.90%
Salary scale	1.95%-5.18%	4.40%
Decrement tables	July 1, 2015 June 30, 2020	April 1, 2015- March 31, 2020
Inflation rate	2.4%	2.9%
Cost-of-living adjustment	1.3%	1.5%

For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2020, applied on a generational basis. The actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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

	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS	TRS	ERS
			June 30, 2023	March 31, 2023
Measurement date				
Asset class:				
Domestic equities	33.0 %	32.0 %	6.8 %	4.3 %
International equities	15.0	15.0	7.6	6.9
Global equities	4.0	0.0	7.2	0.0
Private equity	9.0	10.0	10.1	7.5
Real estate	11.0	9.0	6.3	4.6
Absolute return strategies	0.0	4.0	0.0	5.4
Domestic fixed income securities	16.0	0.0	2.2	0.0
Global fixed income securities	2.0	0.0	1.6	0.0
High-yield fixed income securities	1.0	0.0	3.3	0.0
Opportunistic portfolio	0.0	3.0	0.0	5.4
Private debt	2.0	0.0	6.0	0.0
Real assets	0.0	3.0	3.2	5.8
Bonds and mortgages	6.0	23.0	4.4	1.5
Cash	1.0	1.0	0.3	0.0
Total	<u>100.0 %</u>	<u>100.0 %</u>		

Discount Rate—The discount rate used to calculate the total pension liability/(asset) was 6.95% for TRS and 5.90% for ERS for the year ending August 31, 2023. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart below presents the College’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.95% for TRS and 5.90% for ERS, as well as what the College’s proportionate share of the net pension liability/(asset) would be if they were calculated using a discount rate that is one percentage-point lower (5.95% for TRS and 4.90% for ERS) or one percentage-point higher (7.95% for TRS and 6.90% for ERS) than the current rate.

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension liability/(asset)	\$ 3,608,742	\$ 236,942	\$ (2,598,888)
ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension liability/(asset)	\$ 15,770,715	\$ 6,526,071	\$ (1,198,904)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liability/(asset) of the employers as of the valuation dates, were as follows:

	(Dollar in Thousands)	
	TRS	ERS
Valuation date	June 30, 2022	April 1, 2022
Employers' total pension liability	\$ 138,365,122	\$ 232,627,259
Plan fiduciary net position	137,221,537	211,183,223
Employers' net pension liability/(asset)	\$ 1,143,585	\$ 21,444,036
System fiduciary net position as a percentage of total pension liability/(asset)	99.2%	90.8%

ii) **GCEDC**

Plan Description and Benefits Provided

Employees’ Retirement System—GCEDC participates in the ERS. The plan description is the same as disclosed previously within this footnote.

Pension Asset, Pension Income, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2023, GCEDC reported a liability of \$512,048 for its proportionate share of the net pension liability. At the March 31, 2023 measurement date, GCED’s proportion was 0.0023878 percent.

For the year ended December 31, 2023, GCEDC recognized pension expense of \$167,864. At December 31, 2023, GCEDC reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown on the following page.

	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 54,537	\$ 14,380
Changes in assumptions	248,684	2,748
Net difference between projected and actual earnings on pension plan investments	-	3,008
Changes in proportion and differences between GCEDC's contributions and proportionate share of contributions	8,157	20,391
GCEDC contributions subsequent to the measurement date	81,195	-
Total	<u>\$ 392,573</u>	<u>\$ 40,527</u>

GCEDC's contributions subsequent to the measurement date will be recognized as a reduction in the net pension asset in the year ending December 31, 2024. Other amounts reported as net deferred inflows of resources related to pensions will be recognized in pension expense/(income) as shown below:

Year Ending December 31,	ERS
2024	\$ 59,223
2025	(31,105)
2026	102,679
2027	140,054

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)	\$ 1,237,400	\$ 512,048	\$ (94,068)

7. OTHER POSTEMPLOYMENT BENEFITS ("OPEB") OBLIGATION

Plan Description—In addition to providing pension benefits, the County provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees' covered and the percentage of contribution.

Employees Covered by Benefit Terms—As of the January 1, 2022 valuation date, the following employees were covered by the benefit terms:

Active employees	487
Retired employees	<u>21</u>
Total	<u>508</u>

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

Total OPEB Liability

The County’s total OPEB liability for governmental and business-type activities of \$646,279 and \$1,865, respectively, was measured as of January 1, 2023, and was determined by an actuarial valuation as of that date.

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

In the January 1, 2022 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 2.06% effective January 1, 2022, to 3.72% effective as of January 1, 2023. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 8.0%, while the ultimate healthcare cost trend rate is 3.94%.

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

	Total OPEB Liability	
	Governmental Activities	Business-type Activities
Balances at December 31, 2022	\$ 711,687	\$ 1,726
Changes for the year:		
Service cost	35,191	529
Interest	14,790	43
Changes in assumptions	(57,442)	(266)
Change of benefit terms	-	-
Differences between expected and actual experience	-	-
Benefit payments	(57,947)	(167)
Net changes	(65,408)	139
Balances at December 31, 2023	\$ 646,279	\$ 1,865

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

	1% Decrease (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
Governmental activities:			
Total OPEB liability	\$ 701,916	\$ 646,279	\$ 595,555
Business-type activities:			
Total OPEB liability	\$ 2,025	\$ 1,865	\$ 1,719

Additionally, healthcare costs can be subject to considerable volatility over time. The table on the following page presents the effect on the total OPEB liability of a 1% change in the initial (8.0%) and ultimate (3.94%) healthcare cost trend rates.

	1% Decrease (7.00% / 2.94%)	Healthcare Cost Trend Rates (8.00% / 3.94%)	1% Increase (9.00% / 4.94%)
Governmental activities:			
Total OPEB liability	\$ 574,342	\$ 646,279	\$ 732,600
Business-type activities:			
Total OPEB liability	\$ 1,657	\$ 1,865	\$ 2,114

Funding Policy—Authorization for the County to pay a portion, or all, of retiree health insurance premiums was enacted by legislative resolution or through collective bargaining agreements, which are ratified by the legislature. For an employee to be eligible for the County’s postemployment health plan they must qualify for retirement as a member of the New York State retirement system with ten years of service. Elected officials are eligible for retiree healthcare if they leave for any reason based on their years of service. Appointed officials are eligible for retiree healthcare if they are not reappointed or a change in party causes them to leave. Surviving spouses are eligible to remain in the plan but are required to pay 100% of the premium rate.

The County recognizes the cost of providing these benefits by expensing the annual insurance premium-in-lieu amounts determined by County management on a monthly basis. For the year ended December 31, 2023, the County’s governmental and business-type activities recognized OPEB expense of \$94,073 and \$271, respectively.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The County reports deferred outflows of resources and deferred inflows of resources due to differences between expected and actual experience during the measurement period and changes in assumptions. The table below presents the County’s deferred outflows of resources and deferred inflows of resources at December 31, 2023.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Differences between expected and actual experience	\$ 53,412	\$ -	\$ 125,212	\$ 296
Changes in assumptions	51,285	-	58,816	235
Contributions subsequent to measurement date	44,460	430	-	-
Total	<u>\$ 149,157</u>	<u>\$ 430</u>	<u>\$ 184,028</u>	<u>\$ 531</u>

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

Year Ending December 31,	Governmental Activities	Business-type Activities
2024	\$ 12,978	\$ 37
2025	3,538	10
2026	(31,921)	(92)
2027	(37,747)	(109)
2028	(11,720)	(34)
Thereafter	(14,459)	(343)

Discretely Presented Component Units

i) The College

Plan Description—The College administers a single-employer defined benefit postemployment healthcare plan (the “Plan”). The Plan provides benefits in the form of insurance premium payments for coverage of eligible retirees and their spouses. The College member contribution rates, as well as the Plan provisions, are determined through negotiations between the College and its employees or the collective bargaining units that represent its employees. The Plan does not issue a publicly available financial report.

Employees Covered by Benefit Terms—At August 31, 2023, the following employees were covered by the benefit terms:

Active employees	196
Retired employees	36
Total	232

Total OPEB Liability

The College’s total OPEB liability of \$3,159,129 was measured as of May 31, 2023, and was determined by an actuarial valuation as of August 31, 2022.

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

In the August 31, 2022 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate is 3.90% effective August 31, 2023. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 5.50%, while the ultimate healthcare cost trend rate is 4.00%.

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

	Total OPEB Liability
Balance at August 31, 2022	\$ 3,559,295
Changes for the year:	
Service cost	155,421
Interest	113,740
Differences between expected and actual experience	(340,455)
Change of benefit terms	(9,392)
Benefit payments	(319,480)
Net changes	(400,166)
Balance at August 31, 2023	\$ 3,159,129

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

	1% Decrease (2.90%)	Current Discount Rate (3.90%)	1% Increase (4.90%)
Total OPEB liability	\$ 3,383,866	\$ 3,159,129	\$ 2,954,475

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the total OPEB liability of a 1% change in the initial (5.50%) and ultimate (4.00%) healthcare cost trend rates.

