

**AUDITED
BASIC FINANCIAL STATEMENTS**

COUNTY OF GENESEE, NEW YORK

DECEMBER 31, 2020

**COUNTY OF GENESEE, NEW YORK
TABLE OF CONTENTS**

Page

FINANCIAL SECTION

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-14

Basic Financial Statements:

Statement of Net Position	15
Statement of Activities	16
Balance Sheet - Governmental Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Net Position - Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Net Position (Deficit) - Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22-23
Statement of Net Position - Component Units	24
Statement of Revenues, Expenses and Changes in Net Position - Component Units	25
Statement of Fiduciary Net Position - Fiduciary Fund	26
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	27
Notes to Basic Financial Statements	28-55

Required Supplementary Information:

Schedule of Changes in the County's Total OPEB Liability and Related Ratios	56
Schedule of the County's Proportionate Share of the Net Pension Liability - Employees' Retirement System	57
Schedule of the County's Pension Contributions - Employees' Retirement System	58
Budgetary Comparison Schedule for the General Fund	59
Notes to Required Supplementary Information	60

FEDERAL FINANCIAL ASSISTANCE

Schedule of Expenditures of Federal Awards	61-64
Notes to Schedule of Expenditures of Federal Awards	65

**COUNTY OF GENESEE, NEW YORK
TABLE OF CONTENTS (CONTINUED)**

Page

INTERNAL CONTROL AND COMPLIANCE

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	66-67
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	68-69
Schedule of Findings and Questioned Costs	70
Schedule of Prior Year Findings and Questioned Costs	71

NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED

Independent Auditor's Report on Compliance for New York State Transportation Assistance Expended and Report on Internal Control Over Compliance in Accordance with Draft Part 43 of NYCRR	72-73
Schedule of New York State Transportation Assistance Expended	74
Notes to the Schedule of New York State Transportation Assistance Expended	75
Schedule of Findings and Questioned Costs for the New York State Transportation Assistance Expended	76

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Genesee, New York (the County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Genesee Tobacco Asset Securitization Corporation (TASC), which represents 4.81%, 180.25% and 3.96%, respectively, of the assets, deficit net position, and operating revenues of the business-type activities. We also did not audit the financial statements of Genesee Community College, and the Genesee County Economic Development Center, which represent 98.9%, 98.4% and 94.1% of the assets, net position, and operating revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Genesee Community College, Genesee County Economic Development Center and TASC is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County, as of December 31, 2020, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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

Freed Maxick CPAs, P.C.

Batavia, New York
June 29, 2021

**Management's Discussion and Analysis
County of Genesee, New York
Fiscal Year Ended December 31, 2020**

This section of County of Genesee, New York's (the County) annual financial report presents its discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2020. Please read it in conjunction with the County's financial statements, which immediately follow this section. In this section, **ALL AMOUNTS ARE EXPRESSED IN THOUSANDS OF DOLLARS, UNLESS OTHERWISE INDICATED.**

Financial Highlights

- The County's total primary government governmental activities net position at year end totaled approximately \$149,537 of which approximately \$118,014 was the net investment in capital assets.
- The County's total primary government governmental activities net position increased approximately \$4,240 from the prior year. The County had an overall revenue decrease since 2019 however, with conservative spending, the County maintained a strong net position overall.
- During the year ended December 31, 2020 the County's primary government invested \$7,344 in governmental activities capital assets, including \$2,132 in construction work in process, \$280 in buildings and improvements, \$3,708 in infrastructure, and \$1,224 in equipment, machinery, and other capital assets.
- The County tax rate was \$10.11 per thousand dollars of assessed value in 2020, which increased approximately \$0.07 per thousand dollars of assessed value from the 2019 County tax rate.

Overview of the Financial Statements

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

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

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

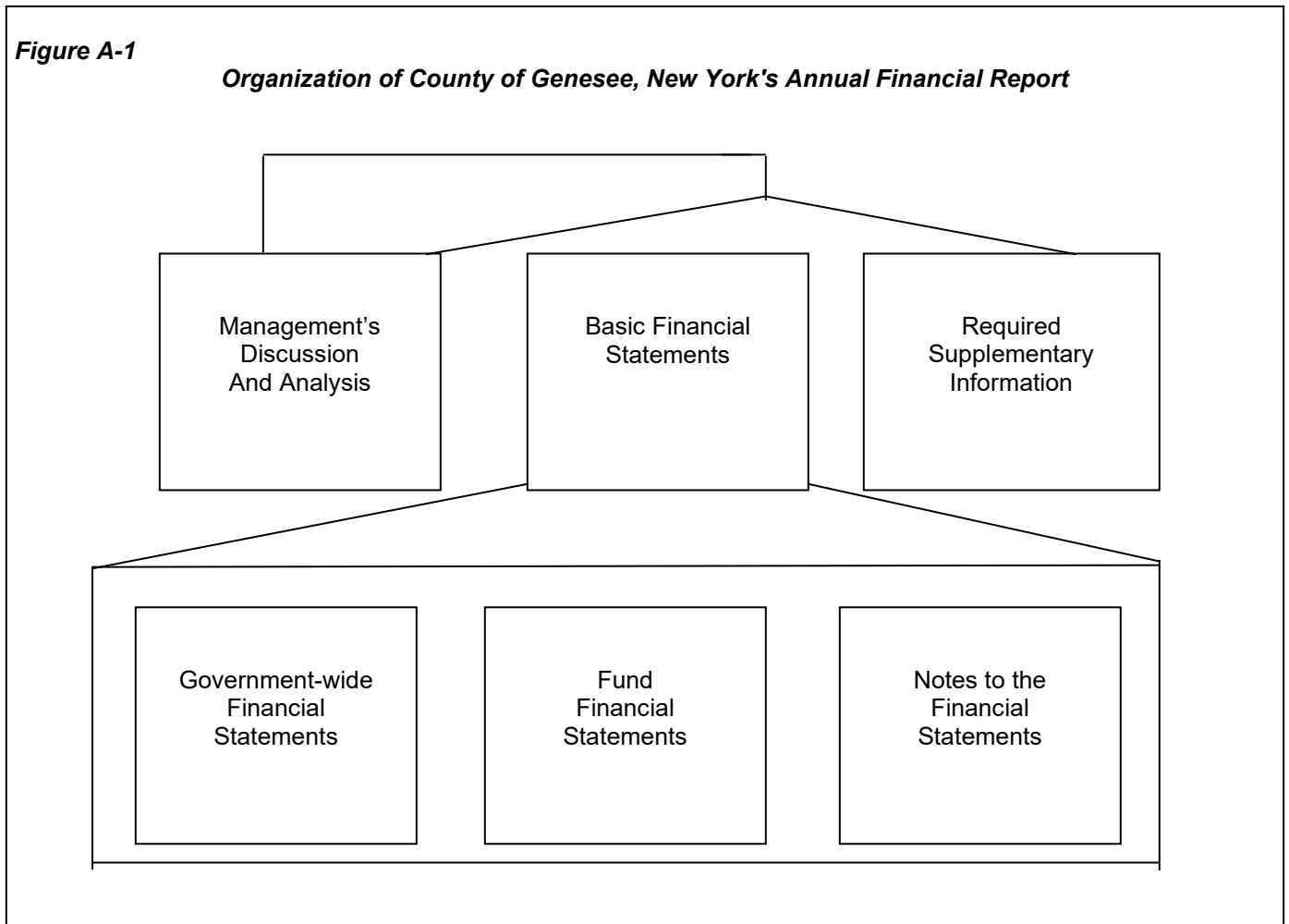


Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of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

Figure A-2

Major Features of the Government-wide and Fund Financial Statements

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

Government-wide Statements

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

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

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

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

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

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

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

Fund Financial Statements

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

The County has three kinds of funds:

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

Financial Analysis of the County as a Whole

The net position of the County's primary government's governmental activities increased 2.92% to approximately \$149,537. The majority of the net position is invested in capital assets such as buildings, roads and equipment. Noncurrent liabilities of the County's primary government's governmental activities have increased 76.2% primarily due to the net pension liability in the amount of \$29,169, which is a \$21,485 increase from the prior year. The net pension liability increased due to the downturn in the market that took place at the end of the State's fiscal year in March of 2020 due to COVID-19. The market conditions as of March 2021 were very favorable, which should have a positive impact on the net pension liability for 2021. The County's business-type activities had an increase in the net position of 21.08% primarily due to increases in the Water Fund to cover the cost of Phase 2 water improvements.

County of Genesee, New York - Primary Government						
Condensed Statement of Net Position						
(in thousands of dollars)						
	Governmental Activities		Total Percentage Change	Business-Type Activities		Total Percentage Change
	2020	2019		2020	2019	
Current and other assets	\$ 62,348	\$ 59,903	4.08%	\$ 26,296	\$ 23,769	10.63%
Capital assets, net	125,442	123,826	1.31%	1,146	2,805	-59.13%
Total assets	<u>187,791</u>	<u>183,729</u>	<u>2.21%</u>	<u>27,442</u>	<u>26,574</u>	<u>3.27%</u>
Deferred outflows of resources	20,823	6,669	212.24%	-	-	0.00%
Noncurrent liabilities	47,330	26,861	76.20%	28,727	30,001	-4.25%
Other liabilities	9,974	14,392	-30.70%	9,677	10,464	-7.52%
Total liabilities	<u>57,304</u>	<u>41,253</u>	<u>38.91%</u>	<u>38,405</u>	<u>40,465</u>	<u>-5.09%</u>
Deferred inflows of resources	1,773	3,848	-53.93%	-	-	0.00%
Net investment in capital assets	118,014	116,476	1.32%	130	1,802	-92.78%
Restricted	7,685	17,768	-56.75%	4,691	3,524	33.11%
Unrestricted (deficit)	23,838	11,053	115.67%	(15,784)	(19,217)	17.87%
Total net position (deficit)	<u>\$ 149,537</u>	<u>\$ 145,297</u>	<u>2.92%</u>	<u>\$ (10,963)</u>	<u>\$ (13,891)</u>	<u>21.08%</u>

Governmental activities. Governmental activities increased the County's net position by \$4,240. The County had an overall revenue decrease since 2019 however, with conservative spending, the County maintained a strong net position overall.

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

	Governmental Activities		Total Percentage Change	Business-Type Activities		Total Percentage Change
	2020	2019		2020	2019	
Program Revenues:						
Charges for services	\$ 10,502	\$ 13,498	-22.19%	\$ 17,687	\$ 15,568	13.61%
Tobacco settlement revenues	-	-	0.00%	834	727	14.73%
Operating grants and contributions	22,462	21,152	6.19%	-	-	0.00%
Capital grants and contributions	5,386	6,649	-18.99%	-	-	0.00%
General Revenues:						
Property taxes, special assessments and property tax items	32,089	31,269	2.62%	-	-	0.00%
Non-property taxes	41,964	43,461	-3.44%	-	-	0.00%
Investment income	1,138	1,737	-34.49%	137	429	-68.05%
Miscellaneous	1,018	233	336.96%	2,539	1,469	72.87%
Capital contributions	-	2,361	-100.00%	-	-	0.00%
Total revenues	114,560	120,360	-4.82%	21,198	18,193	16.52%
Program Expenses:						
General government	32,485	33,304	-2.46%	-	-	0.00%
Education	5,079	6,265	-18.93%	-	-	0.00%
Public safety	19,743	18,856	4.70%	-	-	0.00%
Health	11,910	10,235	16.36%	-	-	0.00%
Transportation	10,256	9,771	4.96%	-	-	0.00%
Economic assistance and opportunity	27,419	28,464	-3.67%	-	-	0.00%
Culture and recreation	1,061	1,082	-1.90%	-	-	0.00%
Home and community service	967	945	2.36%	-	-	0.00%
TASC	-	-	0.00%	1,313	1,276	2.87%
Self insurance	-	-	0.00%	11,236	13,813	-18.66%
Workers' compensation	-	-	0.00%	1,838	1,586	15.87%
Water	-	-	0.00%	4,842	4,684	3.38%
Interest on debt	442	445	-0.68%	-	-	0.00%
Total expenses	109,362	109,367	0.00%	19,228	21,359	-9.98%

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

	Governmental Activities		Total Percentage Change	Business-Type Activities		Total Percentage Change
	2020	2019		2020	2019	
Income (loss) before transfers	5,198	10,993	52.71%	1,970	(3,166)	162.21%
Transfers	(959)	(968)	-0.97%	959	968	-0.97%
Change in net position	4,240	10,025	-57.71%	2,928	(2,198)	-233.22%
Net position (deficit) - beginning	145,297	135,272	7.41%	(13,891)	(11,693)	18.80%
Net position (deficit) - ending	<u>\$ 149,537</u>	<u>\$ 145,297</u>	<u>2.92%</u>	<u>\$ (10,963)</u>	<u>\$ (13,891)</u>	<u>21.08%</u>

Governmental activities increased the County's net position by \$4,240 and business-type activities increased the County's net position by \$2,928. The County had an overall revenue decrease since 2019 however, with conservative spending, the County maintained a strong net position overall. The increase for business-type activities is primarily due to increases in the Water Fund to cover the cost of Phase 2 water improvements.

