

COUNTY OF LIVINGSTON, NEW YORK

**Financial Statements for the Year Ended
December 31, 2020
Together with Independent
Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

COUNTY OF LIVINGSTON, NEW YORK

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INDEPENDENT AUDITOR'S REPORT

June 23, 2021

To the Board of Supervisors of the
County of Livingston, 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 Livingston, 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 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. The financial statements of the Livingston County Center for Nursing and Rehabilitation were not audited in accordance with *Government Auditing Standards*. 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 entity'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 entity'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, 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.

Other Matters***Change in Accounting Principle***

As discussed in Note 22 to the financial statements, in 2020 the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of the net pension liability, and schedule of contributions - pension plans 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 combining and nonmajor governmental and special revenue fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and nonmajor governmental and special revenue fund financial statements 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 combining and individual nonmajor governmental and special revenue fund financial statements 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 23, 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.

COUNTY OF LIVINGSTON, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2020

As management of the County of Livingston, New York (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County as of and for the fiscal year ended December 31, 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all of the County's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Fund Financial Statements

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

- **Governmental Funds**

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

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

COUNTY OF LIVINGSTON, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2020

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

The County legally adopts an annual appropriated budget for its General and County Road Funds. Budgetary comparison statements have been provided for the General and County Road Funds to demonstrate compliance with budget.

- **Proprietary Funds**

Internal Service Funds - account for risk management operations and the related costs that are supported by contributions from the General, Special Revenue, and Enterprise Funds.

Enterprise Funds - account for those operations that are financed and operated in a manner similar to private business. The County's major enterprise funds include the Worker's Compensation Fund and the Livingston County Center for Nursing and Rehabilitation (CNR). Separate audited financial statements for the CNR may be obtained by contacting the CNR directly at 11 Murray Hill Drive, Mount Morris, NY 14510. The Workers' Compensation Fund does not issue stand-alone financial statements.

In addition, the government-wide financial statements report four proprietary enterprise funds as component units. The Livingston County Industrial Development Agency (IDA), the Livingston County Development Corporation (Corporation), the Livingston County Water and Sewer Authority (Authority), and the Livingston County Soil and Water Conservation District (SWCD) are considered to be component units of the County. Separate audited financial statements for the IDA, Corporation, and Authority may be obtained by contacting the IDA, Corporation, and Authority directly. The IDA and Corporation can be reached at Livingston County Government Center, 6 Court Street, Room 306, Geneseo, New York 14454, and the Authority can be reached at 1997 D'Angelo Drive, Lakeville, New York 14480. Financial information for the SWCD is presented throughout these financial statements.

- **Fiduciary Funds**

The County's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements. These funds are used to account for assets held by the local government in a trustee or custodial capacity. The County has one fiduciary fund type, a custodial fund.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

COUNTY OF LIVINGSTON, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2020

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets/deferred outflows of resources of the County's governmental activities exceeded liabilities/deferred inflows of resources by \$60,343,655 at the close of 2020.

Table 1 - Summary Statements of Net Position

	Governmental <u>2020</u>	Business-Type <u>2020</u>	Governmental <u>2019</u>	Business-Type <u>2019</u>
Assets:				
Current assets	\$ 110,688,746	\$ 20,414,816	\$ 99,191,447	\$ 27,304,515
Capital assets, net	<u>120,139,377</u>	<u>13,725,492</u>	<u>116,845,275</u>	<u>15,147,973</u>
Total assets	<u>230,828,123</u>	<u>34,140,308</u>	<u>216,036,722</u>	<u>42,452,488</u>
Deferred outflows of resources	<u>44,753,217</u>	<u>14,296,864</u>	<u>11,274,645</u>	<u>4,525,799</u>
Liabilities:				
Current liabilities	18,212,459	11,641,343	16,139,661	11,088,973
Long-term liabilities	<u>184,923,020</u>	<u>66,062,548</u>	<u>136,294,318</u>	<u>52,957,398</u>
Total liabilities	<u>203,135,479</u>	<u>77,703,891</u>	<u>152,433,979</u>	<u>64,046,371</u>
Deferred inflows of resources	<u>12,102,206</u>	<u>3,642,542</u>	<u>19,985,184</u>	<u>6,128,174</u>
Net Position:				
Net investment in capital assets	103,381,341	(9,530,421)	98,005,022	(9,575,941)
Restricted	46,191,506	5,539,065	42,750,055	5,184,060
Unrestricted	<u>(89,229,192)</u>	<u>(28,917,905)</u>	<u>(85,862,873)</u>	<u>(18,804,377)</u>
Total net position	<u>\$ 60,343,655</u>	<u>\$ (32,909,261)</u>	<u>\$ 54,892,204</u>	<u>\$ (23,196,258)</u>

The largest portion of the County's net position reflects its investment in capital assets, (i.e., land, buildings, machinery, and equipment) net of the related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

COUNTY OF LIVINGSTON, NEW YORK

Management's Discussion and Analysis (Unaudited)

December 31, 2020

The restricted portion of the net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of the governmental unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

The increase in governmental capital assets, net of accumulated depreciation is mainly due to costs associated with the County Highway Projects as well as purchases of several vehicles and building improvements.

The decrease in the long-term liabilities is related the changes in the actuarial reports for both the pension liability and the other postemployment benefits liability.

See the Summary Statement of Activities (Table 2) on the following page for the dollar and percent changes in the governmental and business-type activities from 2019 to 2020. Additionally, the information following Table 2 presents a graphical picture of the major revenue and expense categories of the governmental and business-type activities.

COUNTY OF LIVINGSTON, NEW YORK

Management's Discussion and Analysis (Unaudited)
December 31, 2020

Table 2 - Summary Statement of Activities

	Governmental		Business-Type		Governmental		Business-Type	
	<u>2020</u>	<u>%</u>	<u>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>	<u>2019</u>	<u>%</u>
Revenues:								
Program revenues -								
Charges for services	\$ 12,786,609	10%	\$ 21,711,670	83%	\$ 13,360,708	10%	\$ 28,498,771	87%
Operating grants and contributions	27,797,238	23%	1,293,234	5%	31,381,629	24%	118,087	0%
Capital grants and contributions	<u>4,887,012</u>	<u>4%</u>	<u>-</u>	<u>0%</u>	<u>4,492,709</u>	<u>4%</u>	<u>-</u>	<u>0%</u>
Total program revenues	<u>45,470,859</u>	<u>37%</u>	<u>23,004,904</u>	<u>88%</u>	<u>49,235,046</u>	<u>38%</u>	<u>28,616,858</u>	<u>87%</u>
General revenues -								
Property taxes	31,503,548	26%	-	0%	30,918,804	24%	-	0%
Other taxes	36,134,988	29%	-	0%	35,919,441	28%	-	0%
Intergovernmental transfer	-	0%	6,754,390	26%	-	0%	9,570,418	29%
Other	<u>9,485,938</u>	<u>8%</u>	<u>(3,757,792)</u>	<u>-14%</u>	<u>12,362,782</u>	<u>10%</u>	<u>(5,219,616)</u>	<u>-16%</u>
Total general revenues	<u>77,124,474</u>	<u>63%</u>	<u>2,996,598</u>	<u>12%</u>	<u>79,201,027</u>	<u>62%</u>	<u>4,350,802</u>	<u>13%</u>
Total revenues	<u>122,595,333</u>	<u>100%</u>	<u>26,001,502</u>	<u>100%</u>	<u>128,436,073</u>	<u>100%</u>	<u>32,967,660</u>	<u>100%</u>

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COUNTY OF LIVINGSTON, NEW YORK

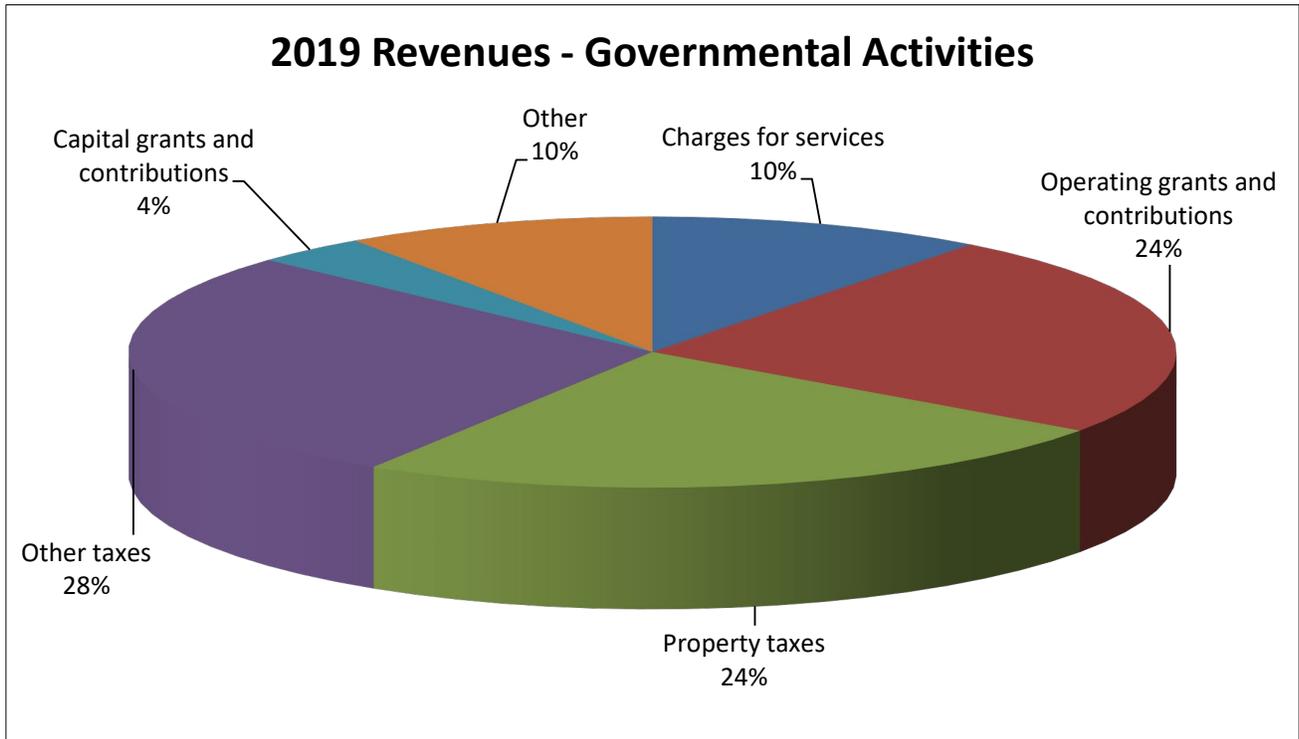
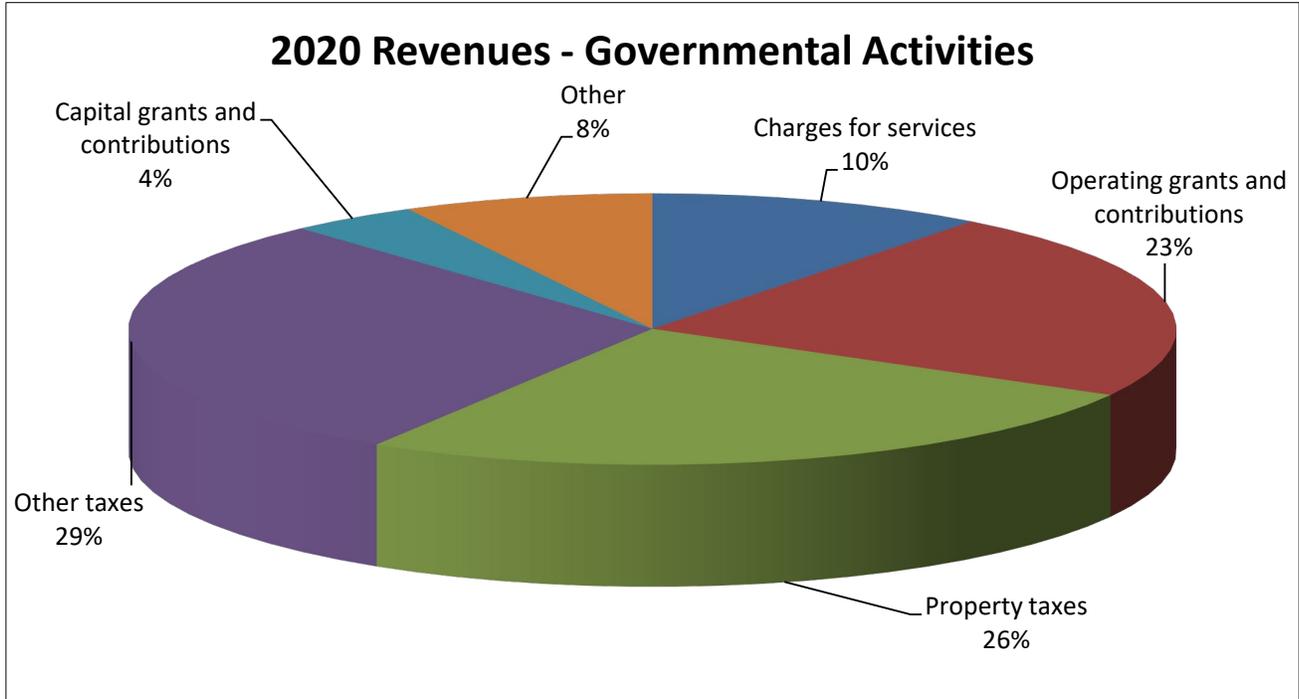
**Management's Discussion and Analysis (Unaudited)
December 31, 2020**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Governmental</u>		<u>Business-Type</u>	
	<u>2020</u>	<u>%</u>	<u>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>	<u>2019</u>	<u>%</u>
Expenses:								
General governmental	19,078,798	16%	-	0%	19,128,439	16%	-	0%
Judgments/claims	-	0%	2,394,358	7%	-	0%	4,923,243	14%
Education	5,791,983	5%	-	0%	6,399,112	6%	-	0%
Public safety	24,800,527	21%	-	0%	21,216,487	18%	-	0%
Public health	14,136,434	12%	33,162,036	93%	13,311,702	11%	30,206,719	86%
Transportation	9,926,841	8%	-	0%	11,001,370	9%	-	0%
Economic assistance	39,362,410	33%	-	0%	40,728,897	35%	-	0%
Culture and recreation	685,267	1%	-	0%	668,414	1%	-	0%
Home and community services	2,235,968	2%	-	0%	1,762,912	2%	-	0%
Land Bank Corporation	-	0%	158,111	0%	-	0%	89,726	0%
Interest	1,694,718	2%	-	0%	1,756,806	2%	-	0%
Total expenses	<u>117,712,946</u>	<u>100%</u>	<u>35,714,505</u>	<u>100%</u>	<u>115,974,139</u>	<u>100%</u>	<u>35,219,688</u>	<u>100%</u>
Increase (decrease) in net position	<u>\$ 4,882,387</u>		<u>\$ (9,713,003)</u>		<u>\$ 12,461,934</u>		<u>\$ (2,252,028)</u>	

COUNTY OF LIVINGSTON, NEW YORK

Management's Discussion and Analysis (Unaudited)