	1% Decrease (4.50% / 3.00%)	Healthcare Cost Trend Rates (5.50% / 4.00%)	1% Increase (6.50% / 5.00%)
Total OPEB liability	\$ 2,859,726	\$ 3,159,129	\$ 3,505,041

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The College reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability. The table below presents the College’s deferred outflows of resources and deferred inflows of resources at August 31, 2023.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 473,447	\$ 314,964
Differences between expected and actual experience	135,988	273,047
Contributions subsequent to the measurement date	51,654	-
Total	\$ 661,089	\$ 588,011

The College's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending August 31, 2024. Other amounts reported as deferred inflows and deferred outflows of resources related to OPEB will be recognized in OPEB expense as shown below.

Year Ending August 31,		
2024	\$	180,304
2025		145,642
2026		(30,106)
2027		(89,741)
2028		(62,990)
Thereafter		(121,685)

8. RISK MANAGEMENT

The County is exposed to various risks of loss related to property damage and destruction of assets, vehicle liability, injuries to employees, health insurance and unemployment insurance. The County purchases commercial insurance to cover such potential risks. Coverage is provided for up to a maximum of \$5,000,000 per incident with a \$10,000,000 aggregate annually. The County purchases commercial insurance for claims in excess of self-insurance coverage and for all other risks of loss. The general liability commercial insurance limit for 2023 was \$10,000,000 for County operations. Settled claims have not exceeded this commercial coverage in any of the past three years.

The County assumes some risk of loss relating to unemployment and workers' compensation. The County has established an enterprise fund (workers' compensation) and an internal service fund (self insurance) to account for losses, claims and judgments relating to these exposures. The enterprise fund is used to account for and finance the County and in the case of the workers' compensation, its plan members' uninsured risk of loss. The County insures itself ("self-insures") for all unemployment claims. The County purchases insurance for claims in excess of coverage provided by the internal service fund and for all other risks or loss. Settled claims have not exceeded the annual self-insurance funding in any of the past three fiscal years.

All funds of the County participate in the self-insurance programs and make payments to the internal service fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish reserves for unforeseen losses. Claims and judgments are recognized consistent with the requirements of GASB which requires that claims and judgments be recognized when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Internal service fund claim liabilities reported for healthcare, dental, and vision at December 31, 2023 were \$2,005,681.

Year Ended December 31,	Liability, Beginning of Year	Claims and Adjustments	Claim Payments	Liability, End of Year
2023	\$ 1,770,421	\$ 12,715,522	\$ 12,480,262	\$ 2,005,681
2022	1,974,950	10,348,164	10,552,693	1,770,421

Workers' compensation liability, reported in the Enterprise Fund, for the County plan members at December 31, 2023 was \$6,530,000. Other plan members participate in the program and make payments on the same basis as County funds and departments. The liability for workers' compensation is also established based on the requirements of GASB.

Year Ended <u>December 31,</u>	Liability, Beginning <u>of Year</u>	Claims and <u>Adjustments</u>	Claim <u>Payments</u>	Liability, End <u>of Year</u>
2023	\$ 6,805,000	\$ 786,063	\$ 1,061,063	\$ 6,530,000
2022	6,806,000	1,098,558	1,099,558	6,805,000

9. LEASES AND SUBSCRIPTION LIABILITIES

The County is a lessee for noncancellable leases of a building and space on a cellular tower and a subscriber of various information technology agreements Under GASB Statement No. 87, *Leases*, the County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. Under GASB Statement No. 96, *Subscription Based Information Technology Agreements*, the County recognizes a subscription liability and a subscription asset in the government-wide financial statements. The County recognizes lease and subscription liabilities with an initial, individual value of \$100,000 or more.

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

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

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

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

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

During the years ended December 31, 2018, 2020, 2021, and 2022, the County entered into long-term, lease agreements as the lessee for the acquisition and use of various buildings and equipment. As of December 31, 2023, the value of the lease liabilities was \$7,254,211 in governmental activities and \$2,481,264 in business-type activities. The County is required to make annual principal and interest payments ranging from \$19,393 to \$810,090. The leases have interest rates ranging from 3.0-4.0%. The value of the right-to-use lease assets at the end of the current fiscal year was \$10,182,995, and had accumulated amortization of \$2,928,784 for governmental activities, and \$4,139,782 with an accumulated amortization of \$1,658,518 for business-type activities.

At December 31, 2023, the County maintained several subscription based information technology agreements. As a result of the implementation of the GASB Statement No. 96, *Subscription Based Information Technology Agreements*, the County now reports those as subscription liabilities. As of December 31, 2023, the value of the subscription liabilities was \$277,016. The County is required to make annual principal and interest payments ranging from \$21,750 to \$48,385. The agreements have interest rates of 4.0%. The value of the subscription assets as of the end of the current fiscal year was \$419,410 and had accumulated amortization of \$142,394.

The future principal and interest payments for governmental activities as of December 31, 2023, were as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$ 1,101,025	\$ 283,739	\$ 1,384,764
2025	1,077,788	239,094	1,316,882
2026	973,040	197,992	1,171,032
2027	824,760	160,270	985,030
2028	632,583	130,671	763,254
2029-2032	<u>2,922,031</u>	<u>247,024</u>	<u>3,169,055</u>
Total	<u>\$ 7,531,227</u>	<u>\$ 1,258,790</u>	<u>\$ 8,790,017</u>

The future principal and interest payments for business-type activities as of December 31, 2023, were as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$ 457,556	\$ 92,444	\$ 550,000
2025	476,134	73,866	550,000
2026	495,467	54,533	550,000
2027	515,585	34,415	550,000
2028	<u>536,522</u>	<u>13,480</u>	<u>550,002</u>
Total	<u>\$ 2,481,264</u>	<u>\$ 268,738</u>	<u>\$ 2,750,002</u>

10. 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 unmatured principal of general long-term debt does not require current appropriations and expenditure of governmental fund financial resources.

The County's outstanding long-term liabilities include serial bonds, premium on serial bonds, GTASC bonds, compensated absences, workers' compensation, other postemployment benefits ("OPEB") obligation, lease liability, subscription liability, installment purchase agreements and net pension liability.

A summary of changes in the County's long-term debt during the year ended December 31, 2023 is shown below:

	Balance 1/1/2023 (as adjusted)	Increases	Decreases	Balance 12/31/2023	Due Within One Year
Governmental activities:					
Serial bonds - County	\$ 82,160,000	\$ -	\$ 2,315,000	\$ 79,845,000	\$ 2,680,000
Unamortized bond premiums - County	347,228	-	48,946	298,282	38,168
Compensated absences*	2,187,124	-	527,535	1,659,589	165,959
OPEB obligation	711,687	50,081	115,489	646,279	-
Lease liability	7,016,130	1,071,546	833,465	7,254,211	1,004,205
Subscription liability	94,908	274,182	92,074	277,016	96,820
Installment purchase agreements	-	276,096	96,033	180,063	58,032
Net pension liability*	-	26,122,955	-	26,122,955	-
Total governmental activities	<u>\$ 92,517,077</u>	<u>\$ 27,794,860</u>	<u>\$ 4,028,542</u>	<u>\$ 116,283,395</u>	<u>\$ 4,043,184</u>
Business-type activities:					
Serial bonds - Water	\$ 6,200,000	\$ -	\$ 455,000	\$ 5,745,000	\$ 470,000
GTASC tobacco settlement bonds	10,955,000	-	300,000	10,655,000	300,000
GTASC subordinate turbo CABs	10,999,696	806,447	-	11,806,143	-
Workers' compensation	6,805,000	786,063	1,061,063	6,530,000	2,462,539
OPEB obligation	1,726	472	333	1,865	-
Lease liability	2,920,966	-	439,702	2,481,264	457,556
Net pension liability*	-	70,851	-	70,851	-
Total business-type activities	<u>\$ 37,882,388</u>	<u>\$ 1,663,833</u>	<u>\$ 2,256,098</u>	<u>\$ 37,290,123</u>	<u>\$ 3,690,095</u>

(*Additions/reductions to the net pension liability and compensated absences are shown net of reductions/additions.)

Serial Bonds—General obligation bonds of the County (not including the GTASC debt) are issued principally as serial bonds, which are due at various times through 2052. The bonds are issued primarily to finance acquisition or construction of capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the County.

A default will have occurred if the payment of principal or interest are not paid when due and payable. Upon default in payment in full of the principal or interest on the bonds, a holder of such defaulted bonds has a contractual right to sue the County of the amount due thereon. The County does not have any lines of credit.