Governmental Activities

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

County of Genesee, New York							
Net Cost of Governmental Activities - Primary Government							
(in thousands of dollars)							
	Total Cost of Services		Total Percentage Change	Net Cost of Services		Total Percentage Change	
	2020	2019		2020	2019		
General government	\$ 32,485	\$ 33,304	-2.46%	\$ 29,384	\$ 29,018	1.26%	
Education	5,079	6,265	-18.93%	4,229	4,711	-10.23%	
Public safety	19,743	18,856	4.70%	16,567	15,273	8.47%	
Health	11,910	10,235	16.36%	1,600	1,786	-10.39%	
Transportation	10,256	9,771	4.96%	3,567	1,236	-188.59%	
Economic assistance and opportunity	27,419	28,464	-3.67%	13,670	14,663	-6.77%	
Culture and recreation	1,061	1,082	-1.90%	886	648	36.68%	
Home and community services	967	945	2.36%	666	287	131.98%	
Interest on debt	442	445	-0.68%	442	445	-0.68%	
Total	<u>\$ 109,362</u>	<u>\$ 109,367</u>	<u>0.00%</u>	<u>\$ 71,011</u>	<u>\$ 68,067</u>	<u>4.33%</u>	

Fluctuations within the functions is primarily due to capitalization of assets and fluctuations in program specific revenues and expenses.

Financial Analysis of The County's Funds

The fund balance of the General Fund increased approximately \$1,315 from 2019. In the 2021 budget, the County budgeted \$2,408 of fund balance to be used for the ensuing year. The unassigned portion of fund balance, formerly called undesignated fund balance, decreased \$521 from 2019, with a December 31, 2020 balance of \$14,645.

County of Genesee, New York			
Revenues, Expenditures/Expenses and Changes in Fund			
Balance/Net Position - Major Governmental Funds			
and Proprietary Funds - Primary Government			
(in thousands of dollars)			
Year Ended December 31, 2020			
	<u>Revenues</u>	<u>Expenditures/ Expenses</u>	<u>Fund Balance/ Net Position</u>
General Fund	\$ 106,786	\$ 105,470	\$ 44,376
TASC	843	1,313	(19,761)
Self Insurance	12,126	11,316	3,125
Workers' Compensation	3,025	1,854	1,769
Water	6,368	4,952	3,905
Year Ended December 31, 2019			
	<u>Revenues</u>	<u>Expenditures/ Expenses</u>	<u>Fund Balance/ Net Position</u>
General Fund	\$ 108,398	\$ 105,969	\$ 43,060
TASC	759	1,297	(19,291)
Self Insurance	11,064	13,913	2,314
Workers' Compensation	2,386	1,602	598
Water	5,104	4,699	2,488

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

General Fund Budgetary Highlights

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

The General Fund expended 92.5% of the original budgeted amount allowed.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$118,144 (net of related debt). This investment in capital assets includes land, construction work in process, buildings, improvements, machinery and equipment and infrastructure. Additional information on the County's capital assets can be found in Note 3.D. to the financial statements.

County of Genesee, New York				
Capital Assets, Net of Accumulated Depreciation - Primary Government				
(in thousands of dollars)				
	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
Land	\$ 2,593	\$ 2,573	\$ -	\$ -
Construction work in process	3,215	1,303	161	2,805
Buildings and improvements	53,081	54,242	-	-
Other capital assets	5,591	6,261	-	-
Machinery & equipment	3,670	3,963	-	-
Infrastructure	57,292	55,484	985	-
Total	<u>\$ 125,442</u>	<u>\$ 123,826</u>	<u>\$ 1,146</u>	<u>\$ 2,805</u>

Long-Term Obligations

At the end of the current year, the County's governmental activities had total bonded debt outstanding of \$15,130. This entire amount is backed by the full faith and credit of the County. Additional information on the County's long-term obligations can be found in Note 3.G. of the financial statements. Following is a statement of outstanding obligations:

County of Genesee, New York				
Outstanding Long-Term Obligations - Primary Government				
(in thousands of dollars)				
	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
General obligation bonds issued by the County of Genesee	\$ 15,130	\$ 16,450	\$ 7,075	\$ 7,500
Plus: unamortized premium	120	152	-	-
Turbo term bonds and subordinate turbo CABs issued by the Tobacco Asset Securitization Corporation	-	-	14,769	14,869
Compensated absences	1,975	1,841	-	-
OPEB liability	937	734	-	-
Workers' compensation	-	-	6,883	7,632
Net pension liability	29,169	7,684	-	-
Total	<u>\$ 47,330</u>	<u>\$ 26,861</u>	<u>\$ 28,727</u>	<u>\$ 30,001</u>

Factors Bearing on the County's Future

- On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The County's management has assessed these events and the impact of these restrictions and closures related to the County's operations. As of the date of these financial statements and as these events continue to unfold management believes there will be a continued impact into the next fiscal year and will continue to monitor the financial effects in anticipation of potential unexpected variables. Management has assessed the financial condition of the County and has determined that the County has assets and fund balances to absorb any impact in the 2021 fiscal year. The County also took steps to help to mitigate the financial impact of COVID-19 by placing a number of employees on an unpaid furlough through July of 2020, instituting a hiring freeze, and by reevaluating the voluntary revenue distributions to the local towns and villages, amongst other things.
- 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). The County is currently in the process of determining how the ARPA funding will be utilized in accordance with the allowed uses for the funds.
- Contractual COLA adjustments as well as the continual increases in health coverage have a significant impact on the County's operating budget. As the County is primarily service oriented, the largest portion of the budget is allocated for personnel and benefits. Health insurance premiums increased by 17.6% in 2021 and it is very likely that further increases in the future will be necessary. The County's collective bargaining agreements with CSEA and Deputy Sheriff's Association (DSA) have been approved through 2023 and the agreement with the Sheriff's Employee Association (SEA) has been approved through 2022. These agreements call for salary increases between 2% and 2.5% each year. The collective bargaining agreement with AFSCME expires at the end of 2021 and is currently under negotiations.

Factors Bearing on the County's Future (continued)

- The 2021 County tax rate decreased \$0.31 per thousand compared to the 2020 tax rate. The County did not override the tax cap with the 2021 budget.
- The County's last bond rating with Standard & Poor's in 2019 maintained a favorable AA- bond rating. 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 17% in 2021 largely due to the downturn in the market that took place at the end of the State's Fiscal year in March of 2020 due to COVID-19. The market conditions as of March 2021 were very favorable, which should have a positive impact on retirement rates for 2022.
- Sales tax revenue decreased by approximately 2.66% from 2019 to 2020. Sales tax revenue was strong in the first quarter, followed by a sharp decline in the second quarter due to COVID-19, which then leveled off for the remainder of the year. Sales tax revenues for the first quarter of 2021 were higher than revenues collected in the first quarter of 2020. The County finalized a forty-year sales tax agreement with the City of Batavia which began in 2020. The City of Batavia has started out receiving the same percentage of sales tax as the prior agreement (16%) with potential reductions in the percentage over time depending on the growth in sales tax each year, capped at a minimum percentage of 14%. As of 2020, the County ceased making sales tax payments to the towns and villages. Instead the County has adopted voluntary revenue sharing distributions with the towns and villages by resolution.
- 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 2020 and 2021.
- The State has mandated that the County needs to replace its existing jail facilities. The County has hired an architect and a construction manager for the project. The preliminary estimated cost of this project, based on our architect's designs and estimates from the construction manager, was approximately \$60 million prior to the project being put on hold due to COVID-19. The County's jail bed needs analysis study is being updated to estimate the number of beds needed before the project resumes. It is anticipated that the cost will be significantly higher due to the increasing cost of construction materials.

Contacting the County's Financial Management

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

COUNTY OF GENESEE, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 35,189,407	\$ 12,158,496	\$ 47,347,903	\$ 26,627,078
Cash and cash equivalents - restricted	7,684,823	6,727,097	14,411,920	953,590
Receivables:				
Accounts	1,787,795	393,168	2,180,963	9,000,882
Taxes, net	4,175,619	-	4,175,619	-
Intergovernmental receivables	12,306,253	3,115,248	15,421,501	-
Inventory	121,543	-	121,543	-
Prepays and other current assets	1,083,046	186,558	1,269,604	466,016
Other assets	-	-	-	7,396,876
Land held for investment	-	-	-	15,930,796
Due from component unit	-	3,715,000	3,715,000	-
Capital assets not being depreciated	5,808,250	161,218	5,969,468	-
Capital assets, net of accumulated depreciation	119,634,173	985,050	120,619,223	52,951,333
Total assets	<u>187,790,909</u>	<u>27,441,835</u>	<u>215,232,744</u>	<u>113,326,571</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred OPEB outflows	430,441	-	430,441	1,125,873
Deferred pension outflows	20,392,559	-	20,392,559	8,170,194
Total deferred outflows of resources	<u>20,823,000</u>	<u>-</u>	<u>20,823,000</u>	<u>9,296,067</u>
LIABILITIES				
Accounts payable	5,331,738	1,537,822	6,869,560	2,879,953
Accrued liabilities	-	1,766,602	1,766,602	64,180
Accrued interest payable	113,744	128,551	242,295	-
Accretion payable	-	6,235,874	6,235,874	-
Due to other governments	2,757,928	-	2,757,928	273
Other liabilities	-	-	-	2,172,859
Agency liabilities	-	-	-	707,704
Unearned revenues	1,770,674	8,541	1,779,215	13,026,425
Restricted liabilities - customer deposits	-	-	-	55,250
Noncurrent liabilities:				
Due and payable within one year	1,579,363	1,261,265	2,840,628	1,103,518
Due and payable after one year	45,750,969	27,466,111	73,217,080	29,522,535
Total liabilities	<u>57,304,416</u>	<u>38,404,766</u>	<u>95,709,182</u>	<u>49,532,697</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred OPEB inflows	22,629	-	22,629	11,072
Deferred pension inflows	1,750,323	-	1,750,323	932,628
Total deferred inflows of resources	<u>1,772,952</u>	<u>-</u>	<u>1,772,952</u>	<u>943,700</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	118,014,038	130,050	118,144,088	45,258,360
Restricted for:				
Capital projects	7,365,699	-	7,365,699	-
Debt service	18,815	-	18,815	-
Miscellaneous	300,309	4,690,843	4,991,152	9,613,602
Unrestricted (deficit)	23,837,680	(15,783,824)	8,053,856	17,274,279
Total net position (deficit)	<u>\$ 149,536,541</u>	<u>\$ (10,962,931)</u>	<u>\$ 138,573,610</u>	<u>\$ 72,146,241</u>

See notes to basic financial statements.

**COUNTY OF GENESEE, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Functions/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Governmental activities:								
General government	\$ 32,484,634	\$ 2,055,497	\$ 1,044,917	\$ -	\$ (29,384,220)	\$ -	\$ (29,384,220)	\$ -
Education	5,078,723	443,088	364,645	42,015	(4,228,975)	-	(4,228,975)	-
Public safety	19,742,958	762,912	1,664,709	748,523	(16,566,814)	-	(16,566,814)	-
Health	11,909,637	3,583,559	6,725,623	-	(1,600,455)	-	(1,600,455)	-
Transportation	10,256,038	2,087,150	30,118	4,571,856	(3,566,914)	-	(3,566,914)	-
Economic assistance and opportunity	27,419,105	1,486,395	12,262,308	-	(13,670,402)	-	(13,670,402)	-
Culture and recreation	1,061,409	83,590	68,442	23,713	(885,664)	-	(885,664)	-
Home and community services	967,338	-	301,545	-	(665,793)	-	(665,793)	-
Interest on debt	441,988	-	-	-	(441,988)	-	(441,988)	-
Total governmental activities	<u>109,361,830</u>	<u>10,502,191</u>	<u>22,462,307</u>	<u>5,386,107</u>	<u>(71,011,225)</u>	<u>-</u>	<u>(71,011,225)</u>	<u>-</u>
Business-type activities:								
TASC	1,312,642	834,077	-	-	-	(478,565)	(478,565)	-
Self Insurance	11,235,507	10,326,476	-	-	-	(909,031)	(909,031)	-
Workers' Compensation	1,837,619	1,699,633	-	-	-	(137,986)	(137,986)	-
Water	4,842,203	5,660,928	-	-	-	818,725	818,725	-
Total business-type activities	<u>19,227,971</u>	<u>18,521,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(706,857)</u>	<u>(706,857)</u>	<u>-</u>
Total primary government	<u>\$ 128,589,801</u>	<u>\$ 29,023,305</u>	<u>\$ 22,462,307</u>	<u>\$ 5,386,107</u>	<u>(71,011,225)</u>	<u>(706,857)</u>	<u>(71,718,082)</u>	<u>-</u>
Component units:								
Community College	\$ 50,059,769	\$ 47,859,156	\$ -	\$ -	-	-	-	(2,200,613)
Economic Development Center	4,717,786	5,700,190	-	-	-	-	-	982,404
Soil and Water Conservation District	1,422,724	1,321,707	-	-	-	-	-	(101,017)
Total component units	<u>\$ 56,200,279</u>	<u>\$ 54,881,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,319,226)</u>
General revenues:								
Real property taxes					31,051,658	-	31,051,658	-
Real property tax items					1,037,400	-	1,037,400	-
Non-property taxes					41,964,296	-	41,964,296	-
Investment income					1,137,954	137,058	1,275,012	1,041,386
Miscellaneous local sources					1,018,111	2,539,477	3,557,588	-
Gain on disposition of capital assets					-	-	-	6,468
Capital contributions					-	-	-	528,000
Transfers					(958,592)	958,592	-	-
Total general revenues and transfers					<u>75,250,827</u>	<u>3,635,127</u>	<u>78,885,954</u>	<u>1,575,854</u>
Change in net position					4,239,602	2,928,270	7,167,872	256,628
Net position (deficit) - beginning					145,296,939	(13,891,201)	131,405,738	71,889,613
Net position (deficit) - ending					<u>\$ 149,536,541</u>	<u>\$ (10,962,931)</u>	<u>\$ 138,573,610</u>	<u>\$ 72,146,241</u>

See notes to basic financial statements.