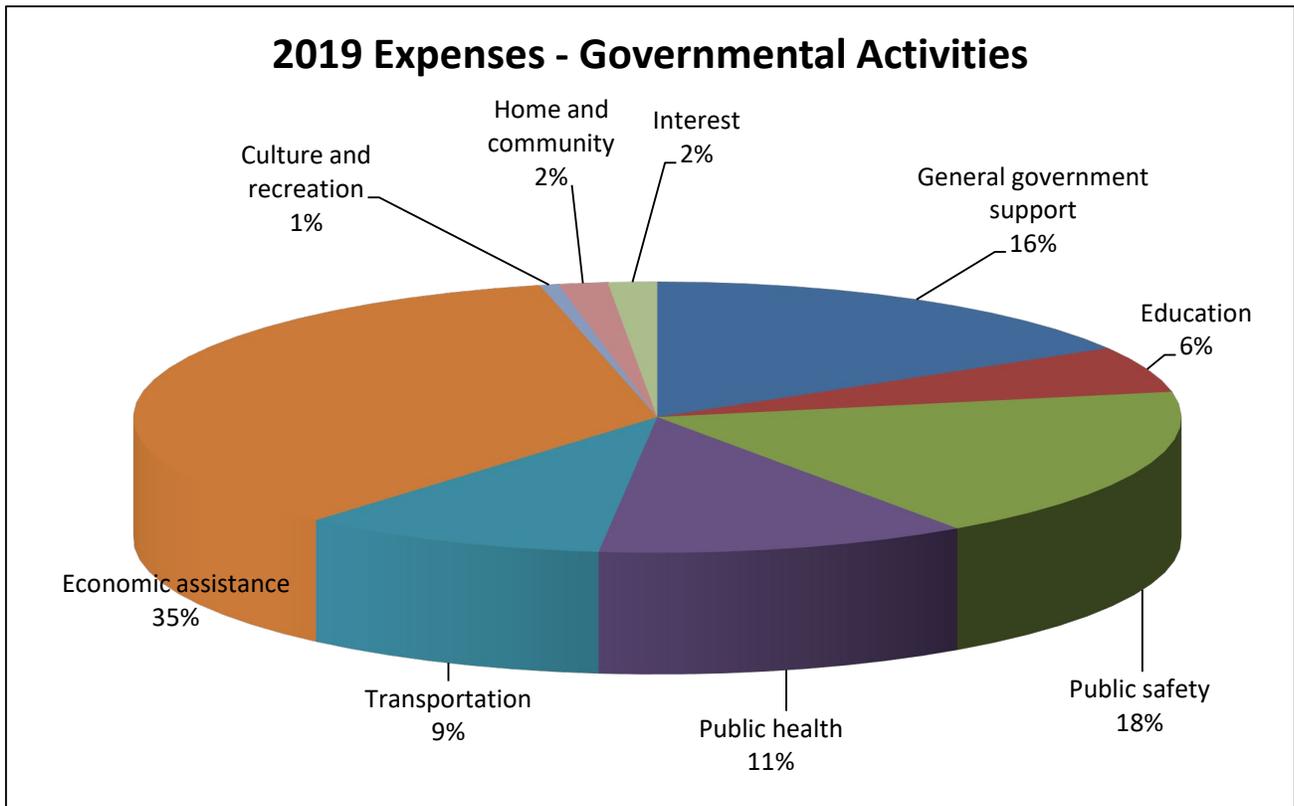
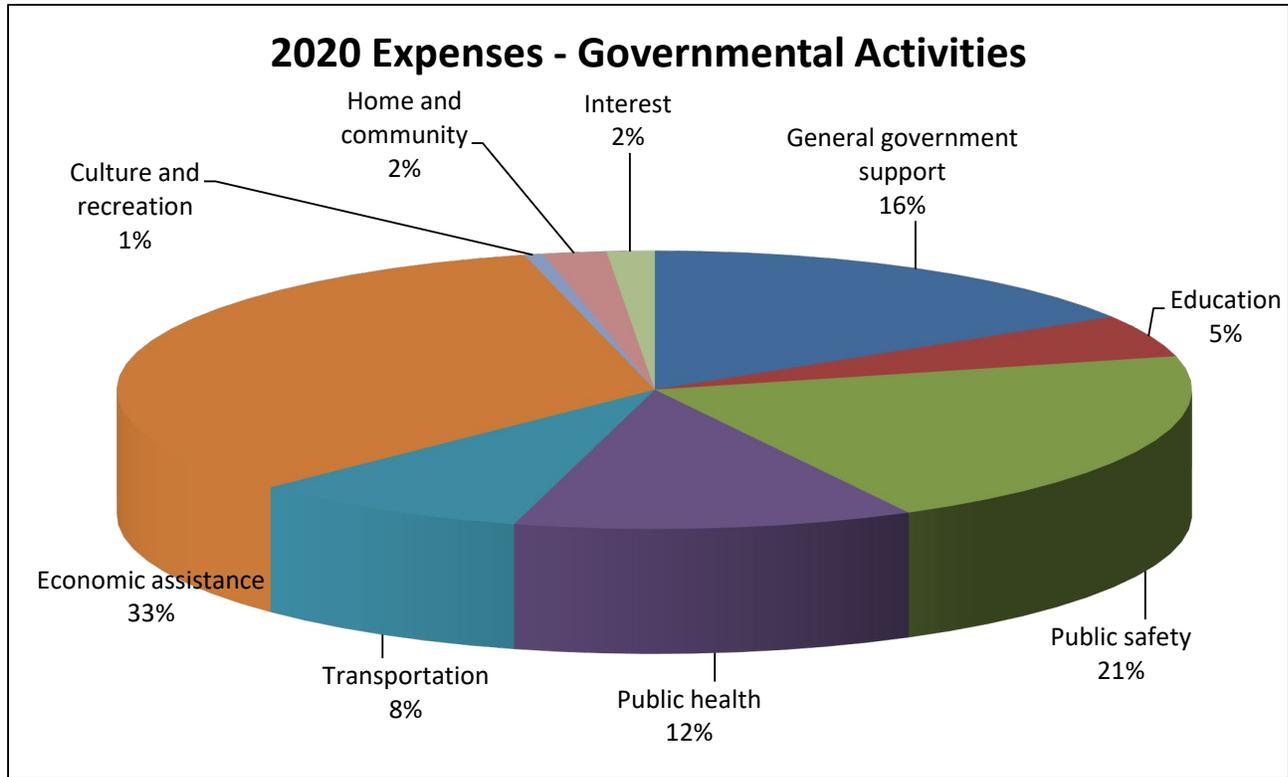
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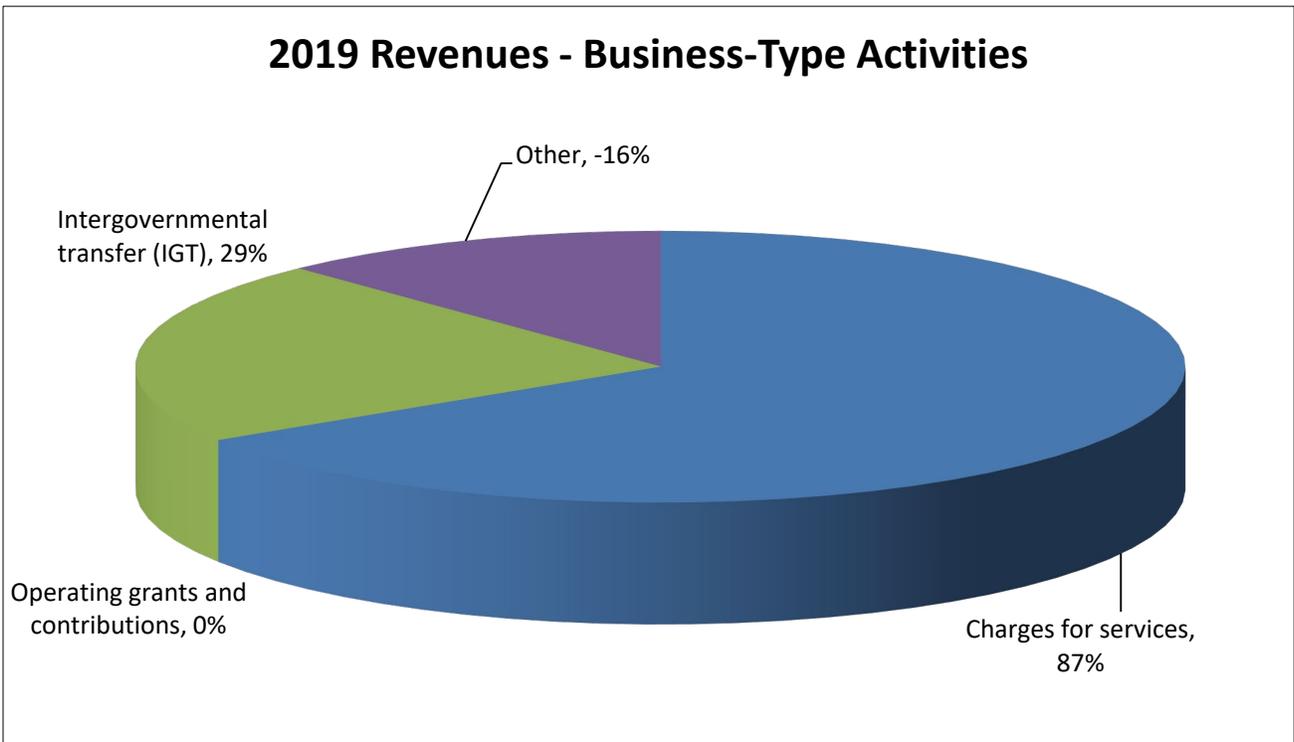
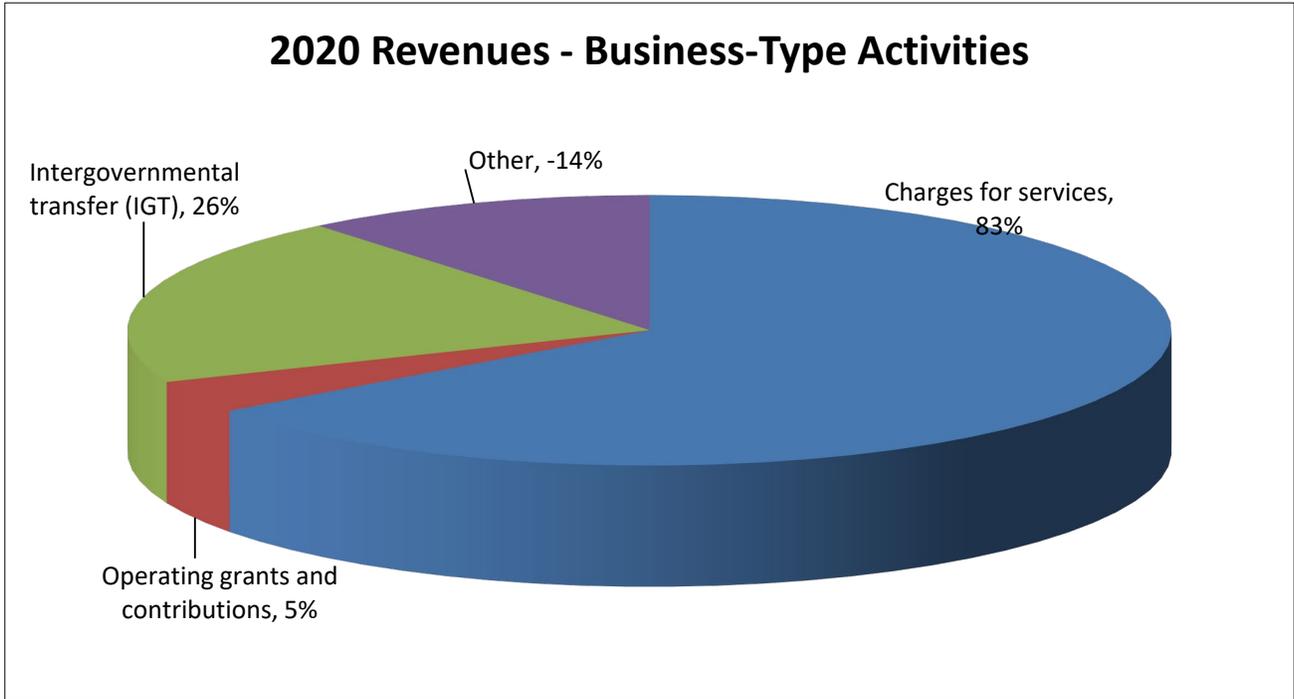
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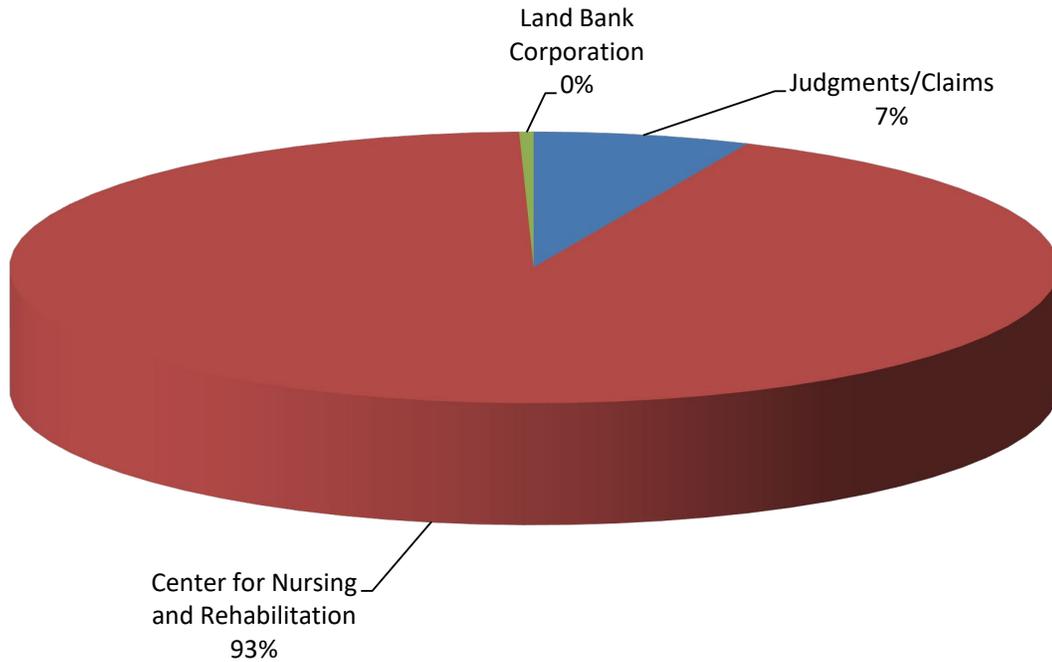
COUNTY OF LIVINGSTON, NEW YORK

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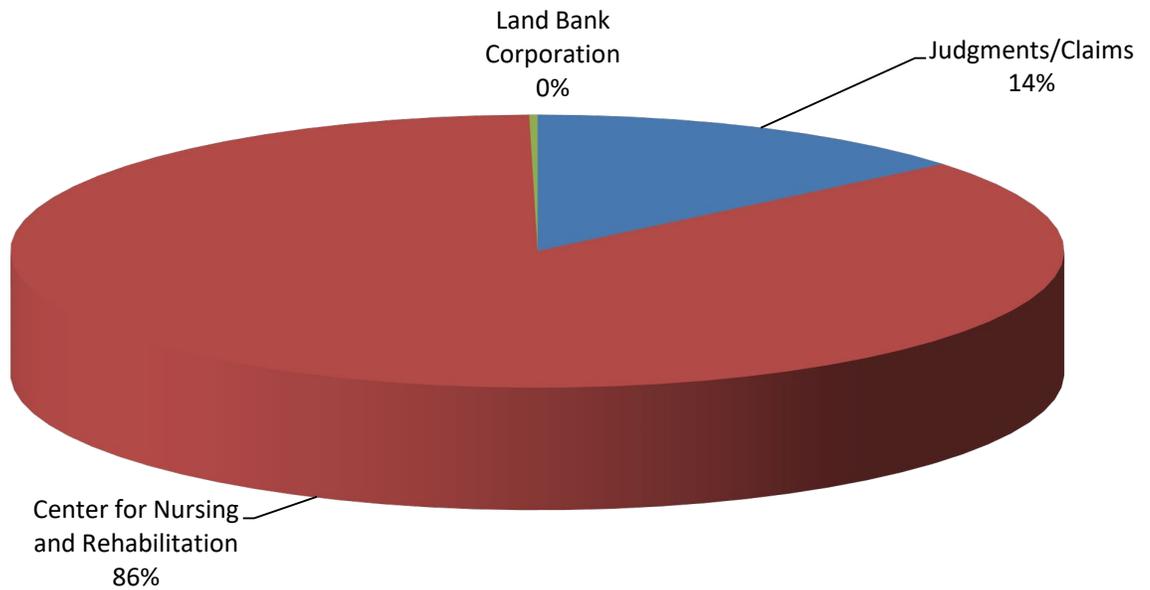
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2020 Expenses - Business-Type Activities



2019 Expenses - Business-Type Activities



COUNTY OF LIVINGSTON, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2020

Governmental Activities

Governmental activities increased the County's net position by \$4,882,387. Cost savings in the governmental funds ultimately led to an increase in net position. These cost savings were offset by increased expenses related to changes in the New York State Employees' Retirement System (NYSERS) actuarial valuation, in which decreased investment values increased the proportionate share of the net pension liability for all of the participating employers. Similarly, the County's total other postemployment benefit (OPEB) liability increased significantly due to changes in the GASB 75 actuarial valuation. Overall, the County still achieved a positive change in net position for 2020.

Business-Type Activities

Business type activities decreased the County's net position by \$9,713,003.

General Fund Budget Analysis

Conservative measures were taken in 2020 to decrease governmental expenditures due to the COVID-19 pandemic. Employee salaries and benefits were reduced due to a voluntary furlough of employees. Sales tax revenue in spite of the pandemic remained stable from 2019 to 2020. State and Federal grant revenues were also committed to be fully funded in spite of the pandemic. The County ensured continuation of governmental activities during the COVID-19 pandemic. Although governmental buildings were closed, business remained as usual.

CAPITAL ASSETS

The County's investment in capital assets for its governmental activities as of December 31, 2020 amounted to \$120,139,377 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, roads, highways and bridges.

Table 3 - Capital Assets - Governmental and Business-Type Activities
(Net of Depreciation)

	<u>Governmental</u> <u>2020</u>	<u>Business-Type</u> <u>2020</u>	<u>Governmental</u> <u>2019</u>	<u>Business-Type</u> <u>2019</u>
Land	\$ 1,319,867	\$ -	\$ 1,319,867	\$ -
Buildings and improvements	54,512,315	12,398,937	53,815,818	13,948,481
Machinery and equipment	3,320,121	1,326,555	2,287,344	1,199,492
Infrastructure	58,987,756	-	54,330,544	-
Work in progress	<u>1,999,318</u>	<u>-</u>	<u>5,091,702</u>	<u>-</u>
Total	<u>\$ 120,139,377</u>	<u>\$ 13,725,492</u>	<u>\$ 116,845,275</u>	<u>\$ 15,147,973</u>

The \$58,987,756 for 2020 and \$54,330,544 for 2019 of infrastructure represents the depreciated book value of County roads, bridges, water lines, etc.

The \$1,999,318 for 2020 and \$5,091,702 for 2019 of work in progress represents the construction on various County projects. The decrease is due to the net effect of moving completed projects from work in progress and the current year additions to projects that were not completed during the year.

Additional information on the County's capital assets can be found in the notes to the financial statements.

COUNTY OF LIVINGSTON, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2020

LONG-TERM LIABILITIES

Table 4 - Long-Term Liabilities

	Governmental <u>2020</u>	Business-Type <u>2020</u>	Governmental <u>2019</u>	Business-Type <u>2019</u>
Serial bonds-excluding LTASC	\$ 10,032,000	\$ 23,303,000	\$ 12,042,500	\$ 24,732,500
Bonds from Direct Borrowings	1,174,879	-	1,246,817	-
Serial bonds-LTASC	18,477,551	-	17,979,503	-
Energy performance contract	2,308,218	-	2,469,356	-
Compensated absences	1,206,001	-	1,145,587	-
Premium on bonds	1,062,310	881,124	957,432	1,021,668
Net pension liability	37,683,183	11,899,953	10,330,970	3,443,657
Total other postemployment benefit liability	<u>115,125,370</u>	<u>31,474,271</u>	<u>92,246,698</u>	<u>25,189,073</u>
Total	<u>\$ 187,069,512</u>	<u>\$ 67,558,348</u>	<u>\$ 138,418,863</u>	<u>\$ 54,386,898</u>

Within governmental activities, the County issued a \$1,780,000 refunding serial bond in 2020. This bond refunded outstanding bonds that had an aggregate principal balance of \$1,916,000. The County's governmental activities and business-type activities repaid \$2,457,576 and \$1,429,500, respectively, in principal payments during 2020. The County's governmental and business-type activities experienced an increase in net pension liability and increase in total other postemployment benefit liability due to new valuations in the current year.

The County continues to maintain an Aa2 rating from Moody's Investor Services for its general obligation debt. Additional information on the County's long-term obligations can be found in the notes to the financial statements.