A summary of additions and payments of County bonded indebtedness for the year ended December 31, 2023 is shown below:

Description	Original Issue	Year of Issue/ Maturity	Interest Rate	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023	Due Within One Year
Governmental activities:								
Bonds issued by the County:								
Refunding Public Improvement Bonds	\$ 2,315,000	2017/2027	3.00%	\$ 1,130,000	\$ -	\$ 210,000	\$ 920,000	\$ 220,000
Refunding Public Improvement Bonds	4,200,000	2013/2023	3.00%	485,000	-	485,000	-	-
Refunding Public Improvement Bonds	3,105,000	2021/2034	1.00%	2,783,350	-	325,939	2,457,411	325,940
Public Improvement Bonds	70,000,000	2022/2052	3.00%	70,000,000	-	900,000	69,100,000	1,730,000
Total Bonds Issued by the County				74,398,350	-	1,920,939	72,477,411	2,275,940
Bonds issued by the County for the College:								
Public Improvement Bonds	9,326,464	2015/2039	2.50%	7,300,000	-	340,000	6,960,000	350,000
Refunding Public Improvement Bonds	515,000	2021/2024	1.00%	461,650	-	54,061	407,589	54,060
Total Bonds Issued by the County for the College				7,761,650	-	394,061	7,367,589	404,060
Total governmental activities				\$ 82,160,000	\$ -	\$ 2,315,000	\$ 79,845,000	\$ 2,680,000

Description	Original Issue	Year of Issue/ Maturity	Interest Rate	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023	Due Within One Year
Business-type activities:								
Water District Fund:								
Water District Improvement Bonds	4,000,000	2018/2031	2.00%	\$ 3,130,000	\$ -	\$ 305,000	\$ 2,825,000	\$ 315,000
Water District Improvement Bonds	3,500,000	2019/2039	2.13%	3,070,000	-	150,000	2,920,000	155,000
Total Water District Fund				6,200,000	-	455,000	5,745,000	470,000
GTASC:								
Tobacco settlement bonds	n/a	2006/2045	5.00-6.25%	10,955,000	-	300,000	10,655,000	300,000
Subordinate turbo CAB	n/a	2006/2060	0-7.85%	10,999,696	806,447	-	11,806,143	-
Total GTASC				21,954,696	806,447	300,000	22,461,143	300,000
Total business-type activities				\$ 28,154,696	\$ 806,447	\$ 755,000	\$ 28,206,143	\$ 770,000

Premiums on Serial Bonds—Governmental funds report the effect of premiums when the debt is first issued, whereas these amounts are deferred and amortized within governmental activities. The premiums are being amortized on a straight-line annual basis over the life of the bonds. The unamortized premium outstanding at December 31, 2023 is \$298,282.

Tobacco Settlement Bonds—In 2000, GTASC issued New York Counties Tobacco Trust III Tobacco Settlement Pass-Through Bonds, Series 2000. Net proceeds were paid to the County for deposit to an escrow fund as a purchase from the County of all of the County’s right, title and interest, under the MSA and the Decree, including the Tobacco Settlement Revenues (“TSR”). In 2005, GTASC refunded and defeased in substance its outstanding 2000 Series bonds with a portion of the Series 2005 bonds.

Subordinate Turbo CABs—Interest on the Subordinate Turbo CABs is compounded semi-annually on June 1 and December 1, but is not payable until bond maturity. Interest accretes until both principal and accreted interest is paid. Future interest accretion has been recorded as bond discount and amortized as the current interest accretes. The accrued interest on the Subordinate Turbo CABs is reflected within the subordinate turbo CABs liability.

Compensated Absences—As explained in Note 1, the County records the estimated liability of compensated absences in the governmental activities. The payment of compensated absences is dependent on many factors and, therefore, cannot be reasonably estimated as to future timing of payment. The annual budgets of the operating funds provide for such as amounts become payable. At December 31, 2023, total compensated absences recorded within the governmental activities was \$1,659,589. The County estimates \$165,959 of governmental activities will be due within one year which comprises accrued vacation, sick and compensatory time.

OPEB Obligation—As explained in Note 8, the County provides medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. The total OPEB liability as of December 31, 2023 is estimated to be \$646,279 and \$1,865 for governmental activities and business-type activities, respectively.

Workers' Compensation—As discussed in Note 8, the County reports a liability for workers' compensation within their business-type activities. The total of this liability at December 31, 2023 is \$6,530,000.

Lease Liability—The County entered into long-term leases for various buildings and equipment within their governmental and business-type activities. The outstanding balance at December 31, 2023 was \$7,254,211 and \$2,481,264, respectively. Refer to Note 9 for additional information related to the County's leases.

Subscription Liability—The County has entered into long-term subscription based information technology agreements. The outstanding balance at December 31, 2023 was \$277,016. Refer to Note 9 for additional information related to the City's subscription liability.

Installment Purchase Agreements—The County has two installment purchase agreements as lessee for the financing of certain equipment. At December 31, 2023, the liability for the installment purchase agreements totaled \$180,063. The value of the assets as of the end of the current fiscal year was \$555,329 and had accumulated amortization of \$95,880.

Net Pension Liability—The County reports a liability for its proportionate share of the net pension liability for the Employees' Retirement System within their governmental and business-type activities. The net pension liability is estimated to be \$26,122,955 and \$70,850, respectively. Refer to Note 6 for additional information related to the County's net pension liability.

The following is a maturity schedule of the County's indebtedness (excluding GTASC Subordinate Turbo CABs):

Year Ending December 31,	Governmental Activities							Total
	Serial Bonds— County	Unamortized Premiums— County	Compensated Absences	OPEB Obligation	Lease/ Subscription Liability	Installment Purchase Agreements	Net Pension Liability	
2024	\$ 2,680,000	\$ 38,168	\$ 165,959	\$ -	\$ 1,101,025	\$ 58,032	\$ -	\$ 4,043,184
2025	2,560,000	35,246	-	-	1,077,788	59,999	-	3,733,033
2026	2,620,000	35,246	-	-	973,040	62,032	-	3,690,318
2027	2,675,000	26,995	-	-	824,760	-	-	3,526,755
2028	2,495,000	24,242	-	-	632,583	-	-	3,151,825
2029-2033	13,380,000	121,210	-	-	2,922,031	-	-	16,423,241
2034-2038	13,900,000	17,175	-	-	-	-	-	13,917,175
2039-2043	13,005,000	-	-	-	-	-	-	13,005,000
2044-2048	14,005,000	-	-	-	-	-	-	14,005,000
2049 and thereafter	12,525,000	-	1,493,630	646,279	-	-	26,122,955	40,787,864
Total	<u>\$ 79,845,000</u>	<u>\$ 298,282</u>	<u>\$ 1,659,589</u>	<u>\$ 646,279</u>	<u>\$ 7,531,227</u>	<u>\$ 180,063</u>	<u>\$ 26,122,955</u>	<u>\$ 116,283,395</u>

Business-type Activities

Year Ending December 31,	Serial Bonds	GTASC		Workers' Compensation	OPEB Obligation	Lease Liability	Net Pension Liability	Total
		Tobacco Settlement Bonds	Subordinate Turbo CABs					
2024	\$ 470,000	\$ 300,000	\$ -	\$ 2,462,539	\$ -	\$ 457,556	\$ -	\$ 3,690,095
2025	480,000	-	-	-	-	476,134	-	956,134
2026	495,000	-	-	-	-	495,467	-	990,467
2027	515,000	-	-	-	-	515,585	-	1,030,585
2028	530,000	300,000	-	-	-	536,522	-	1,366,522
2029-2033	2,040,000	1,900,000	-	-	-	-	-	3,940,000
2034-2038	1,000,000	2,740,000	-	-	-	-	-	3,740,000
2039 and thereafter	215,000	5,415,000	10,999,696	4,067,461	1,865	-	70,850	20,769,872
Total	<u>\$ 5,745,000</u>	<u>\$ 10,655,000</u>	<u>\$ 10,999,696</u>	<u>\$ 6,530,000</u>	<u>\$ 1,865</u>	<u>\$ 2,481,264</u>	<u>\$ 70,850</u>	<u>\$ 36,483,675</u>

Interest requirements on serial bonds and lease liabilities are as follows:

Year Ending December 31,	Bonds Payable			Leases/Subscriptions		Installment Purchase Agreements
	Governmental Activities	Business-type Activities		Governmental Activities	Business-type Activities	Governmental Activities
		Water	GTASC			
2024	\$ 2,378,413	\$ 145,813	\$ 629,000	\$ 283,739	\$ 92,444	\$ 6,104
2025	2,303,238	134,913	613,375	239,094	73,866	4,137
2026	2,225,613	122,950	594,625	197,992	54,533	2,104
2027	2,146,113	109,494	575,875	160,270	34,415	-
2028	2,064,963	95,131	557,125	130,671	13,480	-
2029-2033	9,149,638	271,056	2,454,375	247,024	-	-
2034-2038	7,098,563	109,225	1,752,125	-	-	-
2039-2043	5,008,100	5,913	909,625	-	-	-
2044-2048	3,009,263	-	86,750	-	-	-
2049 and thereafter	793,194	-	-	-	-	-
Total	<u>\$ 36,177,094</u>	<u>\$ 994,494</u>	<u>\$ 8,172,875</u>	<u>\$ 1,258,790</u>	<u>\$ 268,738</u>	<u>\$ 12,345</u>