**COUNTY OF GENESEE, NEW YORK
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 33,730,142	\$ 1,459,265	\$ 35,189,407
Cash and cash equivalents - restricted	7,684,823	-	7,684,823
Receivables:			
Accounts	1,376,891	410,904	1,787,795
Taxes, net	4,175,619	-	4,175,619
Due from other funds	911,968	4,828,944	5,740,912
Intergovernmental receivables	10,839,440	1,466,813	12,306,253
Inventory	-	121,543	121,543
Prepays and other current assets	1,000,784	82,262	1,083,046
Total assets	<u>\$ 59,719,667</u>	<u>\$ 8,369,731</u>	<u>\$ 68,089,398</u>
LIABILITIES			
Accounts payable	\$ 4,257,369	\$ 1,074,369	\$ 5,331,738
Due to other funds	4,828,933	911,979	5,740,912
Due to other governments	2,757,928	-	2,757,928
Unearned revenues	1,770,674	-	1,770,674
Total liabilities	<u>13,614,904</u>	<u>1,986,348</u>	<u>15,601,252</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	1,728,555	-	1,728,555
Total deferred inflows of resources	<u>1,728,555</u>	<u>-</u>	<u>1,728,555</u>
FUND BALANCES			
Nonspendable	1,000,784	203,805	1,204,589
Restricted	7,684,823	-	7,684,823
Assigned	21,046,050	6,179,578	27,225,628
Unassigned	14,644,551	-	14,644,551
Total fund balances	<u>44,376,208</u>	<u>6,383,383</u>	<u>50,759,591</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 59,719,667</u>	<u>\$ 8,369,731</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	125,442,423
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Serial bonds payable	(15,130,000)
Unamortized premiums payable	(120,143)
Compensated absences	(1,974,637)
Other postemployment benefits	(936,762)
Net pension liability	(29,168,790)
Net accrued interest expense for bonds not reported in the funds	(113,744)
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds	1,728,555
Deferred outflow and inflows are not assets or liabilities of the current period and therefore are not reported in the funds:	
Deferred outflows related to other postemployment benefits	430,441
Deferred inflows related to other postemployment benefits	(22,629)
Deferred outflows related to pension	20,392,559
Deferred inflows related to pension	(1,750,323)
Net position of governmental activities	<u>\$ 149,536,541</u>

See notes to basic financial statements.

**COUNTY OF GENESEE, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Real property taxes	\$ 30,797,270	\$ -	\$ 30,797,270
Real property tax items	41,964,296	-	41,964,296
Non-property tax items	1,037,400	-	1,037,400
Departmental income	7,090,304	184,934	7,275,238
Intergovernmental charges	1,353,400	64,108	1,417,508
Use of money and property	1,134,647	3,307	1,137,954
Licenses and permits	26,017	10,889	36,906
Fines and forfeitures	142,959	-	142,959
Sale of property and compensation for loss	173,582	694,746	868,328
Miscellaneous local sources	287,152	155,188	442,340
Interfund revenues	540,773	965,987	1,506,760
State sources	13,904,238	2,960,147	16,864,385
Federal sources	8,151,457	2,832,572	10,984,029
Total revenues	<u>106,603,495</u>	<u>7,871,878</u>	<u>114,475,373</u>
EXPENDITURES			
Current:			
General government	30,817,851	-	30,817,851
Education	4,983,276	-	4,983,276
Public safety	16,393,146	128,313	16,521,459
Health	11,278,825	-	11,278,825
Transportation	744,943	6,648,806	7,393,749
Economic assistance and opportunity	25,588,897	719,888	26,308,785
Culture and recreation	977,161	-	977,161
Home and community services	945,626	-	945,626
Debt service:			
Principal	1,320,000	-	1,320,000
Interest	480,844	-	480,844
Capital outlay:			
General government	-	171,150	171,150
Education	-	82,440	82,440
Public safety	-	965,588	965,588
Transportation	-	4,668,003	4,668,003
Total expenditures	<u>93,530,569</u>	<u>13,384,188</u>	<u>106,914,757</u>
Excess (deficit) of revenues over expenditures	<u>13,072,926</u>	<u>(5,512,310)</u>	<u>7,560,616</u>
OTHER FINANCING SOURCES (USES)			
Interfund transfers in	182,651	10,840,100	11,022,751
Interfund transfers out	<u>(11,940,192)</u>	<u>(41,151)</u>	<u>(11,981,343)</u>
Total other financing sources (uses)	<u>(11,757,541)</u>	<u>10,798,949</u>	<u>(958,592)</u>
Net change in fund balances	1,315,385	5,286,639	6,602,024
Fund balances - beginning	<u>43,060,823</u>	<u>1,096,744</u>	<u>44,157,567</u>
Fund balances - ending	<u>\$ 44,376,208</u>	<u>\$ 6,383,383</u>	<u>\$ 50,759,591</u>

See notes to basic financial statements.

COUNTY OF GENESEE, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Net change in fund balances - total governmental funds (page 18)	\$	6,602,024
<p>Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$7,343,909), less construction work in process placed in service (\$219,229) exceeded depreciation expense (\$5,206,351) in the current period.</p>		
		1,918,329
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales) is to decrease net position.</p>		
		(304,361)
<p>Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the Statement of Activities.</p>		
		254,388
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Repayment of serial bonds	\$	1,320,000
Premium amortization		31,899
Change in compensated absences		(133,811)
Change in total OPEB liability		(202,753)
Change in net pension liability		<u>(21,484,583)</u>
		(20,469,248)
<p>Interest on debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the fund when it is due and payable, and thus require current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>		
		6,957
<p>Changes in deferred outflows and inflows reported in the Statement of Net Position during the measurement period between the County's contributions and its proportionate share to the total contributions subsequent to the measurement date do not provide for or require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in deferred outflows and inflows - other postemployment benefits	\$	180,120
Change in deferred outflows and inflows - pension - proportionate share		<u>16,048,703</u>
		<u>16,228,823</u>
Change in net position of governmental activities	\$	<u><u>4,236,912</u></u>

See notes to basic financial statements.

COUNTY OF GENESEE, NEW YORK
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2020

	Business-Type Activities - Enterprise Funds				
	TASC	Self Insurance	Workers' Compensation	Water	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 305,815	\$ 1,622,110	\$ 8,477,726	\$ 1,752,845	\$ 12,158,496
Accounts receivable	-	393,168	-	-	393,168
Due from other funds	-	16	-	-	16
Intergovernmental receivables	-	-	-	3,115,248	3,115,248
Due from component unit	-	-	-	290,000	290,000
Prepays and other current assets	1,713	184,845	-	-	186,558
Total current assets	<u>307,528</u>	<u>2,200,139</u>	<u>8,477,726</u>	<u>5,158,093</u>	<u>16,143,486</u>
Noncurrent assets:					
Cash and cash equivalents - restricted	1,013,139	3,093,035	277,141	2,343,782	6,727,097
Due from component unit	-	-	-	3,425,000	3,425,000
Capital assets not being depreciated	-	-	-	161,218	161,218
Capital assets, net of accumulated depreciation	-	-	-	985,050	985,050
Total noncurrent assets	<u>1,013,139</u>	<u>3,093,035</u>	<u>277,141</u>	<u>6,915,050</u>	<u>11,298,365</u>
Total assets	<u>1,320,667</u>	<u>5,293,174</u>	<u>8,754,867</u>	<u>12,073,143</u>	<u>27,441,851</u>
LIABILITIES					
Current liabilities:					
Accounts payable	1,642	393,387	103,341	1,039,452	1,537,822
Accrued liabilities	-	1,766,602	-	-	1,766,602
Accrued interest payable	74,481	-	-	54,070	128,551
Accretion payable	6,235,874	-	-	-	6,235,874
Due to other funds	-	-	16	-	16
Unearned revenues	-	8,541	-	-	8,541
Accrued and unpaid claim liabilities	-	-	76,265	-	76,265
Serial bonds payable	750,000	-	-	435,000	1,185,000
Total current liabilities	<u>7,061,997</u>	<u>2,168,530</u>	<u>179,622</u>	<u>1,528,522</u>	<u>10,938,671</u>
Noncurrent liabilities:					
Accrued and unpaid claim liabilities	-	-	6,806,735	-	6,806,735
Serial bonds payable	14,019,376	-	-	6,640,000	20,659,376
Total noncurrent liabilities	<u>14,019,376</u>	<u>-</u>	<u>6,806,735</u>	<u>6,640,000</u>	<u>27,466,111</u>
Total liabilities	<u>21,081,373</u>	<u>2,168,530</u>	<u>6,986,357</u>	<u>8,168,522</u>	<u>38,404,782</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	-	-	-	130,050	130,050
Restricted	1,320,667	3,093,035	277,141	-	4,690,843
Unrestricted (deficit)	(21,081,373)	31,609	1,491,369	3,774,571	(15,783,824)
Total net position (deficit)	<u>\$ (19,760,706)</u>	<u>\$ 3,124,644</u>	<u>\$ 1,768,510</u>	<u>\$ 3,904,621</u>	<u>\$ (10,962,931)</u>

See notes to basic financial statements.

COUNTY OF GENESEE, NEW YORK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT) – PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-Type Activities - Enterprise Funds				
	TASC	Self Insurance	Workers' Compensation	Water	Total
OPERATING REVENUES					
Charges for services	\$ -	\$ 10,326,476	\$ 1,699,633	\$ 5,660,928	\$ 17,687,037
Tobacco settlement revenues	834,077	-	-	-	834,077
Other operating revenues	-	1,608,046	767,931	163,500	2,539,477
Total operating revenues	<u>834,077</u>	<u>11,934,522</u>	<u>2,467,564</u>	<u>5,824,428</u>	<u>21,060,591</u>
OPERATING EXPENSES					
Salaries and employee benefits	-	4,554	27,737	-	32,291
Contractual expenses	24,691	11,230,953	1,809,882	4,652,190	17,717,716
Depreciation	-	-	-	9,950	9,950
Total operating expenses	<u>24,691</u>	<u>11,235,507</u>	<u>1,837,619</u>	<u>4,662,140</u>	<u>17,759,957</u>
Operating income	<u>809,386</u>	<u>699,015</u>	<u>629,945</u>	<u>1,162,288</u>	<u>3,300,634</u>
NONOPERATING REVENUES (EXPENSES)					
Accretion	(650,530)	-	-	-	(650,530)
Interest income	8,998	27,158	72,222	28,680	137,058
Interest expense	(637,421)	-	-	(180,063)	(817,484)
Total nonoperating revenues (expenses)	<u>(1,278,953)</u>	<u>27,158</u>	<u>72,222</u>	<u>(151,383)</u>	<u>(1,330,956)</u>
Income (loss) before transfers	(469,567)	726,173	702,167	1,010,905	1,969,678
Transfers in	-	164,300	485,110	515,000	1,164,410
Transfers out	-	(80,000)	(16,500)	(109,318)	(205,818)
Change in net position	(469,567)	810,473	1,170,777	1,416,587	2,928,270
Net position (deficit) - beginning	<u>(19,291,139)</u>	<u>2,314,171</u>	<u>597,733</u>	<u>2,488,034</u>	<u>(13,891,201)</u>
Net position (deficit) - ending	<u>\$ (19,760,706)</u>	<u>\$ 3,124,644</u>	<u>\$ 1,768,510</u>	<u>\$ 3,904,621</u>	<u>\$ (10,962,931)</u>

See notes to basic financial statements.