ECONOMIC FACTORS

- Fiscal year 2020 presented several challenges for all of our Livingston County businesses. The COVID-19 pandemic allowed some "essential" businesses to continue to operate, while others were mandated to close or reduce capacity. Our office was inundated with calls seeking updated communication and interpretation on these ever-changing parameters. The associated financial assistance that was provided through the CARES Act or other sources of funding was also made available to businesses who requested help with navigating the paperwork and process. Our role was to act as a resource for all businesses by providing up-to-date correspondence and by acting as a trusted advisor.
- The Industrial Development Agency assisted six (6) businesses with new or expansion proposals providing investment in Livingston County. By comparison, this was a very business year where companies seemed to find the affordability, accessibility and availability that they needed to move ahead on their plan. The result was over \$30 million in new investments with 67 new jobs and a benefit of over \$110 million to the state and region.

COUNTY OF LIVINGSTON, NEW YORK

Management's Discussion and Analysis (Unaudited)

December 31, 2020

- The Livingston County Development Corporation was very active with a launch of the new Grow LivCo brand. This rebranded exposure was met with over 6000 unique website visitors and a new platform for communicating with our businesses. Beyond that, we were able to spur over \$360,000 of investment using \$158,000 in grant funding. Resilient business owners found a way to recreate their operating model, and the Development Corporation was there to help!
- The Industrial Development Agency approved nine (9) new loans and obtained a \$750,000 award from the USDA to replenish our revolving loan fund.
- The County was able to overcome a projected 10% decline in sales tax having finished the fiscal year with an increase of 2.1%.

ADDITIONAL FINANCIAL IMPLICATIONS

The COVID-19 public health crisis put local governments under unprecedented strain. Throughout this crisis, the County took a more conservative position on spending for the 2020 fiscal year. Despite the challenges that the pandemic presented, our financial position remained strong.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Treasurer, 6 Court Street, Room 203, Geneseo, New York 14454.

COUNTY OF LIVINGSTON, NEW YORK

Statement of Net Position
December 31, 2020

	Primary Government		Total	Component Units
	Governmental	Business-Type		
	Activities	Activities		
ASSETS				
Cash and cash equivalents	\$ 37,466,461	\$ 12,655,306	\$ 50,121,767	\$ 3,559,701
Restricted cash and cash equivalents	29,542,142	5,587,818	35,129,960	1,335,266
Investments	14,678,245	-	14,678,245	-
Accounts receivable, net	9,094,358	1,649,079	10,743,437	802,604
Loans receivable, net	-	-	-	1,331,744
Capital contributions receivable	-	-	-	583,087
Internal balances	2,933,529	(2,933,529)	-	-
Due from other governments	346,755	93,415	440,170	55,647
Due from State and Federal government, net	15,236,855	2,467,481	17,704,336	384,140
Prepaid expenses and inventories	1,245,601	716,465	1,962,066	116,001
Other assets	144,800	178,781	323,581	1,489,668
Capital assets, net	<u>120,139,377</u>	<u>13,725,492</u>	<u>133,864,869</u>	<u>34,922,222</u>
Total assets	<u>230,828,123</u>	<u>34,140,308</u>	<u>264,968,431</u>	<u>44,580,080</u>
DEFERRED OUTFLOWS OF RESOURCES				
Other postemployment benefit related	18,325,410	5,147,884	23,473,294	365,817
Pension related	26,032,436	8,220,769	34,253,205	233,176
Deferred amount on refunding	<u>395,371</u>	<u>928,211</u>	<u>1,323,582</u>	-
Total deferred outflows of resources	<u>44,753,217</u>	<u>14,296,864</u>	<u>59,050,081</u>	<u>598,993</u>
LIABILITIES				
Accounts payable and other accrued liabilities	6,050,595	9,244,390	15,294,985	638,960
Accrued wages and benefits	1,509,175	852,401	2,361,576	-
Due to other governments	5,320,878	-	5,320,878	-
Unearned revenue	609,319	48,752	658,071	897,435
Bond anticipation note payable	2,576,000	-	2,576,000	3,566,736
Long-term liabilities -				
Due within one year	2,146,492	1,495,800	3,642,292	-
Due in more than one year	32,114,467	22,688,324	54,802,791	3,781,144
Net pension liability	37,683,183	11,899,953	49,583,136	209,871
Total other postemployment benefit liability	<u>115,125,370</u>	<u>31,474,271</u>	<u>146,599,641</u>	<u>1,923,480</u>
Total liabilities	<u>203,135,479</u>	<u>77,703,891</u>	<u>280,839,370</u>	<u>11,017,626</u>
DEFERRED INFLOWS OF RESOURCES				
Other postemployment benefit related	9,383,153	2,783,894	12,167,047	-
Pension related	<u>2,719,053</u>	<u>858,648</u>	<u>3,577,701</u>	<u>6,982</u>
Total deferred inflows of resources	<u>12,102,206</u>	<u>3,642,542</u>	<u>15,744,748</u>	<u>6,982</u>
NET POSITION				
Net investment in capital assets	103,381,341	(9,530,421)	93,850,920	27,620,986
Restricted	46,191,506	5,539,065	51,730,571	437,831
Unrestricted	<u>(89,229,192)</u>	<u>(28,917,905)</u>	<u>(118,147,097)</u>	<u>6,095,648</u>
Total net position	<u>\$ 60,343,655</u>	<u>\$ (32,909,261)</u>	<u>\$ 27,434,394</u>	<u>\$ 34,154,465</u>

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

Statement of Activities

For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT:								
Governmental activities -								
General government support	\$ 19,078,798	\$ 2,725,502	\$ 1,232,538	\$ -	\$ (15,120,758)	\$ -	\$ (15,120,758)	
Education	5,791,983	-	2,144,812	-	(3,647,171)	-	(3,647,171)	
Public safety	24,800,527	751,741	4,258,007	-	(19,790,779)	-	(19,790,779)	
Public health	14,136,434	6,001,291	5,410,818	-	(2,724,325)	-	(2,724,325)	
Transportation	9,926,841	645,830	-	4,887,012	(4,393,999)	-	(4,393,999)	
Economic assistance and opportunity	39,362,410	2,312,464	14,211,001	-	(22,838,945)	-	(22,838,945)	
Culture and recreation	685,267	60,588	168,536	-	(456,143)	-	(456,143)	
Home and community services	2,235,968	289,193	371,526	-	(1,575,249)	-	(1,575,249)	
Interest	1,694,718	-	-	-	(1,694,718)	-	(1,694,718)	
Total governmental activities	<u>117,712,946</u>	<u>12,786,609</u>	<u>27,797,238</u>	<u>4,887,012</u>	<u>(72,242,087)</u>	<u>-</u>	<u>(72,242,087)</u>	
Business-type activities -								
Center for Nursing and Rehabilitation	33,162,036	19,983,833	1,185,252	-	-	(11,992,951)	(11,992,951)	
Workers' Compensation Fund	2,394,358	1,727,837	-	-	-	(666,521)	(666,521)	
Land Bank	158,111	-	107,982	-	-	(50,129)	(50,129)	
Total business-type activities	<u>35,714,505</u>	<u>21,711,670</u>	<u>1,293,234</u>	<u>-</u>	<u>-</u>	<u>(12,709,601)</u>	<u>(12,709,601)</u>	
Total primary government	<u>\$ 153,427,451</u>	<u>\$ 34,498,279</u>	<u>\$ 29,090,472</u>	<u>\$ 4,887,012</u>	<u>(72,242,087)</u>	<u>(12,709,601)</u>	<u>(84,951,688)</u>	

(Continued)

COUNTY OF LIVINGSTON, NEW YORK

Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
COMPONENT UNITS:								
Proprietary -								
Industrial Development Agency	\$ 309,200	\$ 351,537	\$ -	\$ -				\$ 42,337
Development Corporation	985,721	-	788,431	-				(197,290)
Soil and Water Conservation District	530,357	18,619	583,944	-				72,206
Water and Sewer Authority	4,577,883	3,564,115	-	19,178				(994,590)
Total component units	<u>\$ 6,403,161</u>	<u>\$ 3,934,271</u>	<u>\$ 1,372,375</u>	<u>\$ 19,178</u>				<u>(1,077,337)</u>
GENERAL REVENUES AND TRANSFERS								
Real property taxes and real property tax items					31,503,548	-	31,503,548	-
Nonproperty tax items					36,134,988	-	36,134,988	-
Sale of property and compensation for loss					515,972	409,329	925,301	104,697
Use of money and property					3,054,454	107,341	3,161,795	104,236
Intergovernmental transfer					-	6,754,390	6,754,390	-
Transfers to governmental activities					4,295,770	(4,295,770)	-	-
Miscellaneous					1,619,742	21,308	1,641,050	192,559
Total general revenues					<u>77,124,474</u>	<u>2,996,598</u>	<u>80,121,072</u>	<u>401,492</u>
Change in net position					<u>4,882,387</u>	<u>(9,713,003)</u>	<u>(4,830,616)</u>	<u>(675,845)</u>
Net position - beginning of year, as previously reported					54,892,204	(23,196,258)	31,695,946	34,830,310
Prior period adjustment (Note 22)					569,064	-	569,064	-
Net position - beginning of year, as restated					<u>55,461,268</u>	<u>(23,196,258)</u>	<u>32,265,010</u>	<u>34,830,310</u>
Net position - end of year					<u>\$ 60,343,655</u>	<u>\$ (32,909,261)</u>	<u>\$ 27,434,394</u>	<u>\$ 34,154,465</u>

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

**Balance Sheet - Governmental Funds
December 31, 2020**

	General Fund	Capital Projects Fund	County Road Fund	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 20,430,935	\$ -	\$ 7,655,906	\$ 9,379,620	\$ 37,466,461
Restricted cash and cash equivalents	19,000,452	1,622,653	-	-	20,623,105
Investments	12,995,695	-	-	1,682,550	14,678,245
Accounts receivable, net	8,277,775	-	1,685	787,323	9,066,783
Due from State and Federal government, net	13,622,331	-	1,083,456	531,068	15,236,855
Due from other governments	346,755	-	-	-	346,755
Prepaid expenditures and inventories	1,156,617	-	56,439	32,545	1,245,601
Due from other funds	3,490,223	-	-	771	3,490,994
Total assets	\$ 79,320,783	\$ 1,622,653	\$ 8,797,486	\$ 12,413,877	\$ 102,154,799
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and other current liabilities	\$ 3,912,223	\$ 315,794	\$ 423,301	\$ 276,393	\$ 4,927,711
Accrued wages and benefits	1,401,170	-	73,267	34,738	1,509,175
Due to other funds	143,481	-	56,439	357,545	557,465
Due to other governments	5,283,674	-	-	37,204	5,320,878
Unearned revenue	609,319	-	-	-	609,319
Bond anticipation notes payable	-	2,576,000	-	-	2,576,000
Total liabilities	11,349,867	2,891,794	553,007	705,880	15,500,548
DEFERRED INFLOWS OF RESOURCES:					
Tobacco settlement revenue	-	-	-	760,558	760,558
Deferred taxes	3,774,885	-	-	-	3,774,885
Total deferred inflows of resources	3,774,885	-	-	760,558	4,535,443
FUND BALANCES:					
Nonspendable	1,156,617	-	56,439	32,545	1,245,601
Restricted	19,000,452	-	8,188,040	10,932,268	38,120,760
Assigned	3,801,037	-	-	-	3,801,037
Unassigned	40,237,925	(1,269,141)	-	(17,374)	38,951,410
Total fund balances	64,196,031	(1,269,141)	8,244,479	10,947,439	82,118,808
Total liabilities, deferred inflows of resources and fund balances	\$ 79,320,783	\$ 1,622,653	\$ 8,797,486	\$ 12,413,877	\$ 102,154,799

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position For the Year Ended December 31, 2020

Total fund balances - governmental funds	\$ 82,118,808
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds.	120,139,377
The net position of the internal service funds are not included in the fund financial statements, but are included in the governmental activities of the statement of net position.	8,070,746
Tobacco settlement revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and; therefore, are unearned in the funds.	760,558
Long-term liabilities are not due in the current period and; therefore, are not reported in the funds. They are as follows:	
Serial bonds - County	(11,206,879)
Serial bonds - LTASC	(18,477,551)
Energy performance contract	(2,308,218)
Premium on refunding	(1,062,310)
Deferred amount on refunding	395,371
Total other postemployment benefit liability	(115,125,370)
Compensated absences	(1,206,001)
Net pension liability	(37,683,183)
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(102,218)
Revenue related to the tax levy is recognized when earned in the statement of activities, but deferred in the fund statements if collection exceeds sixty days after year-end.	3,774,885
Deferred outflows/inflows of resources are applicable to future periods; and therefore, are not reported in the funds. They are as follows:	
Deferred outflow - pension related	26,032,436
Deferred outflow - other postemployment benefit related	18,325,410
Deferred inflow - pension related	(2,719,053)
Deferred inflow - other postemployment benefit related	<u>(9,383,153)</u>
Total net position of governmental activities	<u>\$ 60,343,655</u>

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2020

	General Fund	Capital Projects Fund	County Road Fund	Nonmajor Governmental Funds	Total
REVENUES:					
Real property taxes and tax items	\$ 22,876,088	\$ -	\$ 8,527,460	\$ 190,030	\$ 31,593,578
Nonproperty tax items	36,134,988	-	-	-	36,134,988
Departmental income	10,276,732	-	-	-	10,276,732
Intergovernmental charges	492,683	-	645,830	-	1,138,513
Use of money and property	2,952,687	2,899	4,264	44,462	3,004,312
Licenses and permits	22,851	-	-	-	22,851
Fines and forfeitures	301,926	-	-	-	301,926
Sale of property and compensation for loss	65,037	-	1,743	81,750	148,530
Miscellaneous	676,238	-	65,029	872,241	1,613,508
Interfund revenues	2,316,580	-	20,048	245,458	2,582,086
State aid	13,239,504	-	2,835,224	-	16,074,728
Federal aid	12,699,760	-	2,051,788	1,857,974	16,609,522
Total revenues	102,055,074	2,899	14,151,386	3,291,915	119,501,274
EXPENDITURES:					
Current -					
General governmental support	17,394,104	852,427	-	89,376	18,335,907
Education	5,791,983	-	-	-	5,791,983
Public safety	20,682,246	2,904,882	-	-	23,587,128
Public health	13,289,362	-	-	-	13,289,362
Transportation	29,673	22,520	10,271,747	1,814,767	12,138,707
Economic assistance and opportunity	36,508,517	474	-	1,682,580	38,191,571
Culture and recreation	579,473	-	-	-	579,473
Home and community services	1,826,992	-	-	175,805	2,002,797
Debt service -					
Principal	1,931,130	8	-	526,438	2,457,576
Interest	400,516	51,520	-	483,737	935,773
Total expenditures	98,433,996	3,831,831	10,271,747	4,772,703	117,310,277
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,621,078	(3,828,932)	3,879,639	(1,480,788)	2,190,997
OTHER FINANCING SOURCES (USES):					
Proceeds of debt issuance	975,000	-	-	805,000	1,780,000
Premium on obligation	123,002	-	-	101,555	224,557
Payments to escrow agent	(1,030,000)	-	-	(886,000)	(1,916,000)
Operating transfers - in	4,695,770	485,877	15,000	2,047,000	7,243,647
Operating transfers - out	(515,877)	-	(2,312,000)	(120,000)	(2,947,877)
Total other financing sources (uses)	4,247,895	485,877	(2,297,000)	1,947,555	4,384,327
CHANGE IN FUND BALANCE	7,868,973	(3,343,055)	1,582,639	466,767	6,575,324
FUND BALANCE - beginning of year, as previously reported	55,757,994	2,073,914	6,661,840	10,480,672	74,974,420
PRIOR PERIOD ADJUSTMENT (NOTE 22)	569,064	-	-	-	569,064
FUND BALANCE - beginning of year, as previously reported	56,327,058	2,073,914	6,661,840	10,480,672	75,543,484
FUND BALANCE - end of year	\$ 64,196,031	\$ (1,269,141)	\$ 8,244,479	\$ 10,947,439	\$ 82,118,808

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2020**

Net change in fund balances - governmental funds	\$ 6,575,324
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	
Capital outlays	12,100,240
Depreciation	<u>(8,797,871)</u> 3,302,369
Loss on disposal of capital assets is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(8,267)
Internal service funds are used by management to charge the cost of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities.	2,169,921
Tobacco settlement revenues will not be collected for several months after the County's fiscal year-end; therefore, they are not considered "available" revenues and are unearned in the governmental funds. This represents the current year change.	6,234
Proceeds of long-term debt are recorded as other financing sources for governmental funds, but are not recorded in the Statement of Activities. This is the amount of proceeds from long-term debt received in the current year.	(1,780,000)
Premiums on the issuance of long-term debt are recorded as other financing sources for governmental funds, but are not recorded in the Statement of Activities.	(224,557)
Payments to escrow agent and fiscal agent fees associated with a bond refunding are expensed in the governmental funds, but are not recorded on the Statement of Activities as they reduce bonds payable on the Statement of Net Position.	1,916,000
Principal payments on debt service are reported as an expenditure in the governmental funds and; therefore, reduces fund balance because current financial resources have been used. These payments are not an expense in the statement of activities.	2,457,576
Amortization of bond premiums is not recorded as revenue in the governmental funds, but is recorded in the statement of activities.	119,679
Amortization of deferred amounts on refunding are not due in the current period and; therefore, are not reported in the funds.	(56,481)
Accrued interest on bonds is an expenditure in the statement of activities of the government-wide statement, but is not reported an expenditure in the governmental funds. This amount represents the current year change.	25,905
The change in accrued accreted interest is reported in the statement of activities, but does not require the use of current financial resources and; therefore, is not reported as an expenditure in the governmental funds.	(848,048)
Compensated absences are reported in the statement of activities, but do not require the the use of current financial resources and; therefore, these are not reported as expenditures in governmental funds. This represents the current year change.	(60,414)
Unearned property tax revenues are recorded on the modified accrual basis, but are not reported in the government-wide financial statements.	100,000
Governmental funds report other postemployment benefit contributions as expenditures. However, in the statement of activities, the cost of other postemployment benefits earned, net of employer contributions is reported as other postemployment benefits.	(1,854,845)
Government funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employer contributions is reported as a pension expense:	
Pension contributions	4,813,572
Cost of benefits earned, net of employee contributions	<u>(11,771,581)</u>
Change in net position of governmental activities	<u>\$ 4,882,387</u>