11. NET POSITION AND FUND BALANCE

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

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

Governmental activities:		
Capital assets, net of accumulated depreciation		\$ 207,075,574
Related debt:		
Serial bonds issued for capital assets	\$ (72,477,411)	
Unamortized bond premiums	(298,282)	
Leases payable	(7,254,211)	
Installment purchase debt	(180,063)	
Subscriptions payable	(277,016)	
Unspent proceeds reported within the Capital Projects Fund	26,182,794	
Capital Projects Fund accounts payable and due to other funds	<u>(6,081,168)</u>	<u>(60,385,357)</u>
Net investment in capital assets		<u>\$ 146,690,217</u>
Business-type activities:		
Capital assets, net of accumulated depreciation		\$ 5,448,848
Related debt:		
Serial bonds issued for County assets	(2,920,000)	
Leases payable	(2,481,264)	
Unspent proceeds	<u>1,540,140</u>	<u>(3,861,124)</u>
Net investment in capital assets		<u>\$ 1,587,724</u>

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

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the County at December 31, 2023 includes:

- **Prepaid Items**—Represents amounts prepaid to vendors and employees of \$947,565 and \$88,222 in the General Fund and nonmajor governmental funds, respectively, that are applicable to future accounting periods.
- **Inventory**—Represents nonspendable inventory of \$131,459 in the nonmajor governmental funds

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as creditors, grantors, contributors, or laws and regulations of other governments) through constitutional provisions or enabling legislation. As of December 31, 2023, the County reported the following restricted funds, as presented on the following page.

	General Fund	Capital Projects Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Capital projects	\$ 8,460,423	\$ 22,234,811	\$ 30,695,234
Debt	1,374,045	-	1,374,045
Other	<u>539,597</u>	<u>-</u>	<u>539,597</u>
Total	<u>\$10,374,065</u>	<u>\$ 22,234,811</u>	<u>\$ 32,608,876</u>

- **Restricted for Capital Projects**—Represents fund accumulated for specific capital purposes.
- **Restricted for Debt**—Represents resources that have been legally restricted for principal and interest payments that will be made in future periods.
- **Restricted for Other**—Represents funds restricted for the Stop DWI, the Sheriff’s and District Attorney’s asset forfeiture, bed tax, and other programs.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the County’s highest level of decision-making authority, or by its designated body or official. As of December 31, 2023, the County had no committed fund balance.

In the fund financial statements, assignments are not legally required segregations, but are subject to a purpose constraint that represents an intended use established by the County’s Legislature, or by its designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

As of December 31, 2023, the following balances were considered to be assigned:

	General Fund	Total Nonmajor Funds	Total
Encumbrances	\$ 962,660	\$ -	\$ 962,660
Subsequent year's expenditures	1,459,174	299,608	1,758,782
Specific purposes			
Sales tax	16,937,840	-	16,937,840
State training schools	165,345	-	165,345
Airport revenues	78,392	-	78,392
E911	441,735	-	441,735
Land bank	2,000,000	-	2,000,000
Gain on sale of foreclosures	612,719	-	612,719
MMIS	3,300,206	-	3,300,206
Debt service	15,111,951	-	15,111,951
K-9	129,516	-	129,516
Medical	3,000,000	-	3,000,000
Roads & Bridges	4,520,513	-	4,520,513
Broadband	2,000,000	-	2,000,000
Special revenue funds	-	990,532	990,532
Total assigned fund balance	<u>\$ 50,720,051</u>	<u>\$ 1,290,140</u>	<u>\$ 52,010,191</u>

- **Assigned to Encumbrances**—Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of monies are recorded, is employed as part of the County’s budgetary control mechanism for all funds. Unencumbered appropriations lapse at fiscal year-end.
- **Assigned to Subsequent Year’s Expenditures**—Represents available fund balance being appropriated to meet expenditure requirements in the 2024 fiscal year.

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

It is the County’s policy to expend fund balances in the following order: nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year.

12. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short-term in nature and exist because of temporary advances or payments made on behalf of other funds. Interfund transfers are routine annual events for both the budget and accounting process and are necessary to present funds in their proper fund classification. The composition of interfund balances as of December 31, 2023 is shown below.

Fund	Interfund	
	Receivable	Payable
Governmental funds:		
General Fund	\$ 4,195,400	\$ 115,081
Capital Projects Fund	-	4,131,475
Nonmajor governmental funds	115,081	63,925
Total	<u>\$ 4,310,481</u>	<u>\$ 4,310,481</u>

Due To/From Component Unit and Primary Government—During 2017, the County entered into a water supply agreement with GCEDC whereas 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.

Amounts recorded in due from component unit at December 31, 2023 are as follows:

	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023	Due within One year
Business-type Activities:					
GDEC - water improvements	<u>\$ 3,130,000</u>	<u>\$ -</u>	<u>\$ 305,000</u>	<u>\$ 2,825,000</u>	<u>\$ 315,000</u>

The future principal and interest payments due from GCEDC as of December 31, 2023, were as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$ 315,000	\$ 76,381	\$ 391,381
2025	325,000	68,775	393,775
2026	335,000	60,106	395,106
2027	350,000	50,250	400,250
2028	360,000	39,600	399,600
2029-2031	<u>1,140,000</u>	<u>51,900</u>	<u>1,191,900</u>
Total	<u>\$ 2,825,000</u>	<u>\$ 347,012</u>	<u>\$ 3,172,012</u>

Transfers are used primarily to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute of budget required to expend them, (2) move cash to fund capital projects, (3) move receipts restricted to debt service from the funds collecting the receipts to the fund making payments when due, and (4) move residual cash from closed capital projects.

The County made the following transfers during the year ended December 31, 2023:

Transfers out:	Transfers in:					Total
	Governmental Funds			Proprietary Funds		
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Self Insurance Fund	Water Fund	
Governmental Funds:						
General Fund	\$ -	\$ 7,545,498	\$ 6,187,359	\$ 1,322,800	\$ 1,045,498	\$ 16,101,155
Capital Projects Fund	1,353,170	-	-	-	-	1,353,170
Proprietary Funds:						
Self-Insurance Fund	60,000	-	-	-	-	60,000
Workers' Compensation Fund	20,000	-	-	-	-	20,000
Total	<u>\$ 1,433,170</u>	<u>\$ 7,545,498</u>	<u>\$ 6,187,359</u>	<u>\$ 1,322,800</u>	<u>\$ 1,045,498</u>	<u>\$ 17,534,325</u>

13. LABOR CONTRACTS

Current employees are represented by four bargaining units with the balance governed by County rules and regulations. The Sheriff's Employee Association is negotiated through December 31, 2025. The Deputy Sheriff's Association, CSEA, and AFSCME contracts are negotiated through December 31, 2026.

14. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

The County considers encumbrances to be significant for amounts that are encumbered in excess of \$100,000. As of December 31, 2023 the County encumbered the following significant encumbrances:

Fund	Description	Amount
General Fund	2024 6x4 Mack Dump Truck	\$ 317,529
General Fund	Filter Media & WTP Improvements	270,935
General Fund	2024 Dump Truck	189,998
Water Fund	Countywide Water Supply Program	174,000
Water Fund	Phase 3 BOD & Source Evaluation	380,018

Monroe County Water Authority Agreement—The County entered into an agreement with Monroe County Water Authority ("MCWA") to pay a service fee in consideration for the water system and certain improvements finance by MCWA debt. The amounts due to MCWA under this agreement will be funded by the County from the fees charged to the water customers.

15. TAX ABATEMENTS

The County is subject to programs entered into by Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Corporation (“GCIDA”). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the GCIDA and incentives may include property tax abatements of any new property tax revenue realized from the increased assessed value of any incentivized project from the investment of private capital. The abatement agreements include a stipulated reduction pursuant to the limits set forth in State statute and rules. In the future these new revenues will increase periodically until the project is taxed at full assessed value. For the year ended December 31, 2023, the County collected \$625,222 in payments in lieu of taxes ("PILOT"), these collections were made in lieu of \$1,318,646 in property taxes.

16. CONTINGENCIES

Grants—In the normal course of operations, the County receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. Any disallowed expenditures resulting from such audits could become a liability of the County. The amount of disallowance, if any, cannot be determined at this time, although the County expects any such amounts to be immaterial.

Litigation—The County is involved in litigation in the ordinary course of its operations. Various legal actions are pending against the County. The County believes that its ultimate liability, if any, in connection with these matters will not have a material effect on the County’s financial condition or results of operations.