**COUNTY OF GENESEE, NEW YORK
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Business-Type Activities - Enterprise Funds				
	TASC	Self Insurance	Workers' Compensation	Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ -	\$ 10,285,041	\$ 1,699,633	\$ 5,278,373	\$ 17,263,047
Payments to suppliers	(22,174)	(12,148,090)	(2,517,065)	(3,584,180)	(18,271,509)
Payments to employees	-	(4,554)	(27,737)	-	(32,291)
Proceeds from tobacco receipts	834,077	-	-	-	834,077
Other operating revenue	-	1,608,046	767,931	163,500	2,539,477
Net cash provided (used) by operating activities	<u>811,903</u>	<u>(259,557)</u>	<u>(77,238)</u>	<u>1,857,693</u>	<u>2,332,801</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating subsidies and transfers from (to) other funds	-	84,284	468,626	405,682	958,592
Repayment of component unit loans	-	-	-	285,000	285,000
Principal repayment of bonds payable	(100,000)	-	-	(285,000)	(385,000)
Interest payments on bonds payable	(637,421)	-	-	(100,957)	(738,378)
Net cash provided (used) by noncapital financing activities	<u>(737,421)</u>	<u>84,284</u>	<u>468,626</u>	<u>304,725</u>	<u>120,214</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	-	-	-	(152,968)	(152,968)
Intergovernmental loan repayment	-	-	-	(1,611,963)	(1,611,963)
Interfund loan repayment	-	-	-	(1,612,497)	(1,612,497)
Principal repayment of bonds payable	-	-	-	(140,000)	(140,000)
Interest payments on bonds payable	-	-	-	(81,581)	(81,581)
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,599,009)</u>	<u>(3,599,009)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	8,998	27,158	72,222	28,680	137,058
Net cash provided by investing activities	<u>8,998</u>	<u>27,158</u>	<u>72,222</u>	<u>28,680</u>	<u>137,058</u>
Net increase (decrease) in cash and cash equivalents	83,480	(148,115)	463,610	(1,407,911)	(1,008,936)
Cash and cash equivalents - beginning	<u>1,235,474</u>	<u>4,863,260</u>	<u>8,291,257</u>	<u>5,504,538</u>	<u>19,894,529</u>
Cash and cash equivalents - ending	<u>\$ 1,318,954</u>	<u>\$ 4,715,145</u>	<u>\$ 8,754,867</u>	<u>\$ 4,096,627</u>	<u>\$ 18,885,593</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position					
Cash and cash equivalents	\$ 305,815	\$ 1,622,110	\$ 8,477,726	\$ 1,752,845	\$ 12,158,496
Cash and cash equivalents - restricted	1,013,139	3,093,035	277,141	2,343,782	6,727,097
Total cash and cash equivalents	<u>\$ 1,318,954</u>	<u>\$ 4,715,145</u>	<u>\$ 8,754,867</u>	<u>\$ 4,096,627</u>	<u>\$ 18,885,593</u>

See notes to basic financial statements.

COUNTY OF GENESEE, NEW YORK
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

	Business-Type Activities - Enterprise Funds				
	TASC	Self Insurance	Workers' Compensation	Water	Total
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ 809,386	\$ 699,015	\$ 629,945	\$ 1,162,288	\$ 3,300,634
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	-	-	-	9,950	9,950
(Increase) in accounts receivable	-	(32,469)	-	-	(32,469)
(Increase) in due from other governments	-	-	-	(382,555)	(382,555)
(Increase) decrease in prepaids and other current assets	3,843	(184,845)	-	-	(181,002)
Increase (decrease) in accounts payable	(372)	(446,038)	42,828	1,068,010	664,428
(Decrease) in accrued liabilities	(954)	(286,254)	(1,011)	-	(288,219)
(Decrease) in accrued and unpaid claim liabilities	-	-	(749,000)	-	(749,000)
(Decrease) in unearned revenues	-	(8,966)	-	-	(8,966)
Net cash provided (used) by operating activities	<u>\$ 811,903</u>	<u>\$ (259,557)</u>	<u>\$ (77,238)</u>	<u>\$ 1,857,693</u>	<u>\$ 2,332,801</u>
Supplemental disclosure of cash flow information:					
Cash paid during the year for interest	<u>\$ 637,421</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 637,421</u>

See notes to basic financial statements.

COUNTY OF GENESEE, NEW YORK
STATEMENT OF NET POSITION – COMPONENT UNITS
DECEMBER 31, 2020

	<u>Community College</u>	<u>Economic Development Center</u>	<u>Soil and Water Conservation District</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 15,264,341	\$ 11,138,187	\$ 224,550	\$ 26,627,078
Cash and cash equivalents - restricted	-	-	953,590	953,590
Other receivables, net	8,029,383	952,087	19,412	9,000,882
Prepays and current assets	430,650	29,055	6,311	466,016
Other assets	7,396,876	-	-	7,396,876
Land held for investment	-	15,930,796	-	15,930,796
Capital assets, net of accumulated depreciation	52,951,333	-	-	52,951,333
Total assets	<u>84,072,583</u>	<u>28,050,125</u>	<u>1,203,863</u>	<u>113,326,571</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred OPEB outflows	1,125,873	-	-	1,125,873
Deferred pension outflows	7,677,494	492,700	-	8,170,194
Total deferred outflows of resources	<u>8,803,367</u>	<u>492,700</u>	<u>-</u>	<u>9,296,067</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,632,344	222,159	25,450	2,879,953
Accrued liabilities	41,444	22,736	-	64,180
Due to other governments	-	-	273	273
Other liabilities	2,172,859	-	-	2,172,859
Agency liabilities	707,704	-	-	707,704
Unearned revenues	6,275,393	6,751,032	-	13,026,425
Loan payable	-	290,000	-	290,000
Mortgages payable	616,318	-	-	616,318
Paycheck Protection Program (PPP) loan payable	197,200	-	-	197,200
Restricted liabilities - customer deposits	55,250	-	-	55,250
Noncurrent liabilities:				
Annuities payable	6,215	-	-	6,215
Capital lease payable	22,782	-	-	22,782
Loans payable	-	8,621,487	-	8,621,487
Mortgages payable	7,048,040	-	-	7,048,040
Total OPEB liability	3,998,511	-	-	3,998,511
Aggregated net pension liability	9,120,826	704,674	-	9,825,500
Total liabilities	<u>32,894,886</u>	<u>16,612,088</u>	<u>25,723</u>	<u>49,532,697</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred OPEB inflows	11,072	-	-	11,072
Deferred pension inflows	877,646	54,982	-	932,628
Total deferred inflows of resources	<u>888,718</u>	<u>54,982</u>	<u>-</u>	<u>943,700</u>
NET POSITION				
Net investment in capital assets	45,258,360	-	-	45,258,360
Restricted	8,236,071	423,941	953,590	9,613,602
Unrestricted	5,597,915	11,451,814	224,550	17,274,279
Total net position	<u>\$ 59,092,346</u>	<u>\$ 11,875,755</u>	<u>\$ 1,178,140</u>	<u>\$ 72,146,241</u>

See notes to basic financial statements.

COUNTY OF GENESEE, NEW YORK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Community College</u>	<u>Economic Development Center</u>	<u>Soil and Water Conservation District</u>	<u>Total</u>
OPERATING REVENUES				
Tuition and fees, net	\$ 9,256,576	\$ 839,375	\$ -	\$ 10,095,951
State grants and contracts	1,528,433	-	964,639	2,493,072
Federal grants and contracts	1,965,271	-	118,020	2,083,291
Nongovernmental grants and contracts	333,401	-	-	333,401
Auxiliary enterprises	1,690,260	-	-	1,690,260
County of Genesee	-	233,513	151,891	385,404
Economic development program support	-	350,000	-	350,000
Charges for services	-	-	37,318	37,318
Interest income on loans	-	3,877	-	3,877
Rent income	-	28,158	-	28,158
Grant income	-	4,238,134	-	4,238,134
Other revenues	669,181	7,133	49,839	726,153
Total operating revenues	<u>15,443,122</u>	<u>5,700,190</u>	<u>1,321,707</u>	<u>22,465,019</u>
OPERATING EXPENSES				
Salaries and benefits	-	1,103,850	342,723	1,446,573
Site development	-	3,138,262	-	3,138,262
Educational and general expenditures	34,366,764	-	-	34,366,764
Financial aid and scholarships	4,019,452	-	-	4,019,452
Operation and maintenance	4,560,291	-	-	4,560,291
Depreciation	2,475,702	65	-	2,475,767
General and administrative	-	384,829	1,080,001	1,464,830
Auxiliary expenses	4,637,560	-	-	4,637,560
Total operating expenses	<u>50,059,769</u>	<u>4,627,006</u>	<u>1,422,724</u>	<u>56,109,499</u>
Operating income (loss)	<u>(34,616,647)</u>	<u>1,073,184</u>	<u>(101,017)</u>	<u>(33,644,480)</u>
NONOPERATING REVENUES (EXPENSES)				
County appropriations	2,636,374	-	-	2,636,374
Other counties' appropriations	10,223,791	-	-	10,223,791
Federal and State nonoperating grants	9,407,139	-	-	9,407,139
State appropriations	10,148,730	-	-	10,148,730
Investment income, net	1,020,320	20,823	243	1,041,386
Economic development loan fund expense	-	(90,780)	-	(90,780)
Gain on sale of capital assets	6,468	-	-	6,468
Total nonoperating revenues (expenses)	<u>33,442,822</u>	<u>(69,957)</u>	<u>243</u>	<u>33,373,108</u>
Income (loss) before capital appropriations	(1,173,825)	1,003,227	(100,774)	(271,372)
Capital appropriations - state and county	490,000	-	-	490,000
Capital appropriations - private	38,000	-	-	38,000
Change in net position	(645,825)	1,003,227	(100,774)	256,628
Net position - beginning	<u>59,738,171</u>	<u>10,872,528</u>	<u>1,278,914</u>	<u>71,889,613</u>
Net position - ending	<u>\$ 59,092,346</u>	<u>\$ 11,875,755</u>	<u>\$ 1,178,140</u>	<u>\$ 72,146,241</u>

See notes to basic financial statements.

**COUNTY OF GENESEE, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUND
DECEMBER 31, 2020**

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents - restricted	\$ <u>575,916</u>
Total assets	<u>575,916</u>
LIABILITIES	
Due to other governments	<u>151,954</u>
Total liabilities	<u>151,954</u>
NET POSITION	
Restricted for:	
Bail deposits and court trust	7,151
Individuals	<u>416,811</u>
Total net position	\$ <u><u>423,962</u></u>

See notes to basic financial statements.

COUNTY OF GENESEE, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Custodial Funds</u>
ADDITIONS	
Bail deposits received	\$ 12,554
Interest earned	903
Mortgage taxes collected for other governments	800,833
Social services receipts for individuals	<u>1,830,372</u>
Total additions	<u>2,644,662</u>
DEDUCTIONS	
Payments of bail deposits	71,873
Mortgage taxes collected for other governments	800,833
Social services disbursements to individuals	<u>1,843,345</u>
Total deductions	<u>2,716,051</u>
Change in net position	(71,389)
Net position - beginning	<u>495,351</u>
Net position - ending	<u>\$ 423,962</u>

See notes to basic financial statements.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

PRIMARY GOVERNMENT

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

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

COMPONENT UNITS

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

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

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

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

The Genesee Community College (GCC) was established under the sponsorship of the County pursuant to the New York State Education Law. The operations of GCC are funded by New York State, the County and the students of GCC. GCC uses the accrual basis of accounting in conformity with GAAP. During the year ended August 31, 2003, GCC implemented GASB Statement No. 34, No. 35 and No. 37. In accordance with those Statements, the financial statements of GCC are required to present a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows using the direct method. The statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses and the recognition of depreciation on capital assets. The GCC Funds includes current and restricted accounts. The amounts included in the County's financial statements are as of and for the GCC's year ended August 31, 2020. A copy of the financial statements for GCC may be obtained from the Office of the Vice President of Finance and Operations, R. Stephen Hawley Drive, Batavia, New York 14020.

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

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

B. JOINT VENTURES

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

1. WATERSHED PROTECTION DISTRICT

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

Summary financial information from the Oak Orchard Small Watershed Protection District's unaudited financial statements for the year ended December 31, 2020 is as follows:

Assets	\$	88,326
Liabilities	\$	92
Fund balance	\$	88,234
Total revenues	\$	53,987
Total expenditures	\$	26,515

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

2. SOLID WASTE

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

Summary financial information from the joint Committee's annual financial report update document for the year ended December 31, 2020 is as follows:

Assets	\$	378,070
Liabilities	\$	20,556
Fund balance	\$	357,514
Total revenues	\$	184,779
Total expenditures	\$	127,773

C. BASIS OF PRESENTATION

1. GOVERNMENT-WIDE FINANCIAL STATEMENTS

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

2. FUND FINANCIAL STATEMENTS

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

Governmental Funds:

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

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

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

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

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

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

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

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

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

Enterprise Funds:

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

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

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

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

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

Other Fund Types:

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

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

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

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

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

E. REVENUES AND EXPENDITURES/EXPENSES

1. PROGRAM REVENUES

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

2. PROPERTY TAXES

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

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

At December 31, 2020, the taxes receivable amounted to \$4,272,162, which is net of an allowance for uncollected taxes of \$96,543. Current year returned village and school taxes of \$1,852,509 are offset by liabilities to the villages and school districts, which will be paid no later than April 15, 2021. The remaining portion of tax assets is partially offset by unavailable revenue of \$1,728,555, which represents the tax liens which will not be collected within the first sixty (60) days of the subsequent year.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

The New York State Constitution limits the amount of property taxes which may be raised for County purposes. The County had exhausted 65.34% of its constitutional tax limit as of December 31, 2020.