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

Statement of Net Position - Proprietary Funds
December 31, 2020

	Business Type Activities - Enterprise Funds				Internal Service Fund
	Workers' Compensation Fund	Livingston County Center for Nursing and Rehabilitation	Livingston County Land Bank	Total	
ASSETS					
Cash and cash equivalents	\$ 316,596	\$ 12,269,999	\$ 68,711	\$ 12,655,306	\$ -
Restricted cash and cash equivalents	5,539,066	-	48,752	5,587,818	8,919,037
Accounts receivable, net	-	1,649,079	-	1,649,079	27,575
Due from State and Federal government	-	2,467,481	-	2,467,481	-
Due from other funds	704,166	-	-	704,166	-
Due from other governments	93,415	-	-	93,415	-
Prepaid expense and other current assets	57,500	637,965	-	695,465	144,800
Inventory	-	-	21,000	21,000	-
Capital assets, net	-	13,725,492	-	13,725,492	-
Resident funds held in trust	-	178,781	-	178,781	-
Total assets	6,710,743	30,928,797	138,463	37,778,003	9,091,412
DEFERRED OUTFLOWS OF RESOURCES					
Other postemployment benefit related	-	5,147,884	-	5,147,884	-
Pension related	-	8,220,769	-	8,220,769	-
Deferred loss on refunding	-	928,211	-	928,211	-
Total deferred outflows of resources	-	14,296,864	-	14,296,864	-
LIABILITIES					
Accounts payable and other liabilities	56,313	3,016,743	23,700	3,096,756	118,666
Accrued wages and benefits	-	852,401	-	852,401	-
Accrued liabilities	6,147,634	-	-	6,147,634	902,000
Due to other funds	2,175,000	1,462,695	-	3,637,695	-
Unearned grant revenue	-	-	48,752	48,752	-
Non-current liabilities -					
Due in one year	-	1,495,800	-	1,495,800	-
Due in more than one year	-	22,688,324	-	22,688,324	-
Net pension liability	-	11,899,953	-	11,899,953	-
Total other postemployment benefit liability	-	31,474,271	-	31,474,271	-
Total liabilities	8,378,947	72,890,187	72,452	81,341,586	1,020,666
DEFERRED INFLOWS OF RESOURCES					
Other postemployment benefit related	-	2,783,894	-	2,783,894	-
Pension related	-	858,648	-	858,648	-
Total deferred inflows of resources	-	3,642,542	-	3,642,542	-
NET POSITION					
Net investment in capital assets	-	(9,530,421)	-	(9,530,421)	-
Restricted	5,539,065	-	-	5,539,065	8,070,746
Unrestricted	(7,207,269)	(21,776,647)	66,011	(28,917,905)	-
Total net position	\$ (1,668,204)	\$ (31,307,068)	\$ 66,011	\$ (32,909,261)	\$ 8,070,746

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Year Ended December 31, 2020**

	Business Type Activities - Enterprise Funds				
	Livingston			Total	Internal Service Fund
	Workers' Compensation Fund	County Center for Nursing and Rehabilitation	Livingston County Land Bank		
REVENUES:					
Charges for services	\$ 1,727,837	\$ 19,983,833	\$ -	\$ 21,711,670	\$ 12,454,914
Grant revenue	-	1,185,252	107,982	1,293,234	-
Intergovernmental transfers	-	6,754,390	-	6,754,390	-
In-kind revenues	-	-	16,018	16,018	-
Total operating revenues	1,727,837	27,923,475	124,000	29,775,312	12,454,914
OPERATING EXPENSES:					
Unrealized loss on inventory	-	-	37,030	37,030	-
Cost of sales	-	-	28,091	28,091	-
Property rehabilitation grant	-	-	18,927	18,927	-
Judgments, claims, and insurance premiums	2,394,358	-	-	2,394,358	10,710,844
Nursing services	-	12,345,849	-	12,345,849	-
Employee benefits	-	8,416,457	18,677	8,435,134	-
Other professional services	-	7,462,169	39,368	7,501,537	-
Depreciation and amortization	-	1,924,049	-	1,924,049	-
Bad debts	-	218,860	-	218,860	-
County cost allocation	-	638,110	-	638,110	-
New York State assessment	-	1,331,891	-	1,331,891	-
In-kind expense	-	-	16,018	16,018	-
Total operating expenses	2,394,358	32,337,385	158,111	34,889,854	10,710,844
Operating income (loss)	(666,521)	(4,413,910)	(34,111)	(5,114,542)	1,744,070
NON-OPERATING REVENUES (EXPENSES):					
Interest income	55,006	52,335	-	107,341	50,142
Interest expense	-	(824,651)	-	(824,651)	-
Sale of property and compensation for loss	409,329	-	-	409,329	375,709
Other income	5,290	-	-	5,290	-
Total non-operating revenues (expenses)	469,625	(772,316)	-	(302,691)	425,851
CHANGE IN NET POSITION BEFORE TRANSFERS TO COUNTY	(196,896)	(5,186,226)	(34,111)	(5,417,233)	2,169,921
TRANSFERS TO COUNTY	-	(4,295,770)	-	(4,295,770)	-
CHANGE IN NET POSITION	(196,896)	(9,481,996)	(34,111)	(9,713,003)	2,169,921
NET POSITION - beginning of year	(1,471,308)	(21,825,072)	100,122	(23,196,258)	5,900,825
NET POSITION - end of year	\$ (1,668,204)	\$ (31,307,068)	\$ 66,011	\$ (32,909,261)	\$ 8,070,746

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

**Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2020**

	Business Type Activities - Enterprise Funds				
	Workers' Compensation Fund	Livingston		Livingston County Land Bank	Internal Service Fund
		County Center for Nursing and Rehabilitation	County Land Bank		
CASH FLOW FROM OPERATING ACTIVITIES:					
Cash received from providing services	\$ 1,868,551	\$ 28,254,388	\$ -	\$ 30,122,939	\$ 12,427,339
Cash received from grants	-	-	55,852	55,852	-
Cash payments for inventory	-	-	(47,780)	(47,780)	-
Cash payments to insurance providers	(1,923,283)	-	-	(1,923,283)	(11,111,259)
Cash payments for salaries and benefits	-	(18,134,148)	(18,614)	(18,152,762)	-
Cash payments for contractual services	-	(9,639,029)	(40,107)	(9,679,136)	-
Net cash flow from operating activities	<u>(54,732)</u>	<u>481,211</u>	<u>(50,649)</u>	<u>375,830</u>	<u>1,316,080</u>
CASH FLOW FROM NON-CAPITAL FINANCING					
Repayments to County general fund	-	(4,357,419)	-	(4,357,419)	-
Net cash flow from non-capital financing activities	<u>-</u>	<u>(4,357,419)</u>	<u>-</u>	<u>(4,357,419)</u>	<u>-</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchases of capital assets	-	(501,568)	-	(501,568)	-
Repayment of debt	-	(1,468,001)	-	(1,468,001)	-
Interest expense	-	(824,651)	-	(824,651)	-
Net cash flow from capital and related financing activities	<u>-</u>	<u>(2,794,220)</u>	<u>-</u>	<u>(2,794,220)</u>	<u>-</u>
CASH FLOW FROM INVESTING ACTIVITIES:					
Other income	414,619	-	-	414,619	375,709
Investment income	55,006	52,335	-	107,341	50,142
Net cash flow from investing activities	<u>469,625</u>	<u>52,335</u>	<u>-</u>	<u>521,960</u>	<u>425,851</u>
CHANGE IN CASH AND CASH EQUIVALENTS	414,893	(6,618,093)	(50,649)	(6,253,849)	1,741,931
CASH AND CASH EQUIVALENTS - beginning of year	<u>5,440,769</u>	<u>18,888,092</u>	<u>168,112</u>	<u>24,496,973</u>	<u>7,177,106</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 5,855,662</u>	<u>\$ 12,269,999</u>	<u>\$ 117,463</u>	<u>\$ 18,243,124</u>	<u>\$ 8,919,037</u>
CASH AND CASH EQUIVALENTS - unrestricted	<u>\$ 316,596</u>	<u>\$ 12,269,999</u>	<u>\$ 68,711</u>	<u>\$ 12,655,306</u>	<u>\$ -</u>
CASH AND CASH EQUIVALENTS - restricted	<u>\$ 5,539,066</u>	<u>\$ -</u>	<u>\$ 48,752</u>	<u>\$ 5,587,818</u>	<u>\$ 8,919,037</u>

(Continued)

COUNTY OF LIVINGSTON, NEW YORK

Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2020

	Business Type Activities - Enterprise Funds				
	Workers' Compensation Fund	Livingston		Livingston County Land Bank	Internal Service Fund
		County Center for Nursing and Rehabilitation			
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ (666,521)	\$ (4,413,910)	\$ (34,111)	\$ (5,114,542)	\$ 1,744,070
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation and amortization	-	1,924,049	-	1,924,049	-
Bad debts	-	218,860	-	218,860	-
Changes in:					
Due from other funds	105,857	-	-	105,857	-
Due from other governments	34,857	-	-	34,857	-
Accounts receivable	-	2,615,707	-	2,615,707	(27,575)
Intergovernmental transfer receivable	-	(2,467,481)	-	(2,467,481)	-
Prepaid expense and other assets	(57,500)	(61,037)	-	(118,537)	(144,800)
Inventory	-	-	17,341	17,341	-
Deferred outflows of resources - pension	-	(5,447,947)	-	(5,447,947)	-
Deferred outflows of resources - other postemployment benefit obligations	-	(4,425,161)	-	(4,425,161)	-
Accounts payable and other liabilities	56,313	(120,872)	18,251	(46,308)	25,179
Accrued liabilities	172,262	220,454	-	392,716	(223,000)
Due to other funds	300,000	-	-	300,000	(57,794)
Unearned grant revenue	-	-	(52,130)	(52,130)	-
Total other postemployment benefits liability	-	6,285,198	-	6,285,198	-
Estimated third-party payor settlements, net	-	182,687	-	182,687	-
Net pension liability	-	8,456,296	-	8,456,296	-
Deferred inflows of resources - pension	-	(941,115)	-	(941,115)	-
Deferred inflows of resources - other postemployment benefit obligations	-	(1,544,517)	-	(1,544,517)	-
Net cash flow from operating activities	\$ (54,732)	\$ 481,211	\$ (50,649)	\$ 375,830	\$ 1,316,080

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

**Statement of Fiduciary Net Position
December 31, 2020**

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ <u>686,279</u>
Total assets	<u>686,279</u>
LIABILITIES	
Accounts payable and other liabilities	<u>68,453</u>
Total liabilities	<u>68,453</u>
NET POSITION	
Restricted for individuals, organizations and other governments	\$ <u><u>617,826</u></u>

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

**Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2020**

	Private-Purpose <u>Trust Funds</u>	<u>Custodial Funds</u>
ADDITIONS:		
Taxes collected for other governments	\$ -	\$ 2,352,023
Amounts collected on behalf of individuals	-	809,720
Miscellaneous	-	382,124
Bail collected	-	32,408
Interest earnings	-	619
	<u>-</u>	<u>3,576,894</u>
Total additions	-	3,576,894
DEDUCTIONS:		
Payment of tax to other governments	\$ -	\$ 2,299,215
Amounts paid on behalf of individuals	-	766,010
Miscellaneous	-	355,816
Bail returned	-	60,700
	<u>-</u>	<u>3,481,741</u>
Total deductions	-	3,481,741
CHANGE IN NET POSITION	<u>-</u>	<u>95,153</u>
NET POSITION - beginning of year, as previously reported	410,117	-
PRIOR PERIOD ADJUSTMENT (NOTE 22)	<u>(410,117)</u>	<u>522,673</u>
NET POSITION - beginning of year, as restated	<u>-</u>	<u>522,673</u>
NET POSITION - end of year	<u>\$ -</u>	<u>\$ 617,826</u>

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

Combining Statement of Net Position - Proprietary Component Units
December 31, 2020

	Livingston County Industrial Development Agency	Livingston County Water and Sewer Authority	Livingston County Development Corporation	Livingston County Soil and Water Conservation District	Total
ASSETS					
Cash and cash equivalents	\$ 539,245	\$ 2,880,721	\$ 2,742	\$ 136,993	\$ 3,559,701
Restricted cash	-	116,907	320,924	897,435	1,335,266
Capital contributions receivable	-	583,087	-	-	583,087
Grants receivable	-	-	244,737	-	244,737
Grant receivable - related party	-	-	55,647	-	55,647
Accounts receivable, net	-	795,503	-	7,101	802,604
Due from State and Federal government	-	-	-	139,403	139,403
Loans receivable, net	-	-	1,331,744	-	1,331,744
Prepaid expenses and inventories	-	107,101	8,900	-	116,001
Funds held for others	-	34,770	-	-	34,770
Inventory	-	53,977	-	-	53,977
Land held for development or sale	1,400,921	-	-	-	1,400,921
Capital assets, net	2,545	34,909,004	-	10,673	34,922,222
Total assets	1,942,711	39,481,070	1,964,694	1,191,605	44,580,080
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	-	233,176	-	-	233,176
Other postemployment benefit related	-	365,817	-	-	365,817
Total deferred outflows of resources	-	598,993	-	-	598,993
LIABILITIES					
Accounts payable and other current liabilities	55,647	371,939	207,991	3,383	638,960
Unearned revenue	-	-	-	897,435	897,435
Bond anticipation note payable	-	3,566,736	-	-	3,566,736
Long-term liabilities	-	3,734,500	-	-	3,734,500
Compensated absences	-	37,709	-	8,935	46,644
Net pension liability	-	209,871	-	-	209,871
Total other postemployment benefits liability	-	1,923,480	-	-	1,923,480
Total liabilities	55,647	9,844,235	207,991	909,753	11,017,626
DEFERRED INFLOWS OF RESOURCES					
Pension related	-	6,982	-	-	6,982
Total deferred inflows of resources	-	6,982	-	-	6,982
NET POSITION					
Net investment in capital assets	2,545	27,607,768	-	10,673	27,620,986
Restricted	-	116,907	320,924	-	437,831
Unrestricted	1,884,519	2,504,171	1,435,779	271,179	6,095,648
Total net position	\$ 1,887,064	\$ 30,228,846	\$ 1,756,703	\$ 281,852	\$ 34,154,465

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

**Combining Statement of Revenues, Expenses and Change in Net Position - Proprietary Component Units
For the Year Ended December 31, 2020**

	Livingston County Industrial Development Agency	Livingston County Water and Sewer Authority	Livingston County Development Corporation	Livingston County Soil and Water Conservation District	Total
OPERATING REVENUE:					
Charges for services, net	\$ 351,537	\$ 3,564,115	\$ -	\$ 18,619	\$ 3,934,271
Grants	-	-	788,431	583,944	1,372,375
Other revenue	<u>2,501</u>	<u>-</u>	<u>182,000</u>	<u>8,058</u>	<u>192,559</u>
Total operating revenue	<u>354,038</u>	<u>3,564,115</u>	<u>970,431</u>	<u>610,621</u>	<u>5,499,205</u>
OPERATING EXPENSES:					
Salaries and benefits	-	1,255,021	72,159	125,792	1,452,972
Grant and project expense	250,648	-	718,343	363,567	1,332,558
Water and sewer operations	-	1,536,445	-	-	1,536,445
Professional services	41,694	415,569	184,494	4,642	646,399
Depreciation	783	1,262,702	-	9,326	1,272,811
Other	<u>16,075</u>	<u>41,949</u>	<u>10,725</u>	<u>27,030</u>	<u>95,779</u>
Total operating expenses	<u>309,200</u>	<u>4,511,686</u>	<u>985,721</u>	<u>530,357</u>	<u>6,336,964</u>
OPERATING INCOME (LOSS)	<u>44,838</u>	<u>(947,571)</u>	<u>(15,290)</u>	<u>80,264</u>	<u>(837,759)</u>
NON-OPERATING REVENUE AND EXPENSES:					
Rental of real property	17,221	-	-	-	17,221
Gain (loss) on sale of assets	74,997	29,700	-	-	104,697
Interest income	224	42,612	43,855	324	87,015
Interest expense	<u>-</u>	<u>(66,197)</u>	<u>-</u>	<u>-</u>	<u>(66,197)</u>
Total non-operating revenue and expenses	<u>92,442</u>	<u>6,115</u>	<u>43,855</u>	<u>324</u>	<u>142,736</u>
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	137,280	(941,456)	28,565	80,588	(695,023)
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>19,178</u>	<u>-</u>	<u>-</u>	<u>19,178</u>
CHANGE IN NET POSITION	137,280	(922,278)	28,565	80,588	(675,845)
NET POSITION - beginning of year	<u>1,749,784</u>	<u>31,151,124</u>	<u>1,728,138</u>	<u>201,264</u>	<u>34,830,310</u>
NET POSITION - end of year	<u>\$ 1,887,064</u>	<u>\$ 30,228,846</u>	<u>\$ 1,756,703</u>	<u>\$ 281,852</u>	<u>\$ 34,154,465</u>

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The County of Livingston, New York (the County) is governed by County law, general laws of the State of New York and various local laws and ordinances. The Board of Supervisors, which is the legislative body responsible for the overall operation of the County, consists of the seventeen supervisors representing the towns in the County with each member's vote weighted on the basis of population in the town represented. The Chairman of the Board of Supervisors serves as chief executive officer and the County Treasurer serves as chief fiscal officer of the County.

The County provides the following basic services: highway construction and maintenance, economic assistance and opportunity, educational assistance, public safety and law enforcement, public health, and home and community services.

The accompanying basic financial statements are intended to report upon the financial position and results of operations of the individual major or non-major funds in accordance with generally accepted accounting principles.

The County financial reporting entity includes organizations, functions, and activities over which County elected officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing 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) other 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.

A component unit is included in the County's reporting entity if it is both fiscally dependent on the County and there is a potential for the component unit to provide specific financial benefits to or impose specific financial burdens on the primary government.

Component Units - Discretely Presented

The financial statements of the component units as mentioned below have been included in the financial reporting entity as discretely presented component units, which is the presentation of component unit financial data in a column separate from the financial data of the primary government.