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 8, 2024, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

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

	Year Ended August 31,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Genesee Community College (the "College"):									
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan fiduciary net position as a percentage of the total pension liability	99.2%	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%
GCC's proportion of the net pension liability/(asset)	0.020719%	0.020815%	0.021672%	0.024955%	0.025732%	0.025787%	0.028053%	0.027389%	0.027755%
GCC's proportionate share of the net pension liability/(asset)	<u>\$ 236,942</u>	<u>\$ 399,426</u>	<u>\$ (3,755,598)</u>	<u>\$ 689,577</u>	<u>\$ (668,506)</u>	<u>\$ (466,288)</u>	<u>\$ (213,227)</u>	<u>\$ 293,344</u>	<u>\$ (2,882,819)</u>
GCC's covered payroll	<u>\$ 3,826,657</u>	<u>\$ 3,687,510</u>	<u>\$ 3,678,478</u>	<u>\$ 4,235,673</u>	<u>\$ 4,295,007</u>	<u>\$ 4,200,333</u>	<u>\$ 4,445,401</u>	<u>\$ 4,226,344</u>	<u>\$ 4,169,119</u>
GCC's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	6.2%	10.8%	(102.1%)	16.3%	(15.6%)	(11.1%)	(4.8%)	6.9%	(69.1%)

*Information prior to the year ended August 31, 2015 is not available.

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

	Year Ended August 31,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Genesee Community College (the "College"):									
Contractually required contributions	\$ 393,763	\$ 361,376	\$ 350,559	\$ 375,281	\$ 456,130	\$ 411,633	\$ 521,001	\$ 560,413	\$ 730,847
Contributions in relation to the contractually required contribution	<u>(393,763)</u>	<u>(361,376)</u>	<u>(350,559)</u>	<u>(375,281)</u>	<u>(456,130)</u>	<u>(411,633)</u>	<u>(521,001)</u>	<u>(560,413)</u>	<u>(730,847)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
GCC's covered payroll	\$ 3,826,657	\$ 3,687,510	\$ 3,678,478	\$ 4,235,673	\$ 4,295,007	\$ 4,200,333	\$ 4,445,401	\$ 4,226,344	\$ 4,169,119
Contributions as a percentage of covered payroll	10.3%	9.8%	9.5%	8.9%	10.6%	9.8%	11.7%	13.3%	17.5%

*Information prior to the year ended August 31, 2015 is not available.

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

	Year Ended December 31,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Plan fiduciary net position as a percentage of the total pension liability	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
Governmental Activities—Genesee County (the "County"):									
County's proportion of the net pension liability/(asset)	0.1218193%	0.1182146%	0.1200606%	0.1101516%	0.1084528%	0.1207253%	0.1245932%	0.1248693%	0.1254780%
County's proportionate share of the net pension liability/(asset)	<u>\$ 26,122,955</u>	<u>\$ (9,663,550)</u>	<u>\$ 119,549</u>	<u>\$ 29,168,790</u>	<u>\$ 7,684,207</u>	<u>\$ 3,896,342</u>	<u>\$ 11,707,050</u>	<u>\$ 20,041,862</u>	<u>\$ 4,238,956</u>
County's covered payroll	<u>\$ 29,880,145</u>	<u>\$ 27,824,698</u>	<u>\$ 26,528,909</u>	<u>\$ 26,478,733</u>	<u>\$ 25,352,736</u>	<u>\$ 24,712,163</u>	<u>\$ 28,759,832</u>	<u>\$ 28,343,915</u>	<u>\$ 27,048,403</u>
County's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	87.4%	(34.7%)	0.5%	110.2%	30.3%	15.8%	40.7%	70.7%	15.7%
Business-Type Activities—Genesee County (the "County"):									
County's proportion of the net pension liability/(asset)	0.0003304%	0.0000021%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%
County's proportionate share of the net pension liability/(asset)	<u>\$ 70,850</u>	<u>\$ (17,110)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 81,261</u>	<u>\$ 49,353</u>	n/a	n/a	n/a	n/a	n/a	n/a	n/a
County's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	87.2%	(34.7%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Genesee Community College (the "College"):									
The College's proportion of the net pension liability/(asset)	0.0304330%	0.0282819%	0.0307295%	0.0318394%	0.0321888%	0.0348145%	0.0295166%	0.0293969%	0.0310879%
The College's proportionate share of the net pension liability/(asset)	<u>\$ 6,526,071</u>	<u>\$ (2,311,906)</u>	<u>\$ 30,598</u>	<u>\$ 8,431,249</u>	<u>\$ 2,280,712</u>	<u>\$ 1,123,623</u>	<u>\$ 2,773,420</u>	<u>\$ 4,718,209</u>	<u>\$ 1,050,247</u>
The College's covered payroll	<u>\$ 7,484,998</u>	<u>\$ 6,668,582</u>	<u>\$ 6,789,999</u>	<u>\$ 7,653,687</u>	<u>\$ 7,524,821</u>	<u>\$ 7,126,466</u>	<u>\$ 6,813,253</u>	<u>\$ 6,672,659</u>	<u>\$ 6,707,537</u>
The College's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	87.2%	(34.7%)	0.5%	110.2%	30.3%	15.8%	40.7%	70.7%	15.7%
Genesee County Economic Development Center ("GCEDC"):									
The GCEDC's proportion of the net pension liability/(asset)	0.0023878%	0.0024537%	0.0026232%	0.0026611%	0.0028210%	0.0028571%	0.0029733%	0.0029677%	0.0029389%
The GCEDC's proportionate share of the net pension liability/(asset)	<u>\$ 512,048</u>	<u>\$ (200,580)</u>	<u>\$ 2,612</u>	<u>\$ 704,674</u>	<u>\$ 199,875</u>	<u>\$ 92,211</u>	<u>\$ 279,382</u>	<u>\$ 476,328</u>	<u>\$ 99,283</u>
The GCEDC's covered payroll	<u>\$ 794,486</u>	<u>\$ 724,726</u>	<u>\$ 696,864</u>	<u>\$ 694,245</u>	<u>\$ 647,755</u>	<u>\$ 637,407</u>	<u>\$ 603,658</u>	<u>\$ 617,283</u>	<u>\$ 585,007</u>
The GCEDC's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	64.5%	(27.7%)	0.4%	101.5%	30.9%	14.5%	46.3%	77.2%	17.0%

*Information prior to the year ended December 31, 2015 (August 31, 2015 as to the College) is not available.

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

	Year Ended December 31,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities—Genesee County (the "County"):									
Contractually required contributions	\$ 3,972,318	\$ 3,725,533	\$ 4,419,752	\$ 4,036,448	\$ 4,519,878	\$ 3,940,249	\$ 4,080,538	\$ 4,663,488	\$ 4,899,802
Contributions in relation to the contractually required contribution	(3,972,318)	(3,725,533)	(4,419,752)	(4,036,448)	(4,519,878)	(3,940,249)	(4,080,538)	(4,663,488)	(4,899,802)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 31,824,405	\$ 29,437,879	\$ 27,636,270	\$ 27,293,173	\$ 26,171,323	\$ 25,214,633	\$ 24,633,222	n/a	n/a
Contributions as a percentage of covered payroll	12.5%	12.7%	16.0%	14.8%	17.3%	15.6%	16.6%	n/a	n/a
Business-Type Activities—Genesee County (the "County"):									
Contractually required contributions	\$ 6,754	\$ 3,014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	(6,754)	(3,014)	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 83,695	\$ 74,336	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Contributions as a percentage of covered payroll	8.1%	4.1%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Genesee Community College (the "College"):									
Contractually required contributions	\$ 729,298	\$ 1,031,767	\$ 1,054,703	\$ 1,055,586	\$ 1,010,431	\$ 1,008,545	\$ 1,016,296	\$ 1,170,186	\$ 1,333,016
Contributions in relation to the contractually required contribution	(729,298)	(1,031,767)	(1,054,703)	(1,055,586)	(1,010,431)	(1,008,545)	(1,016,296)	(1,170,186)	(1,333,016)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
The College's covered payroll	\$ 7,484,998	\$ 6,668,582	\$ 6,789,999	\$ 7,653,687	\$ 7,524,821	\$ 7,126,466	\$ 6,813,253	\$ 6,672,659	\$ 6,707,537
Contributions as a percentage of covered payroll	9.7%	15.5%	15.5%	13.8%	13.4%	14.2%	14.9%	17.5%	19.9%
Genesee County Economic Development Center ("GCEDC"):									
Contractually required contributions	\$ 102,695	\$ 93,057	\$ 110,917	\$ 99,368	\$ 94,505	\$ 94,330	\$ 90,704	\$ 91,800	\$ 109,082
Contributions in relation to the contractually required contribution	(102,695)	(93,057)	(110,917)	(99,368)	(94,505)	(94,330)	(90,704)	(91,800)	(109,082)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GCEDC's covered payroll	\$ 858,812	\$ 780,276	\$ 706,640	\$ 698,168	\$ 715,188	\$ 638,117	\$ 629,920	\$ 600,465	\$ 591,947
Contributions as a percentage of covered payroll	12.0%	11.9%	15.7%	14.2%	13.2%	14.8%	14.4%	15.3%	18.4%

*Information prior to the year ended December 31, 2015 (August 31, 2015 as to the College) is not available.