3. COMPENSATED ABSENCES

Vacation

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

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

County employees may accumulate vacation time, subject to certain limitations, and carry it forward to subsequent years. The County's liability for earned and unused compensated absences was \$1,974,637 at December 31, 2020 for the governmental activities.

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

1. CASH AND CASH EQUIVALENTS

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

2. RESTRICTED ASSETS

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

3. INVENTORY

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

4. PREPAID ITEMS

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

5. RECEIVABLES

Receivables are carried at their net realizable value. Accounts are written off as uncollectible after the likelihood of payment is considered remote by management. Generally accepted accounting principles require the establishment of an allowance for uncollectible accounts. The allowance for uncollectible accounts related to tax collections amounted to \$96,543 at December 31, 2020.

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

6. CAPITAL ASSETS

Government-wide statements:

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

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

Capital assets are defined by the County within the capitalization policies established by the County. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

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

Fund Financial Statements:

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

7. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County has two items that qualify for reporting in this category. They are deferred amounts related to pension and other postemployment benefits (OPEB) reported in the government-wide Statement of Net Position. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in assumptions and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three types of items that qualify for reporting in this category. In the government-wide financial statements the County reports deferred amounts related to pension and OPEB. In the Balance Sheet – Governmental Funds, the County reports unavailable revenue related to property taxes.

See details of deferred pension outflows and inflows in Note 3.E. and deferred OPEB outflows and inflows in Note 3.F.

8. UNEARNED REVENUES

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

9. LONG-TERM OBLIGATIONS

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

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

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

10. NET POSITION FLOW ASSUMPTION

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

11. FUND BALANCE FLOW ASSUMPTIONS

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The County Legislature adopted a formal spending policy under the provisions of GASB Statement No. 54 stating that the County Legislature will assess the current financial condition of the County and then determine the order of application of expenditures to which fund balance classification will be charged.

12. FUND BALANCE POLICIES

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

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

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

G. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

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

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

H. ACCOUNTING PRONOUNCEMENTS

On May 8, 2020, the GASB issued Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* in response to the COVID-19 pandemic. The effective dates of GASB Statements not yet implemented by the County have been updated below to reflect the impact of this Statement and there was no financial statement impact. Other than Statement No. 95, there were no new GASB Statements implemented by the County for the year ended December 31, 2020.

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

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the year ending December 31, 2021.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2022.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2022.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending December 31, 2021, except for paragraph 11b, which will be effective for the year ending December 31, 2022.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32*, which will be effective for the year ending December 31, 2022.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LEGAL COMPLIANCE - BUDGETS

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

- No later than November 15th, the Budget Officer submits a tentative budget to the County Legislature for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds except Capital Projects and the Fiduciary Fund.
- After public hearings are conducted to obtain taxpayer comments, no later than December 20th, the County Legislature adopts the budget. All modifications of the budget must be approved by the County Legislature, however, the Budget Officer/County Manager is authorized to transfer certain budgeted amounts within departments.
- Budgets are prepared for Proprietary Funds to establish the estimated contributions required from other funds and to control expenditures.

B. DEFICIT FUND BALANCE AND NET POSITION

The TASC reported unrestricted deficit net position at December 31, 2020 in the amount of \$21,081,373. The deficit is due to various expenses associated with the bonds. The future cash receipts from the Master Settlement Agreement (MSA) are expected to offset this deficit.

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. DEPOSITS AND INVESTMENTS

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

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State and municipalities and school districts and obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations

The County's aggregate bank balances were fully collateralized at December 31, 2020.

Restricted cash and cash equivalents are assets where their use is limited by legal requirements. The County's restricted cash and cash equivalents are required by statute to be reserved for various purposes. Restricted cash and cash equivalents consists of the following at year-end:

General Fund	\$	7,684,823
TASC Fund		1,013,139
Self Insurance Fund		3,093,035
Workers' Compensation Fund		277,141
Water Fund		2,343,782
Custodial Funds		575,916
Soil and Water Conservation District		953,590
Total restricted cash and cash equivalents	\$	<u>15,941,426</u>

Investment and Deposit Policy

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

Interest Rate Risk

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

Credit Risk

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

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

Custodial Credit Risk

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

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States Agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

B. RECEIVABLES

Major revenues accrued by the County at December 31, 2020, include the following:

Accounts Receivable:

General Fund:

Mental Health	\$	763,792
Unemployment reimbursement		18,208
Miscellaneous		594,891
Total	\$	<u>1,376,891</u>

Nonmajor Funds:

Interfund charges	\$	317,179
Miscellaneous		93,725
Total	\$	<u>410,904</u>

Self-Insurance Fund:

GCC medical and dental	\$	366,487
Miscellaneous		26,681
Total	\$	<u>393,168</u>

Intergovernmental Receivables - represent the amounts due primarily from other local governments, municipalities, New York State and the federal government at December 31, 2020:

General Fund:

Sales tax	\$	2,443,828
RF2 and 2A State and Federal		3,992,360
RF3 State		351,745
RF17 State and Federal		505,090
Indigent legal services		303,107
Unified court budget-security services		357,430
Community services/DSS - justice for children		66,213
Physically Handicapped Children - Education		665,112
Programs for the Aging		479,971
Public Health		861,285
Disaster assistance		110,110
Miscellaneous receivables		703,189
Total	\$	<u>10,839,440</u>

Nonmajor Funds:

State and federal reimbursements - Airport	\$	188,491
State and federal reimbursements - DOT		851,091
State and federal reimbursements - CHIPS/PAVE NY/EWR		160,954
State and federal reimbursements - GCC Emergency power		157,021
Special grant receivables		109,256
Total	\$	<u>1,466,813</u>

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

Water Fund

Monroe County Water Authority	\$	1,611,963
City of Batavia		597,011
Town of Batavia		636,591
Villages - Elba and Oakfield		269,683
Total	\$	<u><u>3,115,248</u></u>

C. DUE FROM COMPONENT UNIT

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

	<u>Balance</u> <u>01/01/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities					
GCEDC - water improvements	\$ <u>4,000,000</u>	\$ <u>-</u>	\$ <u>285,000</u>	\$ <u>3,715,000</u>	\$ <u>290,000</u>

Year ending December 31,	<u>Due from component unit</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 290,000	\$ 95,209
2022	295,000	89,359
2023	305,000	83,166
2024	315,000	76,381
2025	325,000	68,775
2026-2030	1,795,000	196,006
2031	390,000	5,850
Total	\$ <u>3,715,000</u>	\$ <u>614,746</u>

D. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended December 31, 2020, is as follows:

	<u>Balance</u> <u>01/01/2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2020</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,573,492	\$ 19,521	\$ -	\$ 2,593,013
Construction work in process	<u>1,302,766</u>	<u>2,131,700</u>	<u>219,229</u>	<u>3,215,237</u>
Total capital assets not being depreciated	<u>3,876,258</u>	<u>2,151,221</u>	<u>219,229</u>	<u>5,808,250</u>
Capital assets being depreciated:				
Buildings	74,988,471	280,301	-	75,268,772
Other capital assets	18,654,123	811,500	555,198	18,910,425
Machinery & equipment	7,516,173	392,656	650,833	7,257,996
Infrastructure	<u>86,283,114</u>	<u>3,708,231</u>	<u>-</u>	<u>89,991,345</u>
Total capital assets, being depreciated	<u>187,441,881</u>	<u>5,192,688</u>	<u>1,206,031</u>	<u>191,428,538</u>

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

	Balance 01/01/2020	Increases	Decreases	Balance 12/31/2020
Less accumulated depreciation:				
Buildings	20,746,417	1,441,227	-	22,187,644
Other capital assets	12,393,211	1,408,282	482,142	13,319,351
Machinery & equipment	3,553,671	453,893	419,528	3,588,036
Infrastructure	30,799,075	1,900,259	-	32,699,334
Total accumulated depreciation	<u>67,492,374</u>	<u>5,203,661</u>	<u>901,670</u>	<u>71,794,365</u>
Total capital assets being depreciated, net	<u>119,949,507</u>	<u>(10,973)</u>	<u>304,361</u>	<u>119,634,173</u>
Governmental activities capital assets, net	<u>\$ 123,825,765</u>	<u>\$ 2,140,248</u>	<u>\$ 523,590</u>	<u>\$ 125,442,423</u>

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

General government	\$ 713,415
Public safety	1,380,393
Health	1,077
Transportation	3,034,711
Economic assistance and opportunity	74,065
Total depreciation expense - governmental activities	<u>\$ 5,203,661</u>

	Balance 01/01/2020	Increases	Decreases	Balance 12/31/2020
Business-Type Activities:				
Capital assets not being depreciated:				
Construction work in process	\$ 2,805,078	\$ 152,968	\$ 2,796,828	\$ 161,218
Total capital assets not being depreciated	<u>2,805,078</u>	<u>152,968</u>	<u>2,796,828</u>	<u>161,218</u>
Capital assets being depreciated:				
Infrastructure	-	995,000	-	995,000
Total capital assets, being depreciated	<u>-</u>	<u>995,000</u>	<u>-</u>	<u>995,000</u>
Less accumulated depreciation:				
Infrastructure	-	9,950	-	9,950
Total accumulated depreciation	<u>-</u>	<u>9,950</u>	<u>-</u>	<u>9,950</u>
Total capital assets being depreciated, net	<u>-</u>	<u>985,050</u>	<u>-</u>	<u>985,050</u>
Business-type activities capital assets, net	<u>\$ 2,805,078</u>	<u>\$ 1,138,018</u>	<u>\$ 2,796,828</u>	<u>\$ 1,146,268</u>

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

E. PENSION OBLIGATIONS

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

Plan Description

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

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

Funding Policy

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the County reported the following liability for their proportionate share of the net pension liability to the System. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2019. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. This information was made available by the System in a report provided to the County.

	<u>ERS</u>
Measurement date	March 31, 2020
Net pension liability	\$ 29,168,790
County's portion of the Plan's total net pension liability	0.1101516 %
Change in proportion since the prior measurement date	0.0016988
Pension expense at December 31, 2020	\$ 9,472,328

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

At December 31, 2020 the County's reported deferred outflows of resources and deferred inflows of resources related to pensions arose from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	ERS	ERS
Differences between expected and actual experience	\$ 1,716,701	\$ -
Change of assumptions	587,321	507,142
Net difference between projected and actual earnings on pension plan investments	14,953,340	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	76,347	1,243,181
County's contributions subsequent to the measurement date	<u>3,058,850</u>	<u>-</u>
Total	<u>\$ 20,392,559</u>	<u>\$ 1,750,323</u>

The County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS
<u>Year ended March 31:</u>	
2021	\$ 2,380,890
2022	3,834,755
2023	5,099,011
2024	4,268,730
2025	-
Thereafter	-

Actuarial Assumptions

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

	ERS
Inflation	2.5 %
Salary increases	4.2
Investment rate of return (net of investment expense, including inflation)	6.8
Cost of living adjustments	1.3

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2018. The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 are summarized below:

Asset Class:	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	36.0 %	4.1 %
International equity	14.0	6.2
Private equity	10.0	6.8
Real estate	10.0	5.0
Absolute return strategies	2.0	3.3
Opportunistic funds/portfolio	3.0	4.7
Real assets	3.0	6.0
Bonds and mortgages	17.0	0.8
Cash	1.0	-
Inflation-indexed bonds	4.0	0.5
Total	<u>100.0 %</u>	

Discount Rate

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

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

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

	<u>1% Decrease (5.8%)</u>	<u>Current Assumption (6.8%)</u>	<u>1% Increase (7.8%)</u>
County's proportionate share of the net pension liability/(asset)	\$ 53,532,965	\$ 29,168,790	\$ 6,729,282

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

Pension Plan Fiduciary Net Position

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

	<u>Dollars in Thousands</u>	
	ERS	
Employers' total pension liability	\$	194,596,261
Plan net position		168,115,682
Employers' net pension liability	\$	<u>26,480,579</u>
Ratio of plan net position to the employers' total pension liability		86.4%

Prepays to the Pension Plan

Employer contributions are paid annually based on the ERS fiscal year which ends on March 31st. Prepaid retirement contributions as of December 31, 2020 represent the employer contribution for the period of January 1, 2021 through March 31, 2021 based on the retirement invoice for the Plan year April 1, 2020 through March 31, 2021. Prepaid retirement contributions as of December 31, 2020 amounted to \$1,019,617.

F. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The County administers the Plan as a single-employer defined benefit OPEB plan. The Plan provides for continuation of medical and dental benefits for certain retirees and their spouses and can be amended by action of the County subject to applicable collective bargaining and employment agreements. The Plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy

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

As of the January 1, 2020 valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	33
Inactive employees entitled to but not receiving benefit payments	-
Active employees	<u>505</u>
Total	<u>538</u>

The County's total OPEB liability of \$936,762 was measured as of January 1, 2020 and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuation for the fiscal year ended December 31, 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20 %
Salary scale	3.00 %
Discount rate	2.74 %
Healthcare cost trend rates	7.00 %
Retirees' share of benefit-related costs:	
Retiree	20.00 %
Retiree's spouse	50.00 %

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

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

The mortality tables were updated to the RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward using scale MP-2019.