- **Proprietary Fund Type**

The Livingston County Industrial Development Agency (IDA) is a public benefit corporation created by state legislation to promote the economic welfare, opportunities, and prosperity of the County's inhabitants. Members of the IDA are appointed by the Board of Supervisors; however, the directors of the IDA have sole control over the management and operation of the IDA. Separate audited financial statements for the IDA may be obtained by contacting the IDA directly.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements

December 31, 2020

The Livingston County Water and Sewer Authority (the Authority) is a public benefit corporation organized under the Public Authorities Law of the State of New York. The Authority was created to finance, construct, operate, and maintain water and sewage facilities for the benefit of the residents of the County. Members of the Authority are appointed by the Board of Supervisors; however, the Board of Supervisors exercises no oversight responsibility for management of the Authority or accountability for fiscal matters. The County is not liable for any Authority indebtedness. Separate audited financial statements for the Authority may be obtained by contacting the Authority.

The Livingston County Development Corporation (the Corporation) was incorporated on March 11, 1987 as a Type C educational corporation pursuant to section 201 of the Not-For-Profit Corporation Law of the State of New York. The Corporation became the successor to a subrecipient agreement previously by and between the County and the IDA, dated October 31, 2000. Pursuant to the agreement, the County received federal grant assistance from the United States Department of Housing and Urban Development through the Community Development Block Grant Program for the purpose of establishing and implementing a microenterprise assistance program. The County contracted with the Corporation for the establishment and administration of a commercial loan fund to oversee and review the actions of another subrecipient of the County, who is responsible for implementing entrepreneurial classroom instruction and providing technical assistance to the loan recipients. The primary objectives of the commercial loan fund are to assist in the establishment and expansion of microenterprise business activity, create employment opportunities and preserve and expand the County's tax base. Separate audited financial statements for the Corporation may be obtained by contacting the Corporation directly.

The Livingston County Soil and Water Conservation District (SWCD) was established in September 1940, 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 Board of Supervisors, 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. Separate financial statements for the SWCD are not issued.

Component Units - Blended

Livingston Tobacco Asset Securitization Corporation (LTASC) is a special purpose, bankruptcy-remote local development corporation organized under the Not-For-Profit Corporation Law of the State of New York. LTASC was established on October 10, 2000. LTASC is considered a governmental fund-type component unit (blended presentation) of the County in accordance with generally accepted accounting principles and is reported as a debt service fund. Separate audited financial statements for LTASC may be obtained by contacting LTASC directly by addressing the Office of the County Treasurer, 6 Court Street, Room 203, Geneseo, New York 14454.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements

December 31, 2020

The Livingston County Land Bank Corporation (the Land Bank), was formed in 2017 to assist communities within the County in combating community deterioration by facilitating the return of vacant, abandoned, and tax-delinquent properties to productive use in order to eliminate the harms and liabilities caused by such properties, and lessen the burden of government and act in the public interest. The Land Bank engages in real estate development and management, real estate project finance, and other community based economic and human services development activities permissible under the Not-for-Profit Corporation Law. Operations commenced in 2018. The Land Bank is considered an enterprise fund-type component unit (blended presentation) of the County. Separate audited financial statements for the Land Bank may be obtained by contacting the Livingston County Land Bank Corporation, 6 Court Street, Room 305, Geneseo, New York 14454.

Excluded from Reporting Entity

The following component units are not material to the financial statements of the County and are excluded from the financial statements:

- **Livingston County Capital Resource Corporation**

The Livingston County Capital Resource Corporation (LCCRC) was formed to fill the gap in civic facilities financing caused by state-based restrictions on IDA transactions. LCCRC acts as a local development corporation for the County by conducting activities that relieve and reduce unemployment; promote and provide for additional and maximum employment; better and maintain job opportunities; instruct or train individuals; and carry on scientific research. It is expected that this entity will be reported as a component unit of the County in the event there is any significant financial activity.

The following activities are excluded from the financial statements:

- **GLOW Region Solid Waste Management Committee**

The County participates with the Counties of Genesee, Orleans, and Wyoming in the joint maintenance of the GLOW Region Solid Waste Management Committee (GLOW). The cost of operating and maintaining GLOW is assessed upon the lands lying within GLOW, and is levied and collected on the respective tax rolls for the four counties. The Livingston County Treasurer acts as the fiscal officer for GLOW.

Summary financial information from GLOW's unaudited financial statements as of and for the year ended December 31, 2020 is as follows:

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

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2020

Basis of Presentation

- **Government-wide Financial Statements**

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major and non-major funds). All of the County's services are classified as governmental activities.

The government-wide Statement of Net Position is presented on a consolidated basis and is reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions, i.e., public safety, transportation, and economic assistance and opportunity. The functions are also supported by general government revenues (real property taxes and sales tax). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and grants and contributions. Program revenues must be directly associated with the function. Grants include operating-specific and discretionary (either operating or capital) grants.

The net costs by function are normally covered by general revenue (real property taxes and sales taxes).

In addition, as a general rule, interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, including special assessments, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

- **Fund Financial Statements**

The emphasis in fund financial statements is on the major fund in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. Generally accepted accounting principles sets forth minimum criteria (percentage of the assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

Governmental Funds - Governmental funds are those major and non-major funds 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 upon determination of financial position and changes in financial position using the modified accrual basis of accounting. The following are the County's governmental fund types:

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2020

a) Major Governmental Funds

- General Fund - is the principal fund of the County and includes all operations not required to be recorded in other funds.
- Capital Projects Fund - used to account for financial resources to be used for the acquisition, construction or renovation of capital facilities; or the acquisition of equipment.
- County Road Fund - used to account for financial resources to be used for the repair and maintenance and construction of the County roads.

b) Non-major Governmental Funds

Other funds which do not meet the major fund criteria are aggregated and reported as non-major governmental funds. The following are reported as non-major governmental funds:

- Special Revenue Funds - used to account for taxes, user fees, or other revenues, which are raised or received to provide special services to areas that may or may not encompass the whole County. The following are non-major special revenue funds utilized by the County:
 - Road Machinery Fund
 - Water Fund
 - Sewer Fund
 - Special Grant Fund
- Debt Service Fund - used to account for current payments of principal and interest on general obligation long-term debt and for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness not being financed by proprietary funds. The Debt Service fund is currently used only to report the activity of the LTASC.

c) Proprietary Fund Types

These funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred. Proprietary funds of the County include the following fund types:

- Enterprise Funds - used to account for those operations that are financed and operated in a manner similar to private business. The County's major enterprise funds include the Workers' Compensation Fund and the County Center for Nursing and Rehabilitation (CNR).
- Internal Service Fund - used to account for the accumulation of resources for payment of medical insurance as authorized by Section 6m of the General Municipal Law.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements

December 31, 2020

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

d) Fiduciary Funds

The County's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements. These funds are used to account for assets held by the local government in a trustee or custodial capacity. The following are reported as the County's fiduciary funds:

- Custodial Funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

Basis of Accounting/Measurement Focus

- **Accrual**

The government-wide, proprietary 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 liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements

December 31, 2020

- **Modified Accrual**

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are deemed measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year, except for real property taxes receivable, which use a 60-day available period.

Material revenues that are accrued include real property taxes, state and federal aid, distributed sales taxes, certain user charges, and some departmental fees. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made. Expenditures are recorded when incurred except that:

- a) Expenditures for prepaid expenses and inventory-type items are recognized at the time of the disbursement.
- b) Principal and interest on indebtedness are not recognized as an expenditure until due and paid.
- c) Compensated absences, such as vacation and compensatory time which vests or accumulates, are charged as an expenditure when paid.
- d) Net pension liability is charged as an expenditure when paid.
- e) Other post-employment benefits are charged as an expenditure when paid.

Property Taxes

County property taxes are levied annually no later than December 31st and become a lien on January 1. Accordingly, property tax is recognized as revenue in the year for which the levy is made, and to the extent that such taxes are received within the reporting period or sixty days thereafter. Delinquent property taxes not collected at year-end (excluding collections in the 60-day subsequent period) are included as a deferred inflow of resources. The County assumes enforcement responsibility for all taxes levied in the towns. All unpaid school district and village taxes are turned over to the County and are relieved as County taxes in the subsequent year.

Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

The County's investments are in U.S. Treasury securities with a maturity of less than one year at time of purchase; therefore, these investments are measured at amortized cost.

Accounts Receivable

- **Governmental Funds**

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. Generally accepted accounting principles require the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements

December 31, 2020

- **Enterprise Funds**

Accounts receivable are stated net of an allowance for doubtful accounts. CNR estimates the allowance based on its analysis of specific balances, taking into consideration the age of past due accounts, the status of the billing process with third-party payers, the value of remaining assets held by residents, and anticipated collections resulting from legal action. No allowance is required for the Workers' Compensation Fund.

Due To/From Other Funds

The amounts reported on the governmental funds balance sheet for due to and due from other funds represents amounts due between different fund types. Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year end is provided subsequently in these notes.

Prepaid Expenses

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

Resident Accounts Receivable and Revenue Recognition - CNR

Net resident service revenue is reported at estimated net realizable amounts from patients, residents, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement arrangements with third-party payers. Final determination of the amounts earned is subject to review by third-party payers or their agents. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. It is not possible to determine the extent of additional liability (or receivable) resulting from governmental audits conducted in subsequent years.

Resident accounts receivable is stated net of an allowance for doubtful accounts. The CNR maintains allowances for doubtful accounts for estimated losses resulting from the inability of its residents to make required payments. The CNR estimates the allowance based on its analysis of specific balances, taking into consideration the age of past due accounts, the status of the billing process with third-party payors, the value of remaining assets held by residents, and anticipated collections resulting from legal action.

Laws and regulations governing reimbursement are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2020

Capital Assets

• **Governmental Funds**

Capital assets purchased or acquired with an original cost of \$15,000 or more are stated at cost. Contributed capital assets are recorded at fair value at the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following useful lives:

Buildings and improvements	10 - 40 years
Machinery and equipment	3 - 30 years
Infrastructure (roads, sidewalks, curbing, light systems, water distribution systems and bridges)	5 - 50 years

• **Proprietary Funds**

Capital assets acquired by the proprietary fund are stated at cost. Contributed capital assets are recorded at fair value at the date received. Depreciation is computed using the straight-line method over the following estimated useful lives:

Machinery and equipment	5 - 25 years
Buildings and improvements	10 - 40 years

Maintenance and repairs are charged to expense as incurred. The cost of capital assets returned or otherwise disposed of and their related accumulated depreciation are written off and any related gains or losses are recorded.

Insurance

The County assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired, or a liability has been incurred and the amount of loss can be reasonably estimated.

Postemployment Benefits

The County provides certain health care benefits for retired employees of the County and CNR. The County administers the Retirement Benefits Plan (Retirement Plan) as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB). In general, the County provides health insurance coverage for retired employees and their survivors. Eligible employees must have had 25 years of service to the County and have been eligible for retirement pursuant to the NYS ERS requirements prior to the discontinuation of additional participants per each collective bargaining agreement. On the government-wide statements, these amounts attributable to past service have been recorded as a liability.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2020

Sales Tax Revenues

In April of 2003, the New York State Legislature authorized the County to impose an additional one percent local sales tax rate for the period beginning June 1, 2003, and ending November 30, 2009. The additional one percent local sales tax collection was extended to November 30, 2020 with the enactment of Resolution 2017-270 dated August 9, 2017. The net collections from the additional one percent rate of sales and compensating use taxes must be used to pay the County's expenses for Medicaid. Such collection shall be kept separate and apart from any other funds and accounts of the County. The amount distributed to Towns and Villages for the year ended December 31, 2020 totaled \$1,778,396 and \$518,418, respectively.

Compensated Absences

Pursuant to resolutions of the governing board and contractual agreements, County employees are entitled to accrue up to 25 days of vacation leave. Any individual, in certain employee groups, who leaves the employment of the County, is entitled to be paid for unused vacation leave, but no individuals are paid for unused sick or personal leave. Certain employees who qualify for more than three weeks of vacation may elect to be paid in lieu of such time up to a maximum of one week. Any liability for vacation leave applicable to governmental fund operations is earned, vested, and recorded as due in one year or due in more than one year on the government-wide statements.

Unearned Revenue

The County reports unearned revenue in its basic financial statements. Unearned revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the County has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a use of resources that applies to a future period and so will be recognized as an outflow (expense/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Long-Term Obligations

Long-term obligations represent the County's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the government-wide statements.

Encumbrances

Encumbrance accounting, whereby purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the General, County Road and Non-major funds. Encumbrances are reported as either restricted, committed, or assigned fund balance since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2020

Interfund Transfers

The operations of the County give rise to certain transactions between funds, including transfers of expenditures and transfers of revenues to provide services and construct assets.

Equity Classifications

- **Government-Wide Statements**

Equity is classified as net position and displayed in three components:

- a) Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position - consists of net position with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors, or laws or regulations for other governments; or 2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The County's policy is to use restricted resources prior to utilizing unrestricted funds.

- **Fund Statements**

Accounting standards generally accepted in the United States provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable Fund Balances**

These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

- **Restricted Fund Balances**

These are amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

- **Committed Fund Balances**

These are amounts that can be used only for specific purposes determined by a formal action of the Board of Supervisors prior to year-end. The Board of Supervisors is the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Supervisors. The County did not have any committed fund balance at December 31, 2020.

- **Assigned Fund Balances**

These are amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. It is at the discretion of the Board of Supervisors or its designee to make assignments as it sees fit.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2020**

- **Unassigned Fund Balances**

These are all other spendable amounts.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Supervisors has provided otherwise in its commitment or assignment actions. The County's policy is to maintain unassigned fund balance in its General Fund of twenty percent (20%) of regular General Fund operating expenditures, net of local sales tax distribution. The County was in compliance with this policy at December 31, 2020.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The County generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements as required supplementary information for the general and county road funds:

- a) No later than November 15, the budget officer submits a tentative budget to the Board of Supervisors for the year commencing the following January 1. The tentative budget includes appropriations and the proposed means of financing them including a tentative tax levy amount.
- b) After public hearings are conducted to obtain taxpayer comments, but no later than December 20, the Board of Supervisors adopts the County budget.
- c) The annual budget, as amended, sets limitations on the amount of resources which can be expended during the year except for the following:

- **Capital Projects**

Budgetary controls are established for the capital projects fund through resolutions as adopted by the Board of Supervisors authorizing individual projects which remain in effect for the life of the project.

- d) Budgetary controls for the Special Grant Fund are established in accordance with the grant agreement which covers a period other than that of the County's year. However, the County does not account for the Special Grant Funds on a County year basis.

Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2020**

3. CASH AND CASH EQUIVALENTS

The County currently follows an investment and deposit policy as directed by State statutes, 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 to 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, governed by the State statutes, 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:

- special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in New York State;
- through a Deposit Placement Program, certificates of deposit in one or more "banking institutions," as defined in Banking Law Section 9-r;
- obligations of the United States of America;
- obligations guaranteed by agencies of the United States of America, where the payment of principal and interest are guaranteed by the United States of America;
- obligations of the State;
- with the approval of the State Comptroller, obligations issued pursuant to Local Finance Law Section 24.00 or 25.00 (i.e., Tax Anticipation Notes and Revenue Anticipation Notes) by any municipality, school district or district corporation in the State other than the County.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. While the County does not have a specific policy for custodial credit risk, New York State statutes govern the County's investment policies. Deposits of the primary government, including workers' compensation and trust funds, with financial institutions are categorized as follows:

	Bank Balance	Carrying Balance
Primary Government:		
County	\$ 68,868,154	\$ 67,008,603
CNR	12,159,700	12,269,999
Worker's compensation	5,856,327	5,855,662
Land Bank Corporation	117,486	117,463
Fiduciary Funds	597,827	686,279
Cash and Cash Equivalents	\$ 87,599,494	\$ 85,938,006

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2020**

The collateral related to those above is as follows:

FDIC insured	\$ 49,494,964
Collateralized with securities held by the pledging financial institution, or its trust department or agent in the County's name	40,096,615
Uninsured and uncollateralized	-
	<u>\$ 89,591,579</u>

As of December 31, 2020, the reported amount of the SWCD's deposits was \$1,034,428 and the bank balance was \$1,037,459. Of the bank balance, \$250,000 was covered by federal depository insurance and \$803,209 was collateralized with securities held by the pledging financial institution.

4. INVESTMENTS

The County records its investments at amortized cost in accordance with an exception to GASB Statement No. 72 for U.S. Treasury Securities with a remaining maturity of one year or less upon acquisition. The County had the following investments, at amortized cost, as of December 31, 2020:

U.S. Treasury Securities	\$ 14,676,221
Money Market funds	<u>2,024</u>
Total	<u>\$ 14,678,245</u>

Custodial Credit Risk - Investments

Custodial credit risk - investments is the risk that an entity will not be able to recover the value of an investment or collateral securities that are in the possession of an outside party if the counterparty to the transaction fails. The County's investment and deposit policy requires that all custodial investments be registered or insured in the County's name and held in the custody of the bank or the bank's trust department.

The County does not have any foreign currency investments, securities lending agreements, or derivative instruments.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2020

5. RECEIVABLES

Receivables as of year-end for the government's individual major funds, and non-major funds in the aggregate and enterprise type funds, including applicable allowances for uncollectible accounts, are as follows:

	General	County Road Fund	Nonmajor Governmental and Internal Service Funds	Total Governmental Activities	CNR	Workers' Compensation
Accounts receivable net						
Taxes Receivable:						
County taxes	\$ 4,090,786	\$ -	\$ -	\$ 4,090,786	\$ -	\$ -
School taxes	2,764,710	-	-	2,764,710	-	-
Village taxes	341,970	-	-	341,970	-	-
Tax acquired	71,882	-	-	71,882	-	-
	<u>7,269,348</u>	<u>-</u>	<u>-</u>	<u>7,269,348</u>	<u>-</u>	<u>-</u>
Other receivables:						
Residents	-	-	-	-	2,136,885	-
Trade	1,008,427	1,685	814,898	1,825,010	-	-
Less:	-	-	-	-	(487,806)	-
	<u>\$ 8,277,775</u>	<u>\$ 1,685</u>	<u>\$ 814,898</u>	<u>\$ 9,094,358</u>	<u>\$ 1,649,079</u>	<u>\$ -</u>
Due from other governments:						
Miscellaneous	\$ 319,494	\$ -	\$ -	\$ 319,494	\$ -	\$ -
Towns/ Villages	21,211	-	-	21,211	-	93,415
Schools	6,050	-	-	6,050	-	-
	<u>\$ 346,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346,755</u>	<u>\$ -</u>	<u>\$ 93,415</u>
Due from State and Federal government:						
Social service, net	\$ 5,081,776	\$ -	\$ -	\$ 5,081,776	\$ -	\$ -
Sales tax	3,659,436	-	-	3,659,436	-	-
IGT revenue	-	-	-	-	2,467,481	-
Other state agencies	4,881,119	1,083,456	531,068	6,495,643	-	-
	<u>\$ 13,622,331</u>	<u>\$ 1,083,456</u>	<u>\$ 531,068</u>	<u>\$ 15,236,855</u>	<u>\$ 2,467,481</u>	<u>\$ -</u>

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2020**

Real property taxes for the County are levied together with taxes for town and special district purposes on January 1 and are due within 30 days. The towns and special districts receive the full amount of their levies annually, regardless of when collected by the County.