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

	Year Ended December 31,					
	2023	2022	2021	2020	2019	2018
Primary Government—Governmental Activities						
Total OPEB liability						
Service cost	\$ 35,191	\$ 39,684	\$ 35,552	\$ 22,238	\$ 25,688	\$ 20,231
Interest	14,790	19,599	25,219	29,178	26,922	21,186
Changes of assumptions or other inputs	(57,442)	(2,832)	39,038	94,696	(33,329)	53,326
Differences between expected and actual experience	-	(185,544)	-	145,808	-	192,090
Changes in benefit terms	-	(609)	-	-	-	-
Benefit payments	(57,947)	(91,391)	(103,791)	(89,167)	(84,390)	(55,904)
Net changes in total OPEB liability	(65,408)	(221,093)	(3,982)	202,753	(65,109)	230,929
Total OPEB liability—beginning	711,687	932,780	936,762	734,009	799,118	568,189
Total OPEB liability—ending	<u>\$ 646,279</u>	<u>\$ 711,687</u>	<u>\$ 932,780</u>	<u>\$ 936,762</u>	<u>\$ 734,009</u>	<u>\$ 799,118</u>
Plan fiduciary net position						
Contributions—employer	\$ (57,947)	\$ (91,391)	\$ (103,791)	\$ (89,167)	\$ (84,390)	\$ (55,904)
Benefit payments	57,947	91,391	103,791	89,167	84,390	55,904
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's total OPEB liability—ending	<u>\$ 646,279</u>	<u>\$ 711,687</u>	<u>\$ 932,780</u>	<u>\$ 936,762</u>	<u>\$ 734,009</u>	<u>\$ 799,118</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 29,004,726	\$ 33,212,855	\$ 27,806,015	\$ 28,991,540	\$ 26,686,029	\$ 26,432,017
County's total OPEB liability as a percentage of covered-employee payroll	2.2%	2.1%	3.4%	3.2%	2.8%	3.0%

(continued)

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

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

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

	Year Ended December 31,					
	2023	2022	2021	2020	2019	2018
Primary Government—Business-type Activities						
Total OPEB liability						
Service cost	\$ 529	\$ 96	\$ -	\$ -	\$ -	\$ -
Interest	43	48	-	-	-	-
Changes of assumptions or other inputs	(266)	(7)	-	-	-	-
Differences between expected and actual experience	-	(450)	-	-	-	-
Changes in benefit terms	-	2,261	-	-	-	-
Benefit payments	(167)	(222)	-	-	-	-
Net changes in total OPEB liability	139	1,726	-	-	-	-
Total OPEB liability—beginning	1,726	-	-	-	-	-
Total OPEB liability—ending	<u>\$ 1,865</u>	<u>\$ 1,726</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position						
Contributions—employer	\$ (167)	\$ (222)	\$ -	\$ -	\$ -	\$ -
Benefit payments	167	222	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's total OPEB liability—ending	<u>\$ 1,865</u>	<u>\$ 1,726</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	n/a	n/a	n/a	n/a
Covered-employee payroll	\$ 83,695	\$ 80,531	\$ -	\$ -	\$ -	\$ -
County's total OPEB liability as a percentage of covered-employee payroll	2.2%	2.1%	n/a	n/a	n/a	n/a

(continued)

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

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

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

(concluded)

	Year Ended August 31,					
	2023	2022	2021	2020	2019	2018
Genesee Community College (the "College"):						
Total OPEB liability						
Service cost	\$ 155,421	\$ 162,654	\$ 150,676	\$ 124,434	\$ 110,222	\$ 110,140
Interest	113,740	76,526	92,448	89,850	87,483	85,453
Changes of assumptions or other inputs	(9,392)	(382,686)	134,938	157,188	55,910	(20,564)
Differences between expected and actual experience	(340,455)	(16,749)	196,580	871,677	327,206	4,242
Changes in benefit terms	-	36,695	-	-	-	-
Benefit payments	(319,480)	(468,873)	(421,425)	(152,096)	(170,143)	(167,856)
Net changes in total OPEB liability	(400,166)	(592,433)	153,217	1,091,053	410,678	11,415
Total OPEB liability—beginning	3,559,295	4,151,728	3,998,511	2,907,458	2,496,780	2,485,365
Total OPEB liability—ending	<u>\$ 3,159,129</u>	<u>\$ 3,559,295</u>	<u>\$ 4,151,728</u>	<u>\$ 3,998,511</u>	<u>\$ 2,907,458</u>	<u>\$ 2,496,780</u>
Plan fiduciary net position						
Contributions—employer	\$ (319,480)	\$ (468,873)	\$ (421,425)	\$ (152,096)	\$ (170,143)	\$ (167,856)
Benefit payments	319,480	468,873	421,425	152,096	170,143	167,856
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The College's total OPEB liability—ending	<u>\$ 3,159,129</u>	<u>\$ 3,559,295</u>	<u>\$ 4,151,728</u>	<u>\$ 3,998,511</u>	<u>\$ 2,907,458</u>	<u>\$ 2,496,780</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 13,555,882	\$ 13,093,675	\$ 12,658,232	\$ 12,276,435	\$ 11,877,356	\$ 11,877,356
The College's total OPEB liability as a percentage of covered-employee payroll	23.3%	27.2%	32.8%	32.6%	24.5%	21.0%

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

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

COUNTY OF GENESEE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes and tax items	\$ 33,305,762	\$ 33,305,762	\$ 32,996,180	\$ (309,582)
Nonproperty tax items	46,571,141	52,399,962	57,181,078	4,781,116
Departmental income	8,144,041	8,244,355	8,021,583	(222,772)
Intergovernmental charges	2,113,463	2,113,463	1,934,610	(178,853)
Use of money and property	1,643,182	2,143,182	4,923,419	2,780,237
Licenses and permits	25,000	25,000	19,173	(5,827)
Fines and forfeitures	146,500	146,500	120,080	(26,420)
Sale of property and compensation for loss	550	550	1,603	1,053
Miscellaneous	143,953	453,036	693,870	240,834
Interfund revenues	1,173,793	1,350,355	1,336,995	(13,360)
State aid	17,544,970	20,055,939	19,222,496	(833,443)
Federal aid	11,017,112	16,543,364	12,111,560	(4,431,804)
Total revenues	<u>121,829,467</u>	<u>136,781,468</u>	<u>138,562,647</u>	<u>1,781,179</u>
EXPENDITURES				
Current:				
General government support	31,899,210	38,214,286	32,382,884	5,831,402
Education	5,830,868	6,495,956	6,447,198	48,758
Public safety	15,793,763	16,679,985	15,806,243	873,742
Health	11,509,335	13,420,780	12,427,855	992,925
Transportation	1,288,184	1,288,184	917,601	370,583
Economic assistance and opportunity	28,151,021	29,447,723	27,123,588	2,324,135
Culture and recreation	1,019,183	1,119,394	1,056,608	62,786
Home and community services	1,233,416	1,316,826	1,183,670	133,156
Employee benefits	14,245,070	14,010,403	12,095,160	1,915,243
Debt service:				
Principal	3,090,111	3,090,111	3,090,111	-
Interest and fiscal charges	<u>3,768,336</u>	<u>3,768,336</u>	<u>3,768,336</u>	<u>-</u>
Total expenditures	<u>117,828,497</u>	<u>128,851,984</u>	<u>116,299,254</u>	<u>12,552,730</u>
Excess of revenues over expenditures	4,000,970	7,929,484	22,263,393	14,333,909
OTHER FINANCING SOURCES (USES)				
Transfers in	80,000	90,000	1,433,170	1,343,170
Transfers out	(8,108,399)	(15,653,897)	(16,101,155)	(447,258)
Issuance of leases	<u>1,107,219</u>	<u>1,107,219</u>	<u>1,107,219</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,921,180)</u>	<u>(14,456,678)</u>	<u>(13,560,766)</u>	<u>895,912</u>
Net change in fund balances*	(2,920,210)	(6,527,194)	8,702,627	15,229,821
Fund balances—beginning	<u>75,584,074</u>	<u>75,584,074</u>	<u>75,584,074</u>	<u>-</u>
Fund balances—ending	<u>\$ 72,663,864</u>	<u>\$ 69,056,880</u>	<u>\$ 84,286,701</u>	<u>\$ 15,229,821</u>

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

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

COUNTY OF GENESEE, NEW YORK
Notes to the Required Supplementary Information
Year Ended December 31, 2023

1. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the discount rate and the medical healthcare cost trend rate. The discount rate was 3.72 % as of January 1, 2023, as compared to 2.06% as of January 1, 2022. The salary scale assumed to increase at 3.00% per year. The RPH-2014 Mortality Table for employees, sex-distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2021 was used for mortality rates. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 8.00% while the ultimate healthcare cost trend rate is 3.94%. An inflation rate of 2.50% was assumed for developing the rate of increase in healthcare costs.