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

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at January 1, 2019 - measurement date	\$ 734,009
Changes for the year:	
Service cost	22,238
Interest	29,178
Changes of benefit terms	-
Differences between expected and actual experience	145,808
Changes in assumptions or other inputs	94,696
Benefit payments	<u>(89,167)</u>
Net changes	<u>202,753</u>
Balance at January 1, 2020 - measurement date	<u>\$ 936,762</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.10 percent on January 1, 2019 to 2.74 percent on January 1, 2020.

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

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

	<u>1% Decrease (1.74%)</u>	<u>Discount Rate (2.74%)</u>	<u>1% Increase (3.74%)</u>
Total OPEB liability	\$ <u>1,001,437</u>	\$ <u>936,762</u>	\$ <u>876,655</u>

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

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

	<u>1% Decrease (6.00% decreasing to 2.94%)</u>	<u>Healthcare Cost Trend Rates (7.00% decreasing to 3.94%)</u>	<u>1% Increase (8.00% decreasing to 4.94%)</u>
Total OPEB liability	\$ <u>858,718</u>	\$ <u>936,762</u>	\$ <u>1,028,362</u>

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

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

For the year ended December 31, 2020, the County recognized OPEB expense of \$126,424. At December 31, 2020, the County reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 220,452	\$ -
Changes of assumptions or other inputs	106,198	22,629
Contributions subsequent to the measurement date	103,791	-
Total	<u>\$ 430,441</u>	<u>\$ 22,629</u>

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

Year ended December 31:

2021	\$ 75,008
2022	75,008
2023	75,008
2023	44,232
2025	34,765

G. LONG-TERM LIABILITIES

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

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

The County's outstanding long-term liabilities include serial bonds, TASC bonds, compensated absences, workers' compensation, other postemployment benefits, and net pension liability. A summary of changes in the County's long-term liabilities for the year ended December 31, 2020 are presented as follows:

	<u>Balance 01/01/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2020</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 16,450,000	\$ -	\$ 1,320,000	\$ 15,130,000	\$ 1,350,000
Plus: unamortized premium	152,042	-	31,899	120,143	31,899
Compensated absences	1,840,826	186,222	52,411	1,974,637	197,464
Total OPEB liability	734,009	291,920	89,167	936,762	-
Net pension liability *	<u>7,684,207</u>	<u>21,484,583</u>	<u>-</u>	<u>29,168,790</u>	<u>-</u>
Total governmental activities	<u>\$ 26,861,084</u>	<u>\$ 21,962,725</u>	<u>\$ 1,493,477</u>	<u>\$ 47,330,332</u>	<u>\$ 1,579,363</u>

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

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

	Balance 01/01/2020	Additions	Reductions	Balance 12/31/2020	Due Within One Year
Business-Type Activities					
Bonds payable:					
General obligation bonds	\$ 7,500,000	\$ -	\$ 425,000	\$ 7,075,000	\$ 435,000
TASC IV	11,555,000	-	100,000	11,455,000	750,000
Subordinate turbo CABs					
TASC IV Series 2005	1,458,440	-	-	1,458,440	-
TASC V	1,855,936	-	-	1,855,936	-
Workers' compensation	<u>7,632,000</u>	<u>1,387,438</u>	<u>2,136,438</u>	<u>6,883,000</u>	<u>76,265</u>
Total business-type activities	<u>\$ 30,001,376</u>	<u>\$ 1,387,438</u>	<u>\$ 2,661,438</u>	<u>\$ 28,727,376</u>	<u>\$ 1,261,265</u>
Total primary government	<u>\$ 56,862,460</u>	<u>\$ 23,350,163</u>	<u>\$ 4,154,915</u>	<u>\$ 76,057,708</u>	<u>\$ 2,840,628</u>

Long-term debt maturity schedule:

Purpose	Original Issue Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding Balance 12/31/2020
Governmental activities					
<i>Bonds issued by the County:</i>					
County Public Facility Building - Ref 2007	03/2017	\$ 2,315,000	3.00%	10/2027	\$ 1,540,000
Radio System	06/2013	4,200,000	3.00%	06/2023	1,410,000
Airport	12/2014	4,370,000	2.25%	12/2034	<u>3,560,000</u>
					6,510,000
Add: Unamortized Premium					120,143
Total bonds issued by the County					<u>6,630,143</u>
<i>Bonds issued by the County for GCC:</i>					
GCC Athletic Fields	07/2009	1,845,000	4.00%	09/2024	670,000
Community College Project	02/2015	9,326,464	2.50%	08/2039	<u>7,950,000</u>
Total bonds issued by the County for GCC					<u>8,620,000</u>
Total governmental activities					<u>\$ 15,250,143</u>

Business-type activities:

<i>Bonds issued by the County:</i>					
Water supply extension - STAMP	04/2018	4,000,000	2.00%	04/2031	\$ 3,715,000
Water supply extension - Phase II	08/2019	3,500,000	2.00%	08/2039	<u>3,360,000</u>
Total bonds issued by the County					<u>7,075,000</u>
<i>Bonds issued by TASC:</i>					
TASC IV Bonds - Turbo Term Bonds	-	-	6.65%	06/2041	5,000,000
TASC IV Bonds - Turbo Term Bonds	-	-	5.00%	06/2042	3,925,000
TASC IV Bonds - Turbo Term Bonds	-	-	5.00%	06/2045	2,530,000
Subordinate Turbo CAB - TASC IV Bonds - Series 2005	-	-	0.00%	06/2045	784,054
Subordinate Turbo CAB - TASC IV Bonds - Series 2005	-	-	0.00%	06/2050	674,386
Subordinate Turbo CAB - TASC V Bonds	-	-	7.85%	06/2060	<u>1,855,936</u>
Total bonds issued by TASC					<u>14,769,376</u>
Total business-type activities					<u>\$ 21,844,376</u>
Total primary government					<u>\$ 37,094,519</u>

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

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

Year ending December 31,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	Serial Bonds		Serial Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 1,350,000	\$ 442,744	\$ 435,000	\$ 173,988
2022	1,395,000	403,631	440,000	165,056
2023	1,430,000	363,206	455,000	155,784
2024	975,000	337,769	470,000	145,813
2025	820,000	301,744	480,000	134,913
2026-2030	3,670,000	1,183,538	2,635,000	473,213
2031-2035	3,415,000	651,669	1,330,000	183,819
2036-2039	2,075,000	171,275	830,000	56,738
Total	<u>\$ 15,130,000</u>	<u>\$ 3,855,577</u>	<u>\$ 7,075,000</u>	<u>\$ 1,489,324</u>

Year ending December 31,	<u>Business-Type Activities (con't)</u>			
	Tobacco Asset Securitization Corp			
	Term Bonds		Capital Appreciation Bond	
	Principal	Interest	Principal	Interest
2021	\$ 750,000	\$ 671,800	\$ -	\$ 471,783
2022	265,000	655,950	-	509,545
2023	85,000	641,500	-	550,329
2024	-	629,000	-	594,378
2025	-	613,375	-	641,953
2026-2030	1,000,000	2,782,500	-	4,067,848
2031-2035	2,200,000	2,195,000	-	5,978,125
2036-2040	3,110,000	1,430,375	-	8,785,477
2041-2045	4,045,000	522,625	-	12,911,173
2046-2050	-	-	-	18,974,310
2051-2055	-	-	-	27,884,724
2056-2060	-	-	1,855,936	36,136,050
Total	<u>\$ 11,455,000</u>	<u>\$ 10,142,125</u>	<u>\$ 1,855,936</u>	<u>\$ 117,505,695</u>

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

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

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

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

In conjunction with the advanced refunding, TASC completed the sale of Series 2005D and 2005E capital appreciation bonds carrying varying yields and were sold discounted (zero coupon). As required by accounting principles generally accepted in the United States of America, TASC accretes the effective interest appreciation over the life of the bonds to maturity. These bonds are subordinate to the Series 2005 bonds in the advanced refunding. No interest or principal will be paid on these bonds until all other series bonds of TASC are redeemed. Funds expected to be used for redemption of these bonds will come from the tobacco settlement revenue (TSR) and payments are not anticipated until 2026. Increase to the bond values was \$213,710 for the year ending December 31, 2020. At December 31, 2020 accretion payable for TASC IV Series 2005 amounted to \$2,197,505.

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

Accretion expense for TASC V bond payable amounts to \$436,820 and accretion payable amounted to \$4,038,369 for the year ended December 31, 2020.

H. NET POSITION AND FUND BALANCE

NET POSITION

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

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net capital assets. Accumulated depreciation and debt used to fund capital asset purchases reduce the balance in this category. The following presents a reconciliation of capital assets (net of accumulated depreciation), to net investment in capital assets:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of accumulated depreciation	\$ 125,442,423	\$ 1,146,268
Bonds payable used for capital assets, net of unamortized premiums	(6,630,143)	(3,360,000)
Accounts payable for capital assets	(798,242)	-
Unspent debt proceeds	-	2,343,782
Net investment in capital assets	<u>\$ 118,014,038</u>	<u>\$ 130,050</u>

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Restricted net position are consistent with restricted fund balance amounts at December 31, 2020.

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

FUND BALANCE

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

Nonspendable – represents amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balances maintained by the County at December 31, 2020 include:

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

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

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

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

Sheriff (State and Federal) programs	\$	26,386
STOP DWI program		151,248
District attorney		12,322
Bed tax		72,024
Other		38,329
Total restricted for miscellaneous purposes	\$	<u>300,309</u>

Committed – represents amounts that are subject to a purpose constraint imposed by a formal action of the County’s highest level of decision-making authority. As of December 31, 2020, the County had no committed fund balance.

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

- *Assigned for subsequent years’ expenditures* – represents available fund balance being appropriated to meet expenditure requirements in the 2021 fiscal year.
- *Assigned for encumbrances* – represent amounts related to unperformed contracts for goods and services.
- *Assigned for specific use* – represents fund balances within the General Fund and special revenue funds that are assigned for a specific purpose. The purpose of the special revenue fund’s assignments relates to each fund’s operations and represents amounts within funds that are not committed or restricted.

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

Detail of Fund Balances

As of December 31, 2020, governmental fund balances were classified as follows:

	<u>General</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<u>Nonspendable:</u>			
Inventory	\$ -	\$ 121,543	\$ 121,543
Prepaid items	1,000,784	82,262	1,083,046
<u>Restricted:</u>			
Capital	7,365,699	-	7,365,699
Debt service	18,815	-	18,815
Miscellaneous	300,309	-	300,309

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

	<u>General</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<u>Assigned:</u>			
Subsequent years' expenditures	2,407,767	204,318	2,612,085
Encumbrances -			
General government	87,034	-	87,034
Public safety	121,147	-	121,147
Economic assistance and opportunity	11,722	-	11,722
Sales tax	13,057,954	-	13,057,954
Medicaid	940,115	-	940,115
Mental health	753,778	-	753,778
Jail debt service	2,089,162	-	2,089,162
Animal shelter	41,100	-	41,100
K-9 donations	15,758	-	15,758
Medical insurance	1,000,000	-	1,000,000
Roads and bridges	520,513	-	520,513
County road	-	561,607	561,607
Road machinery	-	358,531	358,531
Special grant - job development	-	61,013	61,013
Capital projects	-	4,994,109	4,994,109
<u>Unassigned:</u>			
General Fund	14,644,551	-	14,644,551
 Total	 \$ <u>44,376,208</u>	 \$ <u>6,383,383</u>	 \$ <u>50,759,591</u>

I. INTERFUND ACTIVITY

Interfund receivables, payables and transfers as of and for the year ended December 31, 2020, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General	\$ 911,968	\$ 4,828,933	\$ 182,651	\$ 11,940,192
Nonmajor governmental funds	4,828,944	911,979	10,840,100	41,151
Self insurance	16	-	164,300	80,000
Workers' compensation	-	16	485,110	16,500
Water	-	-	515,000	109,318
Total	\$ <u>5,740,928</u>	\$ <u>5,740,928</u>	\$ <u>12,187,161</u>	\$ <u>12,187,161</u>

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

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

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

NOTE 4 – OPERATING LEASE AGREEMENTS

The County has entered into various operating leases in excess of \$100,000. The future minimum operating lease payments as of December 31, 2020 are as follows:

<u>Year Ending December 31:</u>	Mental Health		County	
	<u>Building</u>	<u>County Water</u>	<u>Career Center</u>	<u>Total</u>
2021	\$ 687,712	\$ 550,000	\$ 126,000	\$ 1,363,712
2022	698,028	550,000	126,000	1,374,028
2023	708,498	550,000	126,000	1,384,498
2024	719,125	550,000	126,000	1,395,125
2025	729,912	550,000	126,000	1,405,912
2026-2029	1,492,835	2,200,000	-	3,692,835
Total	\$ 5,036,110	\$ 4,950,000	\$ 630,000	\$ 10,616,110

NOTE 5 - CONTINGENCIES

A. COUNTY CONTINGENCIES

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

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

COVID-19 pandemic – On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The County’s management has assessed these events and the impact of these restrictions and closures related to the County’s operations. As of the date of these financial statements and as these events continue to unfold management believes there will be a continued impact into the next fiscal year and will continue to monitor the financial effects in anticipation of potential unexpected variables. Management has assessed the financial condition of the County and has determined that the County has assets and fund balances to absorb any impact in the 2021 fiscal year.