The returned school and delinquent village taxes represent the unpaid portion of taxes from other governments which will be added to the County on the succeeding January 1. These assets are offset by the liability within due to other governments of \$3,369,600 for the school districts and \$404,351 for the villages.

Interfund Transactions

Interfund receivables, payables, revenues and expenditures for the year ended December 31, 2020 were as follows:

	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General fund	\$ 3,490,223	\$ 143,481	\$ 4,695,770	\$ 515,877
County road fund	-	56,439	15,000	2,312,000
Capital projects fund	-	-	485,877	-
Nonmajor funds	771	357,545	2,047,000	120,000
Workers' compensation	704,166	2,175,000	-	-
CNR	-	1,462,695	-	4,295,770
Total	<u>\$ 4,195,160</u>	<u>\$ 4,195,160</u>	<u>\$ 7,243,647</u>	<u>\$ 7,243,647</u>

Interfund transactions between governmental activities are eliminated on the Statement of Net Position. The County typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2020

6. CAPITAL ASSETS

The County's capital assets for 2020 are as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>1/1/2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2020</u>
Land	\$ 1,319,867	\$ -	\$ -	\$ 1,319,867
Work-in-progress	<u>5,091,702</u>	<u>9,405,816</u>	<u>(12,498,200)</u>	<u>1,999,318</u>
Total non-depreciable assets	<u>6,411,569</u>	<u>9,405,816</u>	<u>(12,498,200)</u>	<u>3,319,185</u>
Buildings and improvements	88,308,281	3,372,212	-	91,680,493
Machinery and equipment	14,308,328	2,693,823	(3,657,853)	13,344,298
Infrastructure	<u>120,644,248</u>	<u>9,126,589</u>	<u>-</u>	<u>129,770,837</u>
Total depreciable assets	<u>223,260,857</u>	<u>15,192,624</u>	<u>(3,657,853)</u>	<u>234,795,628</u>
Less: Accumulated depreciation:				
Buildings and improvements	(34,492,463)	(2,675,715)	-	(37,168,178)
Machinery and equipment	(12,020,984)	(1,652,779)	3,649,586	(10,024,177)
Infrastructure	<u>(66,313,704)</u>	<u>(4,469,377)</u>	<u>-</u>	<u>(70,783,081)</u>
Total accumulated depreciation	<u>(112,827,151)</u>	<u>(8,797,871)</u>	<u>3,649,586</u>	<u>(117,975,436)</u>
Net depreciable assets	<u>110,433,706</u>	<u>6,394,753</u>	<u>(8,267)</u>	<u>116,820,192</u>
Capital assets, net	<u>\$ 116,845,275</u>	<u>\$ 15,800,569</u>	<u>\$ (12,506,467)</u>	<u>\$ 120,139,377</u>

Depreciation expense was charged to the County's functions and programs as follows:

Government activities:	
Transportation	\$ 4,962,293
Public safety	1,999,308
General government support	1,503,581
Home and community services	158,440
Public health	95,788
Economic assistance and opportunity	34,833
Culture and recreation	<u>43,628</u>
Total depreciation expense	<u>\$ 8,797,871</u>

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2020

<u>Business-Type Activities</u>	Balance <u>1/1/2020</u>	Increases	Decreases	Balance <u>12/31/2020</u>
Buildings and improvements	\$ 39,437,745	\$ 30,327	\$ -	\$ 39,468,072
Machinery and equipment	<u>7,994,283</u>	<u>471,241</u>	<u>(23,385)</u>	<u>8,442,139</u>
Total depreciable assets	<u>47,432,028</u>	<u>501,568</u>	<u>(23,385)</u>	<u>47,910,211</u>
Less: Accumulated depreciation:				
Buildings and improvements	(25,489,264)	(1,579,871)	-	(27,069,135)
Machinery and equipment	<u>(6,794,791)</u>	<u>(344,178)</u>	<u>23,385</u>	<u>(7,115,584)</u>
Total accumulated depreciation	<u>(32,284,055)</u>	<u>(1,924,049)</u>	<u>23,385</u>	<u>(34,184,719)</u>
Net depreciable assets	<u>15,147,973</u>	<u>(1,422,481)</u>	<u>-</u>	<u>13,725,492</u>
Capital assets, net	<u>\$ 15,147,973</u>	<u>\$ (1,422,481)</u>	<u>\$ -</u>	<u>\$ 13,725,492</u>

Component Units

Component units' capital assets at December 31, 2020 consisted of:

Land	\$ 150,285
Construction-in-progress	1,153,041
Buildings	5,466,078
Infrastructure	42,244,949
Machinery and equipment	4,731,602
Leasehold Improvements	<u>871,377</u>
	54,617,332
Less: Accumulated depreciation	<u>(19,695,110)</u>
Total capital assets, net	<u>\$ 34,922,222</u>

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2020**

7. SHORT-TERM DEBT

Bond Anticipation Note

Liabilities for bond anticipation notes (BANS) are generally accounted for in the General Fund, Capital Projects Fund, and the Enterprise Fund. The notes, or renewal thereof, may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter. State Law requires that BANS issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANS issued for assessable improvement projects may be renewed for period's equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

The BAN issued on September 10, 2019 was renewed on September 10, 2020 in the amount of \$2,576,000 for the Emergency Operation Center and carries an interest rate of 0.87%. This BAN will mature on March 10, 2021.

<u>Description</u>	<u>Outstanding 1/1/2020</u>	<u>Issuances</u>	<u>Principal Payments</u>	<u>Outstanding 12/31/2020</u>
BAN, renewed 9/10/2020	<u>\$ 2,576,000</u>	<u>\$ 2,576,000</u>	<u>\$ (2,576,000)</u>	<u>\$ 2,576,000</u>

8. PENSION PLANS

The County participates in the New York State and Local Employees' Retirement System (the System) and the Public Employees' Group Life Insurance Plan. This is a cost sharing multiple employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2020**

Funding Policy

Membership, benefits, and employer and employee obligations to contribute are described in the NYSRSSL using the tier concept. Pension legislation established tier membership by the date a member last joined the System. They are as follows:

- Tier 1 - Those persons who last became members of the System before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally those persons who are State correction officers who last became members on or after July 27, 1976, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for correction officers, those persons who last became members on or after September 1, 1983.
- Tier 5 - Those persons who last became members of the System on or after January 1, 2010.
- Tier 6 - Those persons who last became members of the System on or after April 1, 2012.

The System is noncontributory for the employee who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010, employees in the System contribute 3% of their salary throughout their active membership. The Comptroller certifies the rates expressed as proportions of members' payroll annually which are used in computing the contributions required to be made by employers to the pension accumulation fund. Employees who joined on or after April 1, 2012 contribute 3% of their reportable salary. Beginning April 1, 2013, the contribution rate for Tier 6 members varies between 3-6% based on each member's annual compensation.

The System cannot be diminished or impaired. Benefits can be reduced for future membership only by an act of the New York State Legislature. The County's contributions for the years 2020, 2019 and 2018 were equal to the required contributions for the plan fiscal year as follows:

	<u>County</u>	<u>CNR</u>
2020	\$ 4,813,572	\$ 1,520,075
2019	\$ 4,756,664	\$ 1,585,555
2018	\$ 4,674,464	\$ 1,558,155

The County makes the payment to the System on behalf of the County and CNR. Since the CNR is a department of the County, the pension related costs are allocated to the CNR on a basis of total salaries paid compared to the total.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2020**

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

At December 31, 2020, the County and CNR reported a net pension liability of \$37,683,183 and \$11,899,953, respectively for their proportionate share of the New York State Employees Retirement System (NYS ERS) net pension liability. 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 the actuarial valuation rolled forward from 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.

At December 31, 2020, the County's proportionate share was 0.1872434%, which was a decrease from its proportionate share of 0.1944112% measured at December 31, 2019.

For the year ended December 31, 2020, the County and CNR recognized pension expense of \$11,707,620 and \$3,697,143, respectively. At December 31, 2020, the County and CNR reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

County	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 2,217,808	\$ -
Changes in assumptions	758,760	655,177
Net difference between projected and actual earnings on pension plan investments	19,318,232	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	92,594	2,063,876
Contributions subsequent to the measurement date	<u>3,645,042</u>	<u>-</u>
Total	<u>\$ 26,032,436</u>	<u>\$ 2,719,053</u>
CNR	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 700,360	\$ -
Changes in assumptions	239,609	206,898
Net difference between projected and actual earnings on pension plan investments	6,100,494	-
Changes in proportion and differences between the CNR's contributions and proportionate share of contributions	29,240	651,750
Contributions subsequent to the measurement date	<u>1,151,066</u>	<u>-</u>
Total	<u>\$ 8,220,769</u>	<u>\$ 858,648</u>

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2020**

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

Plan's Year Ended March 31:	<u>County</u>	<u>CNR</u>
2021	\$ 2,835,796	\$ 895,515
2022	4,845,796	1,530,251
2023	6,589,007	2,080,739
2024	<u>5,397,742</u>	<u>1,704,550</u>
	<u>\$ 19,668,341</u>	<u>\$ 6,211,055</u>

The County and CNR recognized \$3,645,042 and \$1,151,066, respectively as a deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2020 which will be recognized as a reduction of the net pension liability in the year ended December 31, 2021.

Actuarial Assumptions

The total pension liability at 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:

Inflation	2.50%
Salary scale	4.2% indexed by service
Projected COLAs	1.3% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2018
Investment Rate of Return	6.8% compounded annually, net of investment expenses

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.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2020**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Type</u>	Target Allocations in %	Long-Term expected real rate of return in %
Domestic equity	36.0	4.05
International equity	14.0	6.15
Private equity	10.0	6.75
Real estate	10.0	4.95
Absolute return strategies	2.0	3.25
Opportunistic portfolio	3.0	4.65
Real assets	3.0	5.95
Bonds and mortgages	17.0	0.75
Cash	1.0	0.00
Inflation-indexed bonds	4.0	0.50
	<u>100%</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. Based upon the assumptions, the Plan'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 presents the County and CNR's combined proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.8%) or 1% higher (7.8%) than the current rate:

	1% Decrease	Current Discount	1% Increase
	<u>5.80%</u>	<u>6.80%</u>	<u>7.80%</u>
County Proportionate Share of Net Pension liability (asset)	<u>\$ 69,159,281</u>	<u>\$ 37,683,183</u>	<u>\$ 8,693,564</u>
CNR Proportionate Share of Net Pension liability (asset)	<u>\$ 21,839,773</u>	<u>\$ 11,899,953</u>	<u>\$ 2,745,336</u>

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2020

Pension Plan Fiduciary Net Position (000's)

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

Total pension liability	\$ 194,596,261
Net position	<u>(168,115,682)</u>
Net pension liability (asset)	<u>\$ 26,480,579</u>
ERS net position as a percentage of total pension liability	86.39%

9. LONG-TERM LIABILITIES

Serial Bonds - Excluding LTASC

The County borrows money in order to acquire land or high cost equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the County. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Serial Bonds - LTASC

The original purchase price for the County's future rights, title, and interest in the TSRs was financed through the issuance of Series 2000 Bonds in the amount of \$11,065,000 with interest at rates ranging from 5.80% to 6.625%. The Series 2000 Bonds are secured by a perfected security interest in, and pledge of, the Trust Estate, as defined in the Indenture, which includes, among other things, the TSRs and all investment earnings on amounts on deposit in the accounts established under the Indenture (collectively, the Collections). Among the accounts so established were the Liquidity Reserve Account and the Debt Service Account. The LTASC retains TSRs in an amount sufficient to service its debt and pay its operating expenses.

The Series 2005 bonds are payable solely from and secured solely by the future right, title and interest of LTASC in the collection of TSRs previously purchased by LTASC from the County. The Series 2005 Bonds are subordinate and subject to the rights of the holders of the Series 2000 Bonds previously issued by LTASC. This series consists of subordinate turbo capital appreciation bonds (CAB) that provide long-dated financing for LTASC and take advantage of current market conditions where interest rates are low, investors have a favorable view of litigation events and where institutional investors are looking for high yield investments. LTASC is required by covenant not to issue additional bonds or refunding bonds that would extend the term of the CABs or other outstanding bonds. LTASC remitted the net proceeds from issuance of the Series 2005 Bonds to the County to be used for the expansion of the County jail facilities.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2020

The Series 2000 Bonds are composed of the following:

- \$725,000 Tobacco Settlement Asset-Backed Bonds, Series 2000 (Tax Exempt Turbo Bonds), maturity date is June 1, 2019, interest rate of 6.30%.
- \$1,195,000 Tobacco Settlement Asset-Backed Bonds, Series 2000 (Tax Exempt Turbo Bonds), maturity date is June 1, 2023, interest rate of 5.80%.
- \$1,935,000 Tobacco Settlement Asset-Backed Bonds, Series 2000 (Tax Exempt Turbo Bonds), maturity date is June 1, 2028, interest rate of 6.25%.
- \$2,940,000 Tobacco Settlement Asset-Backed Bonds, Series 2000 (Tax Exempt Turbo Bonds), maturity date is June 1, 2035, interest rate of 6.50%.
- \$3,490,000 Tobacco Settlement Asset-Backed Bonds, Series 2000 (Tax Exempt Turbo Bonds), maturity date is June 1, 2042, interest rate of 6.625%.

The Series 2005 Bonds are composed of the following:

- \$1,607,765 Tobacco Settlement Asset-Backed Bonds, Series 2005 S1 (Tax Exempt Turbo Capital Appreciation Bonds), maturity date is June 1, 2038, with an accreted value at maturity of \$7,667,235.
- \$1,025,287 Tobacco Settlement Asset-Backed Bonds, Series 2005 S2 (Tax Exempt Turbo Capital Appreciation Bonds), maturity date is June 1, 2050, with an accreted value at maturity of \$13,844,714.
- \$593,061 Tobacco Settlement Asset-Backed Bonds, Series 2005 S3 (Tax Exempt Turbo Capital Appreciation Bonds), maturity date is June 1, 2055, with an accreted value at maturity of \$16,051,939.
- \$1,701,024 Tobacco Settlement Asset-Backed Bonds, Series 2005 S4B (Tax Exempt Turbo Capital Appreciation Bonds), maturity date is June 1, 2060, with an accreted value at maturity of \$111,398,976.

During 2020, the County issued Public Improvement Refunding Serial Bonds in the amount of \$1,780,000. These bonds refunded the County's 2005 Rural Development Serial Bonds, which had an outstanding principal balance of \$436,000, the County's 2006 Scottsburg Zone 5 Rural Development Serial Bonds, which had an outstanding balance of \$450,000, and the County's 2011 Millenium Drive Serial Bonds, which had an outstanding balance of \$1,030,000. The refunding bonds have a maturity date in 2040 and have an interest rate of 4%, decreasing to 3% in the year 2036. There was a bond premium of \$224,557 associated with this debt issuance. The premium will be amortized on a straight-line basis over the life of the bond.

In 2016, the County issued a 2016 serial bond for \$12,425,000. Of this amount, \$10,071,100 related to County held debt and \$2,353,900 related to the CNR. This issuance refunded the 2007 and 2009 serial bonds which resulted in defeased amounts of \$2,613,900 and \$10,410,000, respectively. The County is expected to realize, as a result of the issuance of the Bonds, and in accordance with the Refunding Financial Plan, cumulative dollar and present value debt service savings of \$1,020,380. The bond premium in the amount of \$1,316,470 has increased debt for governmental activities. As a result, the County recognized a loss on refunding of \$621,295 which is amortized over 11 years.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2020

Other Long-Term Liabilities

In addition to long-term bonded debt the County has the following other obligations:

Compensated absences - represents the value of earned and unused vacation leave and compensatory time. The amounts below are disclosed on a net basis, as it is impractical to report on the gross basis.