Discretely Presented Component Units

i) The College

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

	<u>2023</u>	<u>2022</u>
Discount Rate	3.90%	3.35%

2. BUDGETARY INFORMATION

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, except the Capital Projects Fund which is budgeted on a project basis, and the Special Grant Fund, which does not adopt a formal budget. The Capital Projects Fund is appropriated on a project length basis; appropriations are approved through a County Legislature resolution at the project’s inception and lapse upon termination of the project.

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

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

Actual results of operations presented in accordance with GAAP and the County’s accounting policies do not recognize encumbrances or restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed, or assigned fund balance. Significant encumbrances are disclosed in the notes to the financial statements. The General Fund original budget for the year ended December 31, 2023 included encumbrances from the prior year of \$473,901.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

County Road Fund—Accounts for maintaining the road system throughout the County.

Road Machinery Fund—Accounts for maintaining the road machinery system throughout the County.

Special Grant Fund—Accounts for financial assistance from Federal and State agencies and designated for employment and training purposes.

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

COUNTY OF GENESEE, NEW YORK
Combining Balance Sheet—
Nonmajor Governmental Funds
December 31, 2023

	<u>Special Revenue</u>			Total Nonmajor Funds
	<u>County Road</u>	<u>Road Machinery</u>	<u>Special Grant</u>	
ASSETS				
Cash and cash equivalents	\$ 529,376	\$ 718,165	\$ -	\$ 1,247,541
Restricted cash and cash equivalents	-	-	777	777
Receivables	5,551	90,883	-	96,434
Intergovernmental receivables	-	-	160,190	160,190
Lease receivable	-	-	154,557	154,557
Due from other funds	115,081	-	-	115,081
Inventory	-	131,459	-	131,459
Prepaid items	62,397	13,202	12,623	88,222
Total assets	<u>\$ 712,405</u>	<u>\$ 953,709</u>	<u>\$ 328,147</u>	<u>\$ 1,994,261</u>
LIABILITIES				
Accounts payable	\$ 84,413	\$ 88,703	\$ 33,835	\$ 206,951
Accrued liabilities	30,909	4,927	1,166	37,002
Due to other funds	-	-	63,925	63,925
Unearned revenue	-	-	22,005	22,005
Total liabilities	<u>115,322</u>	<u>93,630</u>	<u>120,931</u>	<u>329,883</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflows—relating to leases	-	-	154,557	154,557
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>154,557</u>	<u>154,557</u>
FUND BALANCES				
Nonspendable	62,397	144,661	12,623	219,681
Assigned	534,686	715,418	40,036	1,290,140
Total fund balances	<u>597,083</u>	<u>860,079</u>	<u>52,659</u>	<u>1,509,821</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 712,405</u>	<u>\$ 953,709</u>	<u>\$ 328,147</u>	<u>\$ 1,994,261</u>

COUNTY OF GENESEE, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances—Nonmajor Governmental Funds
Year Ended December 31, 2023

	<u>Special Revenue</u>			Total Nonmajor Funds
	<u>County Road</u>	<u>Road Machinery</u>	<u>Special Grant</u>	
REVENUES				
Departmental income	\$ 6,459	\$ -	\$ 184,099	\$ 190,558
Intergovernmental charges	67,790	7,200	86,294	161,284
Use of money and property	30,790	16,216	-	47,006
Licenses and permits	12,942	-	-	12,942
Sale of property and compensation for loss	673	1,096,227	-	1,096,900
Miscellaneous	-	2,101	-	2,101
Interfund revenues	152,177	1,097,679	-	1,249,856
State aid	-	-	118,901	118,901
Federal aid	-	-	485,562	485,562
Total revenues	<u>270,831</u>	<u>2,219,423</u>	<u>874,856</u>	<u>3,365,110</u>
EXPENDITURES				
Current:				
Public safety	141,984	-	-	141,984
Transportation	5,363,031	2,086,233	-	7,449,264
Economic assistance and opportunity	-	-	632,719	632,719
Employee benefits	921,051	185,565	132,040	1,238,656
Debt service:				
Principal	-	132,993	113,468	246,461
Interest and fiscal charges	-	14,457	12,532	26,989
Total expenditures	<u>6,426,066</u>	<u>2,419,248</u>	<u>890,759</u>	<u>9,736,073</u>
Deficiency of revenues over expenditures	<u>(6,155,235)</u>	<u>(199,825)</u>	<u>(15,903)</u>	<u>(6,370,963)</u>
OTHER FINANCING SOURCES				
Transfers in	6,187,359	-	-	6,187,359
Issuance of leases	-	238,509	-	238,509
Total other financing sources	<u>6,187,359</u>	<u>238,509</u>	<u>-</u>	<u>6,425,868</u>
Net change in fund balances	32,124	38,684	(15,903)	54,905
Fund balances—beginning	<u>564,959</u>	<u>821,395</u>	<u>68,562</u>	<u>1,454,916</u>
Fund balances—ending	<u>\$ 597,083</u>	<u>\$ 860,079</u>	<u>\$ 52,659</u>	<u>\$ 1,509,821</u>

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

FEDERAL AWARDS INFORMATION

COUNTY OF GENESEE, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program Cluster Title (1a)	Assistance Listing Number (1b)	Pass-Through Entity Identifying Number (1c)	Passed Through to Sub- Recipients	Total Federal Expenditures (1d)
U.S. Department of Agriculture:				
Passed through NYS Department of Social Services:				
<i>SNAP Cluster</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	\$ -	\$ 781,585
<i>Total SNAP Cluster</i>			-	781,585
Total U.S. Department of Agriculture			-	781,585
U.S. Department of Housing and Urban Development:				
Direct Program:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	444CVSB28-21	536,054	536,054
Passed through the Office of Lead Hazard Control and Healthy Homes Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	N/A	365,136	444,056
Total U.S. Department of Housing and Urban Development			901,190	980,110
U.S. Department of Justice:				
Direct Program:				
State Criminal Alien Assistance Program	16.606	15PBJA-20-RR-00400-SCAA	-	8,411
The Bulletproof Vest Partnership	16.607	N/A	-	5,410
Total U.S. Department of Justice			-	13,821
U.S. Department of Labor:				
Passed through Livingston County:				
Trade Adjustment Assistance <i>WIOA Cluster</i>	17.245	N/A	-	1,503
WIOA Adult Program	17.258	N/A	-	87,343
WIOA Youth Activities	17.259	N/A	-	108,949
WIOA Dislocated Workers Formula Grants <i>Total WIOA Cluster</i>	17.278	N/A	-	111,426
			-	307,718
TET Grant Dislocated Workers Incentive	17.277	N/A	-	193,584
Total U.S. Department of Labor			-	502,805
U.S. Department of Transportation:				
Direct Program:				
Airport Improvement Program	20.106	N/A	-	26,378
Hazardous Materials Emergency Preparedness	20.703	N/A	-	15,789
Passed through New York State Department of Transportation:				
Highway Planning and Construction <i>Highway Safety Cluster:</i>	20.205	N/A	-	1,832,912
Community and Highway Safety	20.600	T006963	-	16,550
Community and Highway Safety	20.616	HS1-2023	-	14,548
National Priority Safety Program	20.616	HS1-2024	-	5,008
National Priority Safety Program <i>Total Highway Safety Cluster</i>	20.616	00267-019	-	55
			-	36,161
Total U.S. Department of Transportation			-	1,911,240
U.S. Department of Treasury:				
Direct Program:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	1,079,791
Total U.S. Department of Treasury			-	1,079,791

(continued)