B. GENESEE TOBACCO ASSET SECURITIZATION CORPORATION (TASC) CONTINGENCIES

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

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 6 - COMMITMENTS

County - MCWA Agreement:

The County has entered into an agreement with Monroe County Water Authority (MCWA) to pay a service fee in consideration for the water system and improvements made by MCWA. The service fee is directly related to the debt issued by MCWA for the improvements. The amounts due under this agreement will be funded from the fees charged to the water customers. During the year ended December 31, 2020, the County began paying on the debt issued for phase II of the project.

The future obligations and the net present value of these payments as of December 31, 2020, were as follows:

<u>Year Ending December 31:</u>	<u>Phase I</u>	<u>Phase II</u>	<u>Total</u>
2021	\$ 1,083,461	\$ 956,350	\$ 2,039,811
2022	1,085,633	1,002,850	2,088,483
2023	1,087,698	1,002,475	2,090,173
2024	1,090,856	1,001,350	2,092,206
2025	1,086,063	999,475	2,085,538
2026-2030	5,425,641	4,993,125	10,418,766
2031-2035	5,375,100	4,984,700	10,359,800
2036-2040	1,090,570	4,976,600	6,067,170
2041-2045	-	4,973,175	4,973,175
2046-2050	-	4,947,500	4,947,500
Total payments	17,325,022	29,837,600	47,162,622
Less: amount representing net interest and admin fees	4,390,022	9,837,600	14,227,622
Present value of payments	\$ 12,935,000	\$ 20,000,000	\$ 32,935,000

County – Construction Commitments:

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

<u>Project Name:</u>	<u>Remaining Commitments as of 12/31/2020</u>
Jail construction	\$ 2,723,319
Public safety communications tower	673,363
Building security upgrades	48,166
Airport projects	579,339
Bridge projects	1,560,340
Facilities projects	216,734
Water projects	1,838,488
Animal shelter improvements	213,600
Total significant construction commitments	\$ 7,853,349

NOTE 7 - RISK FINANCING

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

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

The schedule below presents the changes in the County’s estimated claims since December 31, 2018 for workers’ compensation and major medical programs. The estimated claims for workers’ compensation represent outstanding claim losses, including case reserves, the development of known claims and incurred but not reported claim liabilities. The calculation is based on the present value of future payouts. The estimated claims for major medical represent an amount based on prior experience with actual payments of claims. The estimated claims for the Major Medical is included in the accrued liabilities total in the Self Insurance Fund.

	<u>Workers'</u> <u>Compensation</u>	<u>Major</u> <u>Medical</u>
Estimated claims as of December 31, 2018	\$ 7,786,000	\$ 1,591,993
Claims incurred and adjustments during 2019	926,577	12,835,855
Payments made during 2019	<u>(1,080,577)</u>	<u>(12,374,992)</u>
Estimated claims as of December 31, 2019	7,632,000	2,052,856
Claims incurred and adjustments during 2020	(2,136,438)	10,427,641
Payments made during 2020	<u>1,387,438</u>	<u>(10,713,895)</u>
Estimated claims as of December 31, 2020	<u>\$ 6,883,000</u>	<u>\$ 1,766,602</u>

NOTE 8 – RELATED PARTY TRANSACTIONS

In August 2014, the Board of Directors of the Genesee Community College Foundation, Inc. (the Foundation) approved a \$3,000,000 commitment in support of the college’s capital initiative plans. This commitment is being paid over twenty quarterly payments of \$150,000. The final payment of \$150,000 from the Foundation to the County was made during the fiscal year ending December 31, 2020:

NOTE 9 – LABOR CONTRACTS

The County’s employees operate under four collective bargaining units and all of the contracts are settled through either December 31, 2022 or December 31, 2023, dependent upon the respective bargaining unit.

NOTE 10 – TAX ABATEMENTS

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

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

As a result of these tax abatement agreements, for the year ended December 31, 2020, the County’s total tax revenues were reduced by \$1,179,792.

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

COUNTY OF GENESEE, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 12 – SUBSEQUENT EVENTS

On February 10, 2021, the County Legislature approved a resolution to authorize the issuance of up to \$3,960,000 in refunding serial bonds for public improvements. The County will refund previously issued \$2,050,000 Public Improvement Serial Bonds dated July 23, 2009 and previously issued \$4,745,827 Public Improvement Serial Bonds dated December 23, 2014.

Subsequent to year end, the County was notified that they would be receiving additional federal aid in 2021 to assist with the financial impact of the COVID-19 pandemic. In June 2021, the County received \$5,562,985 in federal aid under the American Rescue Plan Act of 2021.

Management has evaluated subsequent events through June 29, 2021, which is the date the financial statements are available for issuance, and have determined, with exception to the events noted in the above paragraph, that there are no subsequent events that require disclosure under generally accepted accounting principles.

REQUIRED SUPPLEMENTARY INFORMATION

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

<u>Total OPEB Liability</u>	Year Ended December 31,		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Service cost	\$ 20,231	\$ 25,688	\$ 22,238
Interest	21,186	26,922	29,178
Changes of benefit terms	-	-	-
Differences between expected and actual experience	192,090	-	145,808
Changes of assumptions or other inputs	53,326	(33,329)	94,696
Benefit payments	<u>(55,904)</u>	<u>(84,390)</u>	<u>(89,167)</u>
Net change in total OPEB liability	230,929	(65,109)	202,753
Total OPEB liability - beginning	<u>568,189</u>	<u>799,118</u>	<u>734,009</u>
Total OPEB liability - ending	<u>\$ 799,118</u>	<u>\$ 734,009</u>	<u>\$ 936,762</u>
Covered-employee payroll	\$ 26,432,017	\$ 26,686,029	\$ 28,991,540
Total OPEB liability as a percentage of covered-employee payroll	3.0%	2.8%	3.2%

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

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

	Year Ended December 31,						
	2014	2015	2016	2017	2018	2019	2020
<u>Employees' Retirement System</u>							
Measurement date	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020
County's proportion of the net pension liability	0.1254780%	0.1254780%	0.1248693%	0.1245932%	0.1207253%	0.1084528%	0.1101516%
County's proportionate share of the net pension liability	\$ <u>5,670,178</u>	\$ <u>4,238,956</u>	\$ <u>20,041,862</u>	\$ <u>11,707,050</u>	\$ <u>3,896,342</u>	\$ <u>7,684,207</u>	\$ <u>29,168,790</u>
County's covered payroll	\$ 26,930,419	\$ 27,048,403	\$ 28,343,915	\$ 28,759,832	\$ 24,712,163	\$ 25,352,736	\$ 26,478,733
County's proportionate share of the net pension liability as a percentage of its covered payroll	21.1%	15.7%	70.7%	40.7%	15.8%	30.3%	110.2%
Plan fiduciary net position as a percentage of the total pension liability	97.2%	97.9%	90.7%	94.7%	98.2%	96.3%	86.4%

* This Schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

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

	Year Ended December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Employees' Retirement System</u>										
Contractually required contribution	\$ 4,635,545	\$ 5,362,190	\$ 6,007,667	\$ 5,547,616	\$ 4,899,802	\$ 4,663,488	\$ 4,080,538	\$ 3,940,249	\$ 4,519,878	\$ 4,036,448
Contributions in relation to the contractually required contribution	<u>4,635,545</u>	<u>5,362,190</u>	<u>6,007,667</u>	<u>5,547,616</u>	<u>4,899,802</u>	<u>4,663,488</u>	<u>4,080,538</u>	<u>3,940,249</u>	<u>4,519,878</u>	<u>4,036,448</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
County's covered payroll	**	**	**	**	**	**	\$ 24,633,222	\$ 25,214,633	\$ 26,171,323	\$ 27,293,173
Contributions as a percentage of covered payroll	**	**	**	**	**	**	16.6%	15.6%	17.3%	14.8%

** Information was not available.

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

**COUNTY OF GENESEE, NEW YORK
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Real property taxes	\$ 31,051,658	31,051,658	\$ 30,797,270	\$ (254,388)
Real property tax items	781,412	781,412	41,964,296	41,182,884
Non-property tax items	41,061,250	42,747,983	1,037,400	(41,710,583)
Departmental income	8,839,741	8,907,674	7,090,304	(1,817,370)
Intergovernmental charges	1,521,664	1,521,664	1,353,400	(168,264)
Use of money and property	1,248,587	1,248,587	1,134,647	(113,940)
Licenses and permits	33,000	33,000	26,017	(6,983)
Fines and forfeitures	153,000	160,507	142,959	(17,548)
Sale of property and compensation for loss	108,125	114,946	173,582	58,636
Miscellaneous local sources	418,419	478,081	287,152	(190,929)
Interfund revenues	857,775	893,429	540,773	(352,656)
State sources	16,842,889	17,391,208	13,904,238	(3,486,970)
Federal sources	9,029,115	9,972,153	8,151,457	(1,820,696)
	<u>111,946,635</u>	<u>115,302,302</u>	<u>106,603,495</u>	<u>(8,698,807)</u>
EXPENDITURES				
Current:				
General government	35,093,847	35,274,228	30,817,851	4,456,377
Education	5,749,102	5,750,250	4,983,276	766,974
Public safety	18,974,533	19,227,396	16,393,146	2,834,250
Health	12,357,405	13,138,756	11,278,825	1,859,931
Transportation	1,009,788	1,010,331	744,943	265,388
Economic assistance and opportunity	30,478,181	30,799,147	25,588,897	5,210,250
Culture and recreation	1,185,990	1,204,810	977,161	227,649
Home and community services	962,344	1,046,910	945,626	101,284
Debt service:				
Principal	1,320,000	1,320,000	1,320,000	-
Interest	480,844	480,844	480,844	-
	<u>107,612,034</u>	<u>109,252,672</u>	<u>93,530,569</u>	<u>15,722,103</u>
Excess of revenues over expenditures	4,334,601	6,049,630	13,072,926	7,023,296
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	141,500	141,500	182,651	41,151
Interfund transfers out	(6,397,268)	(12,120,248)	(11,940,192)	180,056
	<u>(6,255,768)</u>	<u>(11,978,748)</u>	<u>(11,757,541)</u>	<u>221,207</u>
Net change in fund balance **	(1,921,167)	(5,929,118)	1,315,385	7,244,503
Fund balance - beginning	43,060,823	43,060,823	43,060,823	-
Fund balance - ending	<u>\$ 41,139,656</u>	<u>\$ 37,131,705</u>	<u>\$ 44,376,208</u>	<u>\$ 7,244,503</u>

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

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

NOTE 1 - BUDGETARY INFORMATION

BUDGETARY BASIS OF ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. The Capital Projects Fund is appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function and department. The County's Budget Officer/County Manager may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the County Legislature. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

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

NOTE 2 – RETIREMENT SYSTEM PENSION

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

The County's proportionate share of the net pension liability of the pension system is significantly dependent on the performance of the stock market and the funds that the retirement system invests in. The discount rate in effect at each measurement date is as follows

<u>Year ended March 31:</u>	<u>ERS</u>
2020	6.80%
2019	7.00%
2018	7.00%
2017	7.00%
2016	7.00%
2015	7.50%

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

The County's retiree health plans most significant factors and assumptions affecting the total OPEB liability are as follows:

<u>Year Ended December 31:</u>	<u>Inflation Rate</u>	<u>Salary Scale</u>	<u>Single Discount Rate</u>	<u>Healthcare Cost Trend Rate</u>
2020	2.20%	3.00%	2.74%	7.00%
2019	2.20%	3.00%	4.10%	6.75%
2018	2.20%	3.00%	3.44%	6.75%

FEDERAL FINANCIAL ASSISTANCE

**COUNTY OF GENESEE, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Agriculture</u>				
<i>Passed through New York State Office of Temporary Disability Assistance:</i>				
<i><u>SNAP Cluster</u></i>				
Administrative Matching Grant for the Supplemental Nutrition Assistance Program	10.561	OTDA 19-LCM-04/OTDA 20-LCM-01; NYSFRM, Vol. 1-3	\$ -	\$ 597,346
<i>Total SNAP Cluster</i>			-	597,346
<i>Total U.S. Department of Agriculture</i>			-	597,346
<u>U.S. Department of Housing and Urban Development</u>				
<i>Passed through Office of Lead hazard Control and Healthy Homes</i>				
Lead Hazard Control Grant	14.900	HYLHB0730-19	-	151,271
<i>Total U.S. Department of Housing and Urban Development</i>			-	151,271
<u>U.S. Department of Justice</u>				
<i>Direct Program:</i>				
Bulletproof Vest Partnership Program	16.607	n/a	-	11,957
<i>Passed through New York State Children's Alliance, Inc.</i>				
Missing Children's Assistance	16.758	BATA-NY-PCIT-PA20	-	10,157
<i>Total U.S. Department of Justice</i>			-	22,114
<u>U.S. Department of Labor</u>				
<i>Passed through Livingston County:</i>				
Trade Adjustment Assistance	17.245	PY2020-2	-	2,734
<i><u>WIOA Cluster</u></i>				
WIA/WIOA - Adult Program	17.258	PY2020-2	-	145,419
WIA/WIOA - Youth Activities	17.259	PY2020-2	-	140,287
WIA/WIOA - Dislocated Worker Formula Grants	17.278	PY2020-2	-	85,480
<i>Total WIOA Cluster</i>			-	371,186
<i>Total U.S. Department of Labor</i>			-	373,920
<u>U.S. Department of Transportation</u>				
<i>Direct Program:</i>				
Airport Improvement Program	20.106	41-18; 42-19; 43-20	-	408,601
COVID-19 - Airport Improvement Program	20.106	44-20	-	69,000
<i>Total Airport Improvement Program</i>			-	477,601
<i>Passed through New York State Department of Transportation:</i>				
<i><u>Highway Planning and Construction Cluster</u></i>				
Highway Planning and Construction	20.205	D040014; D040234; D036145; D036150; D036147; D036148; D036224; D040102; D036079	-	1,237,752
<i>Total Highway Planning and Construction Cluster</i>			-	1,237,752

See notes to schedule of expenditures of federal awards.