Summary of Long-Term Liabilities

The following is a summary of all long-term obligations outstanding at December 31, 2020:

	<u>Balance</u> <u>1/1/2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Due in</u> <u>One Year</u>	<u>Due in More</u> <u>Than One Year</u>
<u>Governmental activities:</u>					
Serial Bonds - excluding LTASC	\$ 12,042,500	\$ 1,780,000	\$ (3,790,500)	\$ 1,884,200	\$ 8,147,800
Bonds from Direct Borrowings	1,246,817	-	(71,938)	71,938	1,102,941
Serial Bonds - LTASC	17,979,503	848,048	(350,000)	-	18,477,551
Energy performance lease agreement	2,469,356	-	(161,138)	165,481	2,142,737
Premium	957,432	224,557	(119,679)	-	1,062,310
Compensated absences	<u>1,145,587</u>	<u>60,414</u>	<u>-</u>	<u>24,873</u>	<u>1,181,128</u>
Total governmental activities	<u>\$ 35,841,195</u>	<u>\$ 2,913,019</u>	<u>\$ (4,493,255)</u>	<u>\$ 2,146,492</u>	<u>\$ 32,114,467</u>
<u>Business-type activities:</u>					
Serial Bonds	\$ 24,732,500	\$ -	\$ (1,429,500)	\$ 1,495,800	\$ 21,807,200
Premium	<u>1,021,668</u>	<u>-</u>	<u>(140,544)</u>	<u>-</u>	<u>881,124</u>
Total business-type activities	<u>25,754,168</u>	<u>-</u>	<u>(1,570,044)</u>	<u>1,495,800</u>	<u>22,688,324</u>
Total primary government	<u>\$ 61,595,363</u>	<u>\$ 2,913,019</u>	<u>\$ (6,063,299)</u>	<u>\$ 3,642,292</u>	<u>\$ 54,802,791</u>

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2020

The following is a summary of maturity of the long-term indebtedness:

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>2020 Payments</u>	<u>Outstanding 12/31/2020</u>
Government activities:					
Serial Bonds - Excluding LTASC					
2016 Refunding Bond	2016	2027	3.00%	\$ 1,570,000	\$ 6,925,000
ARS - Sewer Project	2002	2020	7.00 - 7.10%	50,000	-
East Lake Water System	2012	2033	2.00 - 5.00%	64,200	1,125,700
Water Transmission System	2012	2033	2.00 - 5.00%	2,400	41,200
Route 20 Water Main	2012	2033	2.00 - 5.00%	8,900	160,100
Rural Development	2005	2039	4.13%	12,000	-
Rural Development	2005	2039	4.13%	3,000	-
Scottsburg Zone 5 Rd.	2006	2040	4.50%	14,000	-
Millenium Drive	2011	2026	2.00 - 4.05%	150,000	-
2020 Public Improv.	2020	2040	3.00-4.00%	-	1,780,000
					<u>10,032,000</u>
NYS EFC State Revolving Fund Revenue Bonds - Direct Borrowings					
Sewer - NYS EFC	2004	2033	1.02 - 4.63%	10,000	165,000
Groveland Sewer - NYS EFC	2006	2035	0.00%	34,000	507,000
Conesus Sewer - NYS	2008	2038	0.00%	27,938	502,879
					<u>1,174,879</u>
Serial Bonds - LTASC					
Series 2000 Bonds	2000	2042	5.80 - 6.625%	350,000	5,800,000
Series 2005 Bonds	2005	2060	0.00%	-	4,676,860
Add: Accretion of capital appreciation bonds				848,048	8,000,691
					<u>18,477,551</u>
Energy performance lease agreement	2017	2032	2.67%	161,138	<u>2,308,218</u>
Business type activities:					
Nursing Facilities Construction	2016	2027	3.00%	180,000	1,480,000
Nursing Facilities Construction	2012	2033	2.0 - 5.0%	1,249,500	<u>21,823,000</u>
					<u>23,303,000</u>
					<u>\$ 55,295,648</u>

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2020

The following is a summary of maturing debt service requirements:

Serial Bonds - Excluding LTASC

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Bonds</u>	<u>Interest</u>	<u>Bonds</u>	<u>Interest</u>
2021	\$ 1,884,200	\$ 332,277	\$ 1,495,800	\$ 797,217
2022	1,963,200	259,882	1,571,800	728,981
2023	2,042,500	187,958	1,652,500	655,017
2024	2,115,700	113,805	1,709,300	596,432
2025	292,800	89,930	1,757,200	548,915
2026-2030	894,900	306,388	9,065,100	1,804,971
2031-2035	598,700	75,591	6,051,300	275,453
2036-2040	<u>240,000</u>	<u>16,950</u>	-	-
	<u>\$ 10,032,000</u>	<u>\$ 1,382,781</u>	<u>\$ 23,303,000</u>	<u>\$ 5,406,986</u>

NYS EFC State Revolving Fund Revenue Bonds - Direct Borrowings

	<u>Governmental Activities</u>	
	<u>Bonds</u>	<u>Interest</u>
2021	\$ 71,938	\$ 4,265
2022	71,938	4,019
2023	71,938	3,766
2024	71,938	3,505
2025	71,938	3,240
2026-2030	379,690	11,100
2031-2035	351,690	2,406
2036-2040	<u>83,809</u>	-
	<u>\$ 1,174,879</u>	<u>\$ 32,301</u>

The County's direct borrowings with NYS EFC contain a provision that in the event of default, NYS EFC may take whatever action at law or in equity may appear necessary or desirable to remedy such default. These remedies include, but are not limited to, mandatory redemption, acceleration, requiring the County to immediately redeem the bonds in whole together with all other sums due to NYS EFC. The County may also owe to NYS EFC interest accrued on the overdue balance.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
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Interest on long-term debt, including LTASC and CNR, for the year was composed of:

Interest paid	\$ 1,760,424
Plus: Interest accrued in the current year	102,218
Less: Interest accrued in the prior year	(128,123)
Less: Amortization of bond premium	(119,679)
Plus: Accretion on TASC capital appreciation bonds	848,048
Plus: Amortization of bond discount	<u>56,481</u>
Total interest expense	<u>\$ 2,519,369</u>

The following is a summary of maturing debt service requirements for LTASC Series 200 bond issue in accordance with the flexible amortization payment schedule at December 31, 2020:

Required Maturities

	<u>Nonflexible</u>	<u>Flexible</u>	<u>Interest</u>
2021	\$ -	\$ -	\$ 381,363
2022	-	-	381,363
2023	-	-	381,363
2024	-	-	381,363
2025	-	-	381,363
2026-2030	-	255,000	1,898,525
2031-2035	-	2,055,000	1,337,831
2036-2040	-	2,375,000	773,966
2041-2042	<u>-</u>	<u>1,115,000</u>	<u>74,697</u>
	<u>\$ -</u>	<u>\$ 5,800,000</u>	<u>\$ 5,991,834</u>

The following is a summary of the required principal and interest payments for LTASC Series 2005 Capital Appreciation Bonds:

	<u>Principal and Interest Due at Maturity</u>
Series 2005 S1 Payable June 1, 2038	\$ 9,275,000
Series 2005 S2 Payable June 1, 2050	14,870,000
Series 2005 S3 Payable June 1, 2055	16,645,000
Series 2005 S4B Payable June 1, 2060	<u>113,100,000</u>
Total	<u>\$ 153,890,000</u>

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2020**

LTASC was in compliance with all covenants and Indenture agreement requirements at December 31, 2020. A principal payment in the amount of \$350,000 was made during 2020 in accordance with the Series 2000 Bonds.

In 2017, the County entered into an Energy Performance Contract Lease Agreement for \$2,779,058 at a rate of 2.677% per annum through November 21, 2032. This is considered a direct borrowing. The future minimum lease payments are as follows:

2021	\$ 226,172
2022	226,172
2023	226,172
2024	226,171
2025	221,211
2026-2030	1,130,859
2031-2032	<u>452,345</u>
Net Minimum Lease Payments	2,709,102
Less: Interest	<u>(400,884)</u>
Present Value of Minimum Lease Payments	<u>\$ 2,308,218</u>

The Energy Performance Contract Lease agreement contains a provision that in the event of default, the lessor has the right to:

- declare all rental payments and other amounts payable by the County to be due;
- enter the premises where the equipment is located and retake possession of such equipment or require the County at the County's expense to promptly return any or all of such equipment to the possession of lessor, and sell or lease such equipment or, for the account of the County, sublease such equipment, continuing to hold the County liable, but solely from legally available funds, for the difference between (i) the Rental Payments payable by the County and other amounts hereunder or the equipment that are payable by the County to the end of the then current Original Term or Renewal Term, as the case may be, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of lessor in exercising its remedies hereunder, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such equipment and all brokerage, auctioneer's and attorney's fees). The exercise of any such remedies respecting any such Event of Default shall not relieve Lessee of any other liabilities hereunder or the Equipment;
- terminate the Escrow Agreement and apply any proceeds in the Escrow Account to the Rental Payments due;
- take whatever action at law or in equity may appear necessary or desirable to enforce its rights under the agreement or the Escrow Agreement or as a secured party in any or all of the Equipment or the Escrow Account.

The remedies listed above are not an exclusive list.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2020

10. NET POSITION AND FUND EQUITY

Net Position - Restricted

The following table shows the net position restricted for other purposes as shown on the Statement of Net Position at December 31, 2020:

<u>Purpose</u>	<u>Restricted By</u>	<u>Amount</u>
Governmental Activities		
General fund	Law	\$ 19,000,452
County road fund	Law	8,188,040
Internal service fund	Law	8,070,746
Nonmajor funds:		
Road machinery fund	Law	3,177,708
Water fund	Law	6,516,573
Sewer fund	Law	335,374
Debt service	Debt agreements	<u>902,613</u>
		<u>\$ 46,191,506</u>
Business-type Activities		
Workers' compensation fund	Law	<u>\$ 5,539,065</u>

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2020**

11. DEFERRED COMPENSATION PLANS

The County offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. Nationwide Trust Company FSB is the trustee of the Plan.

Employees contribute to the Plan through voluntary salary deductions. Participation in the Plan is voluntary, and the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Plan is administered by an independent firm which is responsible for administering the fund's investments and record keeping. Investments and related net position for employee's contributions totaled \$30,364,873 at December 31, 2020. Employees contributed \$1,459,938 into the Plan in 2020.

The County has also instituted an IRC 401(a) plan to provide for employee matching of collective bargaining unit members deferred compensation plan contribution, with the match not to exceed two percent (2%) of an employee's wages per pay period. Bargaining unit members hired before November 8, 2006 elected to participate in the 401(a) plan if they made an irrevocable waiver of their right to retiree health insurance benefits. Employees hired after November 8, 2006, must be with the County for one year with no breaks in service before becoming eligible. Investments and related net position for this plan totaled \$1,747,268 at December 31, 2020. The County contributed \$235,152 into the 401(a) plan in 2020.

12. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS

Plan Description

The County provides certain health care benefits for retired employees of the County and CNR. The County administers the Retirement Benefits Plan (Retirement Plan) as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB).

In general, the County provides health insurance coverage for retired employees and their survivors. Eligible employees must have had 25 years of service to the County and have been eligible for retirement pursuant to the NYS ERS requirements prior to the discontinuation of additional participants per each collective bargaining agreement. As of the January 1, 2019 census, there were 258 retired employees and spouses eligible to receive benefits.

The Retirement Plan can be amended by action of the County subject to applicable collective bargaining and employment agreements. The Retirement Plan does not issue a stand-alone financial report since there are no assets legally segregated in a trust for the sole purpose of paying benefits under the plan. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2020**

Benefits Provided

The obligations of the Retirement Plan are established by action of the County pursuant to applicable collective bargaining and employment agreements. The required premium contribution rates of retirees range from 0% to 20%, depending on when the employee was hired. The County will pay its portion of the premium for the retiree and spouse for the lifetime of the retiree. The costs of administering the Retirement Plan are paid by the County. The County currently contributes enough money to the Retirement Plan to satisfy current obligations on a pay-as-you-go basis to cover annual premiums. The amount paid during 2020 by the County and CNR was \$4,385,773.

Employees Covered by Benefit Terms

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

Inactive employees and spouses or beneficiaries currently receiving benefits	258
Active employees	<u>223</u>
Total participants	<u><u>481</u></u>

Total OPEB Liability

The County's total OPEB liability was measured as of December 31, 2019. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018.

Actuarial Assumptions and Other Inputs

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

Discount Rate	2.74 percent as of December 31, 2019 measurement date
Inflation Rate	2.5 percent
Salary Scale	3.0 percent
Medical Trend Rate - Pre-65	2.00% for 2020 with an ultimate rate of 3.94% in 2079
Medical Trend Rate - Post-65	7.14% (Blue Choice) and 4.02% (Plan F) for 2020 with an ultimate rate of 3.94% in 2079

The discount rate was calculated using a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Mortality rates were based on RP-2014 SOA Mortality Tables adjusted back to 2006 using scale MP-2014 and projected forward using scale MP-2019.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2020**

Changes in the Total OPEB Liability

	<u>Total</u>	<u>Governmental</u>	<u>Business-Type</u>
Balance at January 1, 2020	\$ 117,435,771	\$ 92,246,698	\$ 25,189,073
Changes for the year-			
Service cost	1,440,019	1,116,551	323,468
Interest	4,784,000	3,757,809	1,026,191
Changes in assumptions and other inputs	27,325,624	21,423,089	5,902,535
Benefit payments	<u>(4,385,773)</u>	<u>(3,418,777)</u>	<u>(966,996)</u>
Net changes	<u>29,163,870</u>	<u>22,878,672</u>	<u>6,285,198</u>
Balance at December 31, 2020	<u>\$ 146,599,641</u>	<u>\$ 115,125,370</u>	<u>\$ 31,474,271</u>

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 (1.74%) or 1 percentage point higher (3.74%) than the current discount rate of 2.74%:

	1% Decrease <u>1.74%</u>	Current Discount <u>2.74%</u>	1% Increase <u>3.74%</u>
Total OPEB Liability - County	<u>\$ 135,820,450</u>	<u>\$ 115,125,370</u>	<u>\$ 98,728,456</u>
Total OPEB Liability - CNR	<u>\$ 37,132,125</u>	<u>\$ 31,474,271</u>	<u>\$ 26,991,498</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 of 3.94% for pre-65 individuals, 7.14% for Blue Choice post-65 individuals, and 4.02% for Plan F post-65 retirees:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability - County	<u>\$ 97,297,664</u>	<u>\$ 115,125,370</u>	<u>\$ 137,820,174</u>
Total OPEB Liability - CNR	<u>\$ 26,600,332</u>	<u>\$ 31,474,271</u>	<u>\$ 37,678,832</u>

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2020

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 \$1,854,845 and \$315,520 for governmental activities and business-type activities, respectively. At December 31, 2020, the County reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>		
	<u>Total</u>	<u>Governmental</u>	<u>Business-Type</u>
Contributions made subsequent to measurement date	\$ 3,263,718	\$ 2,481,251	\$ 782,467
Changes of assumptions or other inputs	<u>20,209,576</u>	<u>15,844,159</u>	<u>4,365,417</u>
	<u>\$ 23,473,294</u>	<u>\$ 18,325,410</u>	<u>\$ 5,147,884</u>

The County recognized \$2,481,251 and \$782,467 for governmental activities and business-type activities, respectively, as a deferred outflow of resources resulting from the benefit payments made subsequent to the measurement date of December 31, 2019, which will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2021.

At December 31, 2020, the County reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>		
	<u>Total</u>	<u>Governmental</u>	<u>Business-Type</u>
Differences between expected and actual experience	\$ 2,264,538	\$ 1,776,390	\$ 488,148
Changes of assumptions or other inputs	<u>9,902,509</u>	<u>7,606,763</u>	<u>2,295,746</u>
Total	<u>\$ 12,167,047</u>	<u>\$ 9,383,153</u>	<u>\$ 2,783,894</u>

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

	<u>Total</u>	<u>Governmental</u>	<u>Business-Type</u>
Years ended December 31:			
2021	\$ 368,788	\$ 376,187	\$ (7,399)
2022	1,696,261	1,398,520	297,741
2023	<u>5,977,480</u>	<u>4,686,299</u>	<u>1,291,181</u>
	<u>\$ 8,042,529</u>	<u>\$ 6,461,006</u>	<u>\$ 1,581,523</u>

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2020

13. LIVINGSTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Revolving Loan Fund

The IDA has entered into an agreement with the Livingston County Board of Supervisors to act as the Administrative Agency of the County for the administration of a Revolving Loan Fund. The purpose of the Revolving Loan Fund is to make operating and capital loans to existing and potential new industries located, or locating operations, in Livingston County, New York. These loans are to create and retain jobs, expand the tax base and assist in retaining rail transportation. There are no outstanding loans at December 31, 2020.

Industrial Development Bonds

In connection with its efforts to promote economic growth in Livingston County, New York, the IDA has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entities served by the bond issuance. The IDA is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the IDA's financial statements. As of December 31, 2020, there was one (1) Industrial Development Bond outstanding with an approximate aggregate amount payable of \$4.16 million.

14. OTHER INFORMATION

Risk Management

- **Liability**

The County assumes the liability for some risk including, but not limited to, general and personal injury liability. The County's risk relating to general liability is limited to \$250,000 per incident plus amounts in excess of \$1,750,000 per incident and \$3,000,000 in the aggregate. The balance of the workers' compensation reserve at December 31, 2020 is \$5,539,065.

- **Workers' Compensation - Risk Pool**

The County together with 17 towns and 9 villages have joined together to self-insure for workers' compensation coverage which is maintained and administered by the County. The County also utilizes a third-party administrator who is responsible for processing claims and estimating liabilities. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effect of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The claims liabilities at December 31, 2020 amounted to \$6,147,634.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2020

The change in claims liabilities for the year ended December 31, 2020 was as follows:

	<u>2020</u>	<u>2019</u>
Balance - beginning of year	\$ 5,975,372	\$ 7,877,454
Insured claims	1,678,968	1,344,311
Claims payments	<u>(1,506,706)</u>	<u>(3,246,393)</u>
Balance - end of year	<u>\$ 6,147,634</u>	<u>\$ 5,975,372</u>

No claims were settled during 2020 by purchasing annuity contracts.

Statistical information from the third-party administrator for prior years is not readily available; therefore, all disclosures required are not presented. Only the following is presented:

	<u>Contribution Revenue</u>	<u>Actual Claims Expense</u>
2020	\$ 1,727,837	\$ 2,394,358
2019	4,133,727	4,923,243
2018	735,033	1,598,977
2017	2,232,602	3,128,072
2016	1,504,872	2,093,455
2015	2,527,388	2,408,506
2014	2,931,375	4,798,405
2013	2,742,908	3,351,245
2012	2,689,177	3,652,732
2011	2,954,614	2,648,120
2010	2,922,435	2,917,254
2009	2,616,016	2,349,929
2008	<u>3,219,938</u>	<u>2,657,992</u>
	<u>\$ 32,937,922</u>	<u>\$ 38,922,288</u>

- **Unemployment**

County employees are entitled to coverage under the New York State Unemployment Insurance Law. The County has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the Fund for benefits paid from the Fund to former employees. The claim and judgment expenditures of this program for the 2020 year totaled \$202,459 which was liquidated with available financial resources. The balance of the Fund at December 31, 2020 was \$364,855 and is recorded in the General Fund. In addition, as of December 31, 2020, no loss contingencies existed or were considered probable or estimable.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2020

• **Self-Insurance**

The County self-insures for medical coverage which is maintained and administered by the County. The County also utilizes a third-party administrator who is responsible for processing claims and estimating liabilities. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

The change in claims liabilities for the year ended December 31 was as follows:

	<u>2020</u>	<u>2019</u>
Balance - beginning of year	\$ 1,125,000	\$ 653,112
Change in estimates/claims payments	<u>(223,000)</u>	<u>471,888</u>
Balance - end of year	<u>\$ 902,000</u>	<u>\$ 1,125,000</u>

Concentrations

The County has a three-year agreement with the full-time and part-time members of its employees' union which expired on December 31, 2020. The union represents greater than 75% of the County's workforce.

15. FUND BALANCES

As of December 31, 2020, fund balances were composed of the following:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>County Road Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Nonspendable:					
Prepaid expenditures	\$ 1,156,617	\$ -	\$ 56,439	\$ 32,545	\$ 1,245,601
Restricted:					
Debt service	-	-	-	902,613	902,613
Law	18,568,370	-	-	-	18,568,370
County road	-	-	8,188,040	-	8,188,040
Road machinery	-	-	-	3,177,708	3,177,708
Water	-	-	-	6,516,573	6,516,573
Sewer	-	-	-	335,374	335,374
Other	432,082	-	-	-	432,082
Assigned:					
Appropriations	2,860,000	-	-	-	2,860,000
General governmental support	364,379	-	-	-	364,379
Public safety	576,658	-	-	-	576,658
Unassigned	<u>40,237,925</u>	<u>(1,269,141)</u>	<u>-</u>	<u>(17,374)</u>	<u>38,951,410</u>
Total	<u>\$ 64,196,031</u>	<u>\$ (1,269,141)</u>	<u>\$ 8,244,479</u>	<u>\$ 10,947,439</u>	<u>\$ 82,118,808</u>

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2020

16. LITIGATION

The County is subject to lawsuits in the ordinary conduct of its affairs. The County, upon review by the County Attorney, does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the County.

17. FEDERAL AND STATE FUNDED PROGRAMS

The County participates in a number of Federal and New York State grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial. Expenditures disallowed by completed audits have generally been immaterial in nature and, accordingly, have been reflected as adjustments to revenues in the year the expenditure was determined to be unallowable.

Third-party payers, especially government funders, have substantially increased their scrutiny of payments made to their designated service providers. Specific areas for review by the governmental payers and their investigative personnel include appropriate billing practices, reimbursement maximization strategies, technical regulation compliance, etc. The stated purpose for these reviews is to recover reimbursements, which the payers believe may have been inappropriate.

The County has reviewed its internal records and policies with respect to such matters. However, due to the nature of these matters, it is difficult to estimate the ultimate liability, if any, which it may incur related to such matters.

18. TAX ABATEMENT

The County has a number of real property tax abatement agreements entered into by the IDA under Article 18-A of the General Municipal Law.

The IDA has adopted a uniform, countywide policy to provide a real property tax abatement for eligible expanding businesses. The policy applies to that portion of a tax bill, which reflects taxes derived from the dollar value added to a property by virtue of investment made by an expanding company. The IDA offers programs for various projects including manufacturing, warehouse, and distribution; agriculture; tourism, community development; retail; energy production; and housing. All projects are required to create or retain jobs, some increase property values, and increase local tax bases.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2020**

Abatements are permitted as follows:

New Construction Projects:

Taxing Jurisdiction	Year in Program	Abatement (on added value)
County/Town/School	Year 1-5	100%
	Year 6	80%
	Year 7	60%
	Year 8	40%
	Year 9	20%
	Year 10	0% (fully taxable)

Taxing Jurisdiction	Year in Program	Abatement (on added value)
Village	Year 1-6	75%
	Year 7	60%
	Year 8	40%
	Year 9	20%
	Year 10	0% (fully taxable)

Renovation of Existing Buildings:

Taxing Jurisdiction	Year in Program	Abatement (on added value)
County/Town/School/Village	Year 1-7	Property tax freeze

The IDA reserves the right to deviate from this policy and from the types of projects identified herein based upon consideration of jobs created and investment made in a project. If a policy deviation is proposed, the affected taxing jurisdictions will be notified. Their input will be sought in advance of adoption of any deviation, and any PILOT policy deviation will be noted in a required Public Hearing.

The IDA may recapture the value of all or any exemptions granted if any one of the following items occur: Sale or closure of facility; significant employment reduction, significant change in use of the facility; significant change in business activities of the project applicant or operator; material noncompliance with or breach of terms of IDA transaction documents or of zoning or land use laws or regulations; federal, state or local environmental laws or regulations; or failure to comply with Section 875(3) of the General Municipal Law.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2020

The following is a listing of PILOT agreements in place at December 31, 2020:

COMPANY NAME	TAXABLE ASSESSED VALUE	TAX RATE	TAX VALUE	PILOT RECEIVED	TAXES ABATED
5638 Tec Drive LLC	5,365,700	0.007353512	\$ 39,457	\$ 10,280	\$ 29,177
American Rock Salt, LLC	48,597,076	0.008265577	\$ 401,683	\$ 202,500	\$ 199,183
Barilla America NY, Inc.	17,315,151	0.007781968	\$ 134,746	\$ 128,131	\$ 6,615
Bristol Property Holdings, LLC	1,276,700	0.007811792	\$ 9,973	\$ 7,127	\$ 2,846
Coast Professional Properties LLC	1,280,300	0.007071317	\$ 9,053	\$ 7,652	\$ 1,401
Commodity Resources Corp.	10,689,900	0.007900133	\$ 84,452	\$ 5,450	\$ 79,001
Dansville Properties LLC	9,292,700	0.007186134	\$ 66,779	\$ 25,032	\$ 41,746
Evening Star Coffee Roasters	198,000	0.007353512	\$ 1,456	\$ 332	\$ 1,124
Fox & West	969,520	0.007353512	\$ 7,129	\$ 540	\$ 6,589
Geneseo Hospitality, LLC	3,632,000	0.007492416	\$ 27,212	\$ 22,181	\$ 5,031
Gray Metal Products, Inc.	62,600	0.007353512	\$ 43,224	\$ 32,241	\$ 10,983
2013 Facility	5,495,241	0.007781968			
JB Properties of Avon, Inc.	832,100	0.007353512	\$ 6,119	\$ 304	\$ 5,814
Kings Harbor View Associates Limited Partnership	100,000	0.007492416	\$ 749	\$ 749	\$ -
Krog Maloney Dansville LLC/CASA Trinity	2,385,000	0.007186134	\$ 17,139	\$ 2,498	\$ 14,641
Livingston Associates, Inc.	1,216,120	0.007900133	\$ 9,608	\$ 8,368	\$ 1,239
Marcus Real Estate, LLC	748,000	0.007186134	\$ 5,375	\$ 2,839	\$ 2,537
Matthew Buses, Inc.	500,280	0.007353512	\$ 3,679	\$ 3,679	\$ -
Mattice Brothers Properties (Gigglin' Pig)	368,900	0.007900133	\$ 2,914	\$ 2,914	\$ -
Once Again Nut Butter	3,131,800	0.007753240	\$ 24,282	\$ 1,119	\$ 23,163
PEMM, LLC	5,278,000	0.007353512	\$ 38,812	\$ 5,594	\$ 33,218
Shrier-Martin Process Equipment, Inc.	200,000	0.007811792	\$ 1,562	\$ 1,562	\$ -
TKM Ventures LLC (UET Controls)	55,100	0.007353512	\$ 405	\$ 405	\$ -
Valley Energy Services, LLC	740,300	0.007186134	\$ 5,320	\$ 1,448	\$ 3,872
WNY Cheese Enterprise, LLC	1,573,000	0.008585674	\$ 13,505	\$ 2,961	\$ 10,545
		TOTALS:	\$ 954,633	\$ 475,906	\$ 478,725

The IDA also offers sales and use tax exemptions on the purchase of materials, equipment rentals and purchases of project related equipment. Mortgage recording exemptions are also available on all project related financing or refinancing. The amount of sales tax and mortgage recording exemptions for the year ended December 31, 2020 were \$241,569 and \$15,200, respectively.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements

December 31, 2020

The County also has a PILOT agreement in place with NYS Department of Environmental Conservation (NYS DEC) related to real property within the watershed of Hemlock and Canadice Lakes. The PILOT agreement was originally established between the City of Rochester and the County, until NYS DEC acquired the land. In order to construct and operate a water filtration and treatment facility at Hemlock Lake, the City needed to obtain exemptions for the facility from all property taxes, ad valorem levies, and special assessments levied by the County. As such, a PILOT payment is made by the City (now NYS DEC) each year to the County. The PILOT payment received by the County during 2020 was \$107,795. The real property taxes that NYS DEC would have owed to the County for 2020 were estimated at \$44,000. As such, the value of the PILOT payment exceeded the taxes that would have been collected.

19. COVID-19

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID – 19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the County and its future results and financial position is not presently determinable.

20. AMERICAN RESCUE PLAN

The American Rescue Plan Act is projected to provide the County with approximately \$12,200,000. The funds are to be used for costs associated with responding to COVID-19, to support workers performing essential work, to cover revenue losses caused by the pandemic, or to make necessary investments in water, sewer or broadband infrastructure. Fifty percent of the award is expected to be received in 2021, with the remaining funds to be received in 2022.

21. SUBSEQUENT EVENT

On June 17, 2021, the County issued statutory installment bonds related to the Emergency Operation Center. The 2021 Series A bonds have a principal sum of \$2,236,000, an annual interest rate of 2.25%, and a maturity date of September 10, 2044. The 2021 Series B bonds have a principal sum of \$324,631, an annual interest rate of 2.25%, and a maturity date of September 10, 2044. Proceeds from this issuance were used to repay the bond anticipation note outstanding as of December 31, 2020.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
For the Year Ended December 31, 2020

22. PRIOR PERIOD ADJUSTMENT

The County adopted GASB Statement No. 84, *Fiduciary Activities*, during the year ended December 31, 2020. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

In accordance with this Statement, the County has a Custodial Fund, which is presented on the statement of fiduciary net position and statement of changes in fiduciary net position. In addition, this Statement clarified the criteria for reporting certain activities as governmental or fiduciary activities. As a result, beginning cash, liabilities, fund balance, and net position were adjusted as noted below for the following opinion units:

	Fiduciary Activities						
	Expendable Trust Fund			Agency Fund		Custodial Funds	
	Cash	Liabilities	Net Position	Cash	Liabilities	Cash	Net Position
Balance at December 31, 2019, as previously reported	\$ 412,773	\$ (2,656)	\$ (410,117)	\$ 732,066	\$ (732,066)	\$ -	\$ -
Restatement of beginning balance - Adoption of GASB Statement No. 84	<u>(412,773)</u>	<u>2,656</u>	<u>410,117</u>	<u>(732,066)</u>	<u>732,066</u>	<u>522,673</u>	<u>(522,673)</u>
Balance at December 31, 2019, as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 522,673</u>	<u>\$ (522,673)</u>

	Governmental Activities			General Fund		
	Cash	Liabilities	Net Position	Cash	Liabilities	Fund Balance
	Balance at December 31, 2019, as previously reported	\$ 72,738,333	\$ (152,433,979)	\$ (54,892,204)	\$ 44,565,682	\$ (12,610,758)
Restatement of beginning balance - Adoption of GASB Statement No. 84	<u>662,253</u>	<u>(93,189)</u>	<u>(569,064)</u>	<u>662,253</u>	<u>(93,189)</u>	<u>(569,064)</u>
Balance at December 31, 2019, as restated	<u>\$ 73,400,586</u>	<u>\$ (152,527,168)</u>	<u>\$ (55,461,268)</u>	<u>\$ 45,227,935</u>	<u>\$ (12,703,947)</u>	<u>\$ (56,327,058)</u>

The effects on current year change in net position/fund balance for each opinion unit were as follows:

- The General Fund and Governmental Activities experienced an increase in change in fund balance/net position of \$70,281.
- Overall, the aggregate remaining funds experienced a positive change in net position of \$73,188 as a result of this change in accounting principle. This was comprised of a \$21,965 decrease in net position for the Expendable Trust Fund, which was eliminated at the County as a result of this standard, and an increase in Custodial Fund net position of \$95,153.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

COUNTY OF LIVINGSTON, NEW YORK

Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - General Fund (Unaudited)
For the Year Ended December 31, 2020

	Original Budget (Including Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Favorable (Unfavorable) Variance
REVENUES:					
Real property taxes and tax items	\$ 22,977,042	\$ 22,977,042	\$ 22,876,088	\$ -	\$ (100,954)
Non-property tax items	34,685,000	34,718,098	36,134,988	-	1,416,890
Departmental income	9,623,512	9,674,954	10,276,732	-	601,778
Intergovernmental charges	582,420	589,205	492,683	-	(96,522)
Use of money and property	3,116,296	3,151,854	2,952,687	-	(199,167)
Licenses and permits	19,500	19,500	22,851	-	3,351
Fines and forfeitures	446,000	483,913	301,926	-	(181,987)
Sale of property and compensation for loss	20,803	36,055	65,037	-	28,982
Miscellaneous	755,825	789,959	676,238	-	(113,721)
Interfund revenues	1,877,903	1,901,577	2,316,580	-	415,003
State aid	17,065,903	18,056,657	13,239,504	-	(4,817,153)
Federal aid	16,802,487	18,015,915	12,699,760	-	(5,316,155)
Total revenues	107,972,691	110,414,729	102,055,074	-	(8,359,655)
EXPENDITURES:					
Current -					
General governmental support	19,745,972	19,981,892	17,394,104	7,894	2,579,894
Education	7,102,500	7,316,542	5,791,983	-	1,524,559
Public safety	23,446,647	24,558,511	20,682,246	337,927	3,538,338
Public health	14,196,481	14,719,092	13,289,362	-	1,429,730
Transportation	35,000	35,000	29,673	-	5,327
Economic assistance and opportunity	39,271,326	39,388,980	36,508,517	-	2,880,463
Culture and recreation	680,774	697,604	579,473	-	118,131
Home and community services	1,974,991	2,034,793	1,826,992	-	207,801
Debt service -					
Principal - bonds	1,964,000	1,964,000	1,931,130	-	32,870
Interest	510,000	400,516	400,516	-	-
Total expenditures	108,927,691	111,096,930	98,433,996	345,821	12,317,113
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(955,000)	(682,201)	3,621,078	(345,821)	3,957,458
OTHER FINANCING SOURCES (USES):					
Proceeds of debt issuance	-	-	975,000	-	975,000
Premium on obligation	-	-	123,002	-	123,002
Payments to escrow agent	-	-	(1,030,000)	-	(1,030,000)
Operating transfers - in	50,000	450,000	4,695,770	-	4,245,770
Operating transfers - out	(2,030,000)	(2,295,877)	(515,877)	-	1,780,000
Total other financing sources (uses)	(1,980,000)	(1,845,877)	4,247,895	-	6,025,770
CHANGE IN FUND BALANCE	\$ (2,935,000)	\$ (2,528,078)	7,868,973	\$ (345,821)	\$ 9,983,228
FUND BALANCE - beginning of year			56,327,058		
FUND BALANCE - end of year			\$ 64,196,031		

COUNTY OF LIVINGSTON, NEW YORK

Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - County Road Fund (Unaudited)
For the Year Ended December 31, 2020

	Original Budget (Including Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Favorable (Unfavorable) Variance
REVENUES:					
Real property taxes and tax items	\$ 8,527,460	\$ 8,527,460	\$ 8,527,460	\$ -	\$ -
Intergovernmental charges	820,000	820,000	645,830	-	(174,170)
Use of money and property	-	-	4,264	-	4,264
Sale of property and compensation for loss	5,600	5,600	1,743	-	(3,857)
Miscellaneous	20,000	20,000	65,029	-	45,029
Interfund revenues	-	-	20,048	-	20,048
State aid	2,782,055	3,760,389	2,835,224	-	(925,165)
Federal aid	2,233,000	2,624,931	2,051,788	-	(573,143)
Total revenues	14,388,115	15,758,380	14,151,386	-	(1,606,994)
EXPENDITURES:					
Transportation	12,966,115	13,037,474	10,271,747	8,231	2,757,496
Total expenditures	12,966,115	13,037,474	10,271,747	8,231	2,757,496
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,422,000	2,720,906	3,879,639	(8,231)	1,150,502
OTHER FINANCING SOURCES (USES):					
Operating transfers - in	255,000	270,000	15,000	-	(255,000)
Operating transfers - out	(2,032,000)	(2,312,000)	(2,312,000)	-	-
Total other financing sources (uses)	(1,777,000)	(2,042,000)	(2,297,000)	-	(255,000)
CHANGE IN FUND BALANCE	\$ (355,000)	\$ 678,906	1,582,639	\$ (8,231)	\$ 895,502
FUND BALANCE - beginning of year			6,661,840		
FUND BALANCE - end of year			<u>\$ 8,244,479</u>		

COUNTY OF LIVINGSTON, NEW YORK

**Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
For the Year Ended December 31:**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB Liability										
Service cost	\$ 1,440	\$ 2,049	\$ 2,076							
Interest	4,784	4,655	5,191							
Differences between expected and actual experience	-	(3,780)	(1,278)							
Changes in assumptions and other inputs	27,326	(17,119)	(4,789)							
Benefit payments	(4,386)	(3,264)	(3,069)							
Total change in total OPEB liability	29,164	(17,459)	(1,869)							
Total OPEB liability - beginning	117,436	134,895	136,764							
Total OPEB liability - ending	\$ 146,600	\$ 117,436	\$ 134,895							
Covered-employee payroll	\$ 47,483	\$ 45,470	46,350							
Total OPEB liability as a percentage of covered-employee payroll	308.7%	258.3%	291.0%							

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

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

Discount rate	2.74%	4.10%	3.44%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

COUNTY OF LIVINGSTON, NEW YORK

**Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability (Unaudited)
For the Year Ended December 31:**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion of the net pension liability	0.1872%	0.1944%	0.1913%	0.1904%	0.1949%	0.1948%				
Proportionate share of the net pension liability (asset)	\$ 49,583	\$ 13,775	\$ 6,175	\$ 17,888	\$ 31,276	\$ 6,582				
Covered-employee payroll	\$ 44,042	\$ 43,602	\$ 41,714	\$ 38,129	\$ 38,880	\$ 40,675				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	112.58%	31.59%	14.80%	46.91%	80.44%	16.18%				
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%				

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

COUNTY OF LIVINGSTON, NEW YORK