COUNTY OF GENESEE, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program Cluster Title (1a)	Assistance Listing Number (1b)	Pass-Through Entity Identifying Number (1c)	Passed Through to Sub- Recipients	Total Federal Expenditures (1d)
U.S. Department of Environmental Protection Agency:				
Direct Program:				
State Indoor Radon Projects	66.032	T-37366GG	-	11,286
Total U.S. Department of Environmental Protection Agency			-	11,286
U.S. Department of Education:				
Passed through NYS Office of Mental Health:				
Special Education-Grants for Infants and Families	84.181	C-36406GG	-	38,802
Total U.S. Department of Education			-	38,802
U.S. Department of Health and Human Services:				
Direct Program:				
Food and Drug Administration Research	93.103	G-BDEV-202111-01479	-	4,126
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	NUE2EH001449	-	235,195
Passed through New York State Office of Aging:				
Special Programs for the Aging - Title- IIID-				
Disease Prevention and Health Promotion Services	93.043	N/A	-	4,782
National Family Caregiver Support	93.052	N/A	-	14,368
<i>Aging Cluster -</i>				
Special Programs for the Aging - Title IIIB - Grants for Supportive Services and Senior Centers	93.044	N/A	-	100,621
Special Programs for the Aging - Title IIIC - Nutrition Services	93.045	N/A	-	171,860
Nutrition Services Incentive Program	93.053	N/A	-	23,770
<i>Total Aging Cluster</i>			-	296,251
Medicare Enrollment Assistance Program	93.071	N/A	-	17,310
Elder Abuse Prevention Intervention Projects	93.747	N/A	-	17,591
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	N/A	-	30,671
CDC's Collaboration with Academia to Strengthen Public Health	93.967	N/A	-	114,713
Passed through Health Research, Inc:				
Injury Prevention and Control Research and State and Community Based Programs	93.136	6161-03	16,805	60,789
Passed through National Association of County and City Health Officials:				
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health				
	93.421	2022-011104	-	10,000
Passed through New York State Department of Health:				
Centers for Disease Control & Prevention	93.069	1607.16	-	23,501
Centers for Disease Control & Prevention	93.069	1607.17	-	26,749
Guardianship Assistance	93.090	N/A	-	1,353
Immunization Cooperative Agreements	93.268	C-32518GG	-	33,678
Drug Abuse and Addiction Research Programs	93.279	GG015428	-	255,413
Epidemiology and Laboratory Capacity for Infection Diseases (ELC)	93.323	6450-01	-	319,497
Epidemiology and Laboratory Capacity for Infection Diseases (ELC)	93.323	6795-01	-	93,261
Epidemiology and Laboratory Capacity for Infection Diseases (ELC)	93.323	6969-01	96,092	98,543
<i>Total Epidemiology and Laboratory Capacity for Infection Diseases</i>			96,092	511,301
Child Abuse and Neglect State Grants	93.669	N/A	9,713	9,713
Children's Health Insurance Program	93.767	N/A	-	55,310
<i>Medicaid Cluster:</i>				
Medical Assistance Program	93.778	N/A	32,243	1,436,918
<i>Total Medicaid Cluster</i>			32,243	1,436,918
Maternal and Child Health Services Block Grant to the States	93.994	C-36989GG	-	57,684
Maternal and Child Health Services Block Grant to the States	93.994	C-35717GG	38,590	44,323
<i>Total Maternal and Child Health Services Block Grant to the States</i>			38,590	102,007

(continued)

COUNTY OF GENESEE, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

(concluded)

Federal Grantor/Pass-Through Grantor/Program Cluster Title (1a)	Assistance Listing Number (1b)	Pass-Through Entity Identifying Number (1c)	Passed Through to Sub- Recipients	Total Federal Expenditures (1d)
Passed through New York State Department of Social Services:				
Temporary Assistance for Needy Families	93.558	N/A	34,200	2,382,645
Child Support Enforcement	93.563	N/A	-	337,627
Low-Income Home Energy Assistance	93.568	N/A	-	76,009
<i>CCDF Cluster:</i>				
Child Care and Development Block Grant	93.575	N/A	-	1,219,318
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	-	60,043
<i>Total CCDF Cluster</i>				
			-	1,279,361
Foster Care Title IV-E	93.658	N/A	-	757,459
Adoption Assistance	93.659	N/A	-	589,714
Social Services Block Grant	93.667	N/A	-	1,127,647
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	N/A	-	21,261
Block Grants for Community Mental Health Services	93.958	N/A	-	26,352
Total U.S. Department of Health and Human Services			<u>227,643</u>	<u>9,859,814</u>
Corporation for National and Community Service				
Direct Program:				
Retired and Senior Volunteer Program	94.002	N/A	-	47,973
Total Corporation for National and Community Service			-	<u>47,973</u>
U.S. Department of Homeland Security:				
Passed through NYS Department of Homeland Security:				
Homeland Security Grant	97.067	T970792	-	1,265
Homeland Security Grant	97.067	T970702	-	11,487
Homeland Security Grant	97.067	T837711	-	4,406
Homeland Security Grant	97.067	T190126	-	7,101
Homeland Security Grant	97.067	CY20-1049-E02	-	49,558
Homeland Security Grant	97.067	C837798	-	10,875
Homeland Security Grant	97.067	C160009	-	151,707
Homeland Security Grant	97.067	C970790	-	3,647
Homeland Security Grant	97.067	C970700	-	38,401
Homeland Security Grant	97.067	C151010	-	22,247
Homeland Security Grant	97.067	C190124	-	20,894
Homeland Security Grant	97.067	C190264	-	3,245
<i>Total Homeland Security Grant</i>				
			-	324,833
Emergency Management Performance Grant	97.042	T837795	-	12,072
Emergency Management Performance Grant	97.042	T837715	-	14,761
<i>Total Emergency Management Performance Grant</i>				
			-	26,833
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	N/A	-	10,872
Total U.S. Department of Homeland Security			-	<u>362,538</u>
Total Federal Financial Assistance (1e)			<u>\$ 1,128,833</u>	<u>\$ 15,589,765</u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

COUNTY OF GENESEE, NEW YORK
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of County of Genesee, New York (the “County”) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County. The following notes were identified on the Schedule:

- (a) Includes all federal award programs of the County of Genesee, New York. The federal expenditures of the Genesee Economic Development Center, Genesee County Community College, and Genesee County Soil and Water Conservation District have not been included.
- (b) Source: Assistance Listing Numbers, previously known as Catalog of Federal Domestic Assistance.
- (c) Pass-through entity identifying numbers are presented where available.
- (d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- (e) A reconciliation to the financial statements is available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Negative amounts shown on the Schedule represent adjustments or credits made to correct expenditures of federal awards made in prior years. The County has not elected to use the 10 percent de minimus indirect cost rate, as allowed under the Uniform Guidance. The County’s policy is not to charge federal programs with indirect costs unless funded in the original award notification.

3. AMOUNTS PROVIDED TO SUBRECIPIENTS

Certain program funds are passed through the County to subrecipient organizations. The County identifies, to the extent practical, the total amount provided to subrecipients from each federal program, however, the Schedule does not contain separate schedules disclosing how the subrecipients outside of the County’s control utilize the funds. The County requires subrecipients receiving funds to submit separate audit reports disclosing the use of the program funds.

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

DRESCHER & MALECKI LLP

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



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

Honorable County Legislature
County of Genesee, New York:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 8, 2024 (which report includes a qualified opinion on the aggregate discretely presented component units). Our report includes a reference to other auditors who audited the financial statements of Genesee County Tobacco Asset Securitization Corporation ("GTASC"), Genesee County Economic Development Corporation ("GCEDC"), and Genesee Community College (the "College"), as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Drescher & Malecki LLP

May 8, 2024

DRESCHER & MALECKI LLP

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



**INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH
THE UNIFORM GUIDANCE**

Honorable County Legislature
County of Genesee, New York:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Genesee, New York’s (the “County”) compliance with the types of compliance requirements identified as subject to audit 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, 2023. The County’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

The County’s basic financial statements include the operations of the Genesee County Economic Development Center (“GCEDC”), Genesee Community College (the “College”) and the Genesee County Soil and Water Conservation District (“SWCD”), which may have expended federal awards, which are not included in the County’s schedule of expenditures of federal awards for the year ended December 31, 2023. Our audit, described below, did not include the operations of GCEDC or the College, because other auditors were engaged to perform such audits in accordance with the Uniform Guidance, as applicable, while SWCD was unaudited for the year ended December 31, 2023.

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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (“GAAS”); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors’ Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Drescher & Malecki LLP

May 8, 2024

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

COUNTY OF GENESEE, NEW YORK
Schedule of Findings and Questioned Costs
Year Ended December 31, 2023

Section I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued: Unmodified*
 *(which report includes a reference to other auditors and a qualified opinion on the Aggregate discretely presented component units.)

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ No	✓	
Significant deficiency(ies) identified?	_____ Yes	_____ None reported	✓	
Noncompliance material to the financial statements noted?	_____ Yes	_____ No	✓	

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified?	_____ Yes	_____ No	✓	
Significant deficiency(ies) identified?	_____ Yes	_____ None reported	✓	

Type of auditors' 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 ✓ _____ No

Identification of major federal programs:

<u>Name of Federal Program or Cluster</u>	<u>ALN</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027
Epidemiology & Laboratory Capacity for Infectious Diseases	93.323
Temporary Assistance for Needy Families	93.558
Child Care and Development Fund Cluster	93.575 and 93.596
Foster Care - Title IV-E	93.658
Social Services Block Grant	93.667
Medical Assistance Program	93.778

Dollar threshold used to distinguish between Type A and Type B programs? \$ 750,000

Auditee qualified as low-risk auditee? _____ Yes ✓ _____ No

Section II. FINANCIAL STATEMENT FINDINGS

No findings noted.

Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted.

COUNTY OF GENESEE, NEW YORK
Summary Schedule of Prior Year Audit Findings and Corrective Action Plan
Year Ended December 31, 2023
(Follow-Up on December 31, 2022 Findings)

No findings were reported.