**COUNTY OF GENESEE, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)**

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
<u>Highway Safety Cluster</u>				
National Priority Safety Programs - NYS STOP DWI Program	20.616	HS1-2020; HS1-2021	-	16,908
Passed through New York State Governor's Traffic Safety Committee:				
State and Community Highway Safety - Rural Traffic Enforcement Initiative	20.600	T006521	-	18,107
State and Community Highway Safety - Child Passenger Safety Program	20.600	00189-(019)	-	55
<i>Total Highway Safety Cluster</i>			-	35,070
<i>Total U.S. Department of Transportation</i>			-	1,750,423
<u>Environmental Protection Agency</u>				
Passed through New York State Department of Health:				
State Indoor Radon Grants	66.032	T30728GG	-	1,625
<i>Total Environmental Protection Agency</i>			-	1,625
<u>U.S. Department of Education</u>				
Passed through New York State Department of Health:				
Special Education - Grants for Infants and Families	84.181	C-31634GG	-	24,986
<i>Total U.S. Department of Education</i>			-	24,986
<u>U.S. Department of Health and Human Services</u>				
Passed through New York State Department of Health:				
Public Health Emergency Preparedness	93.069	1607-13; 1607-14	6,653	58,756
Guardianship Assistance	93.090	NYSFRM, Vol 1-3	-	188
Immunization Cooperative Agreements	93.268	C32518GG	-	28,271
Drug Abuse and Addiction Research Programs	93.279	GG015428	35,234	99,610
COVID-19 - Public Health Emergency Response 3/5/20-3/15/21	93.354	6323-01	-	95,373
COVID-19 - Public Health Emergency Response 7/1/20-6/30/22	93.354	6450-01	-	51,668
<i>Total COVID-19 - Public Health Emergency Response</i>			-	147,041
COVID-19 - Provider Relief Funds	93.498	A4310	-	6,031
Child Abuse and Neglect State Grants	93.669	18-OCFS-LCM-19	15,000	15,000
Maternal and Child Health Services Block Grant	93.994	C30894GG	-	35,469
Maternal and Child Health Services Block Grant	93.994	C32662GG	-	2,569
<i>Total Maternal and Child Health Services Block Grant</i>			-	38,038
Children's Health Insurance Program	93.767	NYSFRM, Vol. 1-3	-	59,714
<u>Medicaid Cluster</u>				
Medical Assistance Program	93.778	NYSFRM, Vol. 1-3	20,199	820,722
Medical Assistance Program	93.778	A4490	-	305,848
<i>Total Medicaid Cluster</i>			20,199	1,126,570
Promoting Safe and Stable Families	93.556	19-OCFS-LCM-09	-	6,220

See notes to schedule of expenditures of federal awards.

**COUNTY OF GENESEE, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)**

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
<i>Passed through New York State Department of Social Services:</i>				
Temporary Assistance for Needy Families	93.558	NYSFRM, Vol. 1-3; OTDA 20-ADM-11; OTDA 19-ADM-06	-	1,638,922
Temporary Assistance for Needy Families	93.558	NYSFRM, Vol. 1-3;	-	538,613
Temporary Assistance for Needy Families	93.558	NYSFRM, Vol. 1-3	-	1,308
Temporary Assistance for Needy Families	93.558	NYSFRM, Vol. 1-3	-	56,391
Temporary Assistance for Needy Families	93.558	18-OCFS-LCM-13; 19-OCFS-LCM-22	25,000	25,000
<i>Total Temporary Assistance for Needy Families</i>			<u>25,000</u>	<u>2,260,234</u>
 <i>CCDF Cluster</i>				
Child Care and Development Block Grant	93.575	19-OCFS-LCM-19; 20-OCFS-LCM-12	-	562,008
Child Care and Development Block Grant	93.596	20-OCFS-LCM-12	-	55,041
<i>CCDF Cluster Total</i>			<u>-</u>	<u>617,049</u>
 Child Support Enforcement	 93.563	 NYSFRM, Vol. 1-3	 -	 245,406
 Low-Income Home Energy Assistance	 93.568	 OTDA 18-LCM-; OTDA 19-LCM-01; OTDA 20-LCM-02	 -	 74,431
Foster Care-Title IV-E	93.658	NYSFRM, Vol. 1-3	-	903,360
Adoption Assistance	93.659	NYSFRM, Vol. 1-3	-	328,594
 Social Services Block Grant	 93.667	 19-OCFS-LCM-16; 20-OCFS-LCM-10	 -	 600,442
Chafee Foster Care Independence Program	93.674	18-OCFS-LCM-07; 19-OCFS-LCM-08	-	19,411
 <i>Passed through New York State Office for the Aging:</i>				
Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	93.043	1000004328	-	4,666
COVID - 19 - ADRC - Aging and Disability Resource Center	93.048	1000004328	-	6,775
National Family Caregiver Support, Title III, Part E	93.052	1000004328	-	31,968
National Family Caregiver Support, Title III, Part E	93.052	1000004328	-	8,416
 <i>Aging Cluster</i>				
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	1000004328	-	74,960
COVID-19 - Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	1000004328	-	13,602
Special Programs for the Aging-Title III, Part C -Nutrition Services	93.045	1000004328	-	40,707
Special Programs for the Aging-Title III, Part C -Nutrition Services	93.045	1000004328	-	62,529
Special Programs for the Aging-Title III, Part C -Nutrition Services	93.045	1000004328	-	39,995
Special Programs for the Aging-Title III, Part C -Nutrition Services	93.045	1000004328	-	37,266
Nutrition Services Incentive Program	93.053	1000004328	-	23,955
<i>Total Aging Cluster</i>			<u>-</u>	<u>293,014</u>
 Medicare Enrollment Assistance Program - Aging and Disability Resource Center	 93.071	 1000004328	 -	 13,551

See notes to schedule of expenditures of federal awards.

**COUNTY OF GENESEE, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)**

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
Injury Prevention and Control Research and State and Community Based Programs	93.136	6161-01	843	7,469
Injury Prevention and Control Research and State and Community Based Programs	93.136	6161-02	5,811	9,088
<i>Total Injury Prevention and Control Research and State and Community Based Programs</i>			6,654	16,557
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations - 19/20	93.779	1000004328	-	9,809
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations - 20/21	93.779	1000004328	-	18,553
<i>Total Centers for Medicare and Medicaid Services (CMS) Research, Domonstrations and Evaluations</i>			-	28,362
<i>Total U.S. Department of Health and Human Services</i>			108,740	7,037,675
<u>Corporation for National and Community Service</u>				
<u>Direct Program:</u>				
Retired and Senior Volunteer Program	94.002	n/a	-	53,272
<i>Total Corporation for National and Community Service</i>			-	53,272
<u>U.S. Department of Homeland Security</u>				
<u>Passed through New York State Division of Homeland Security and Management Services:</u>				
Homeland Security Grant Program-Hazardous Material Grant Program - 2018	97.067	C837789	-	53,649
Homeland Security Grant Program-Hazardous Material Grant Program - 2017	97.067	C837779	-	67,557
Homeland Security Grant Program - 2020	97.067	C970700	-	10,169
Homeland Security Grant Program - 2018	97.067	C970780	-	23,827
Homeland Security Grant Program - 2017	97.067	C970770	-	10,879
Homeland Security Grant Program - SLETPP 2018	97.067	T970782	-	6,715
Homeland Security Grant Program - SLETPP 2017	97.067	T970772	-	14,057
<i>Total Homeland Security Grant Program</i>			-	186,853
Emergency Management Performance Grant - 2019	97.042	T897795	-	20,891
COVID-19 - Emergency Management Performance Grant - 2020	97.042	T970704	-	4,725
<i>Total Emergency Management Performance Grant Program</i>			-	25,616
BRIC: Building Resilient Infrastructure and Communities - Pre-Disaster Mitigation	97.047	C000787	-	2,708
<i>Total U.S. Department of Homeland Security</i>			-	215,177
Total Expenditures of Federal Awards			\$ 108,740	\$ 10,227,809

See notes to schedule of expenditures of federal awards.

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

NOTE 1 - BASIS OF PRESENTATION

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

NOTE 2 - BASIS OF ACCOUNTING

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

NOTE 3 – INDIRECT COST

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

INTERNAL CONTROL AND COMPLIANCE

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Genesee, New York (the County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 29, 2021. Our report includes a reference to other auditors who audited the financial statements of Genesee Community College, Genesee County Economic Development Center and Genesee Tobacco Asset Securitization Corporation (TASC), as described in our report on the County's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) 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 of the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Freed Maxick CPAs, P.C.

Batavia, New York

June 29, 2021



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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

We have audited the County of Genesee, New York's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Freed Maxick CPAs, P.C.

Batavia, New York
June 29, 2021

**COUNTY OF GENESEE, NEW YORK
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

	<u> </u> Yes	<u> X </u> No	
	<u> </u> Yes	<u> X </u> None reported	

Noncompliance material to the financial statements noted?

 Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

	<u> </u> Yes	<u> X </u> No	
	<u> </u> Yes	<u> X </u> None reported	

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

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 Yes X No

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.558	Temporary Assistance for Needy Families
93.778	Medical Assistance Program

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

 \$ 750,000

Auditee qualified as low-risk auditee?

 X Yes No

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings noted for the year ended December 31, 2020.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs noted for the year ended December 31, 2020.

**COUNTY OF GENESEE, NEW YORK
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

I. FINANCIAL STATEMENT FINDINGS

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

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

**NEW YORK STATE TRANSPORTATION
ASSISTANCE EXPENDED**



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

INDEPENDENT AUDITOR'S REPORT

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

Report On Compliance For Each Major State Transportation Assistance Program

We have audited the County of Genesee, New York's, (the County) compliance with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on the major state transportation assistance program tested for the year ended December 31, 2020. The County's program tested is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for New York State Transportation Assistance Expended.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Transportation Assistance Program

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

Report on Internal Control Over Compliance

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

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

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

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

Freed Maxick CPAs, P.C.

Batavia, New York
June 29, 2021

**COUNTY OF GENESEE, NEW YORK
SCHEDULE OF NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Grantor/Program Title</u>	<u>NYS DOT Contract/ Reference Number</u>	<u>NYS DOT Expenditures</u>
Consolidated Local Street and Highway Improvement Program (CHIPS) Aid	410000	\$ 1,325,129
PAVE-NY	410000	306,659
Extreme Winter Recovery (EWR)	410000	191,999
Marchiselli Aid – Bridge Projects	D036224; D035860; D040014	164,825
Airport Improvement Program	3-36-0006-41-18; 3-36-0006-42-19; 4902.05	<u>245,762</u>
Total New York State Transportation Assistance Expended		\$ <u><u>2,234,374</u></u>

See notes to the schedule of New York State transportation assistance expended.

**COUNTY OF GENESEE, NEW YORK
NOTES TO THE SCHEDULE OF NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 - BASIS OF PRESENTATION

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

NOTE 2 - BASIS OF ACCOUNTING

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

**COUNTY OF GENESEE, NEW YORK
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR
 THE NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED
 FOR THE YEAR ENDED DECEMBER 31, 2020**

I. SUMMARY OF AUDITOR’S RESULTS

Internal control over New York State Transportation Assistance Expended:

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

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

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

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

Name of Federal Program or Cluster:

Consolidated Local Street and Highway Improvement Program (CHIPs) Aid

II. NEW YORK STATE TRANSPORTATION ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no New York State Transportation Assistance findings or questioned costs noted for the year ended December 31, 2020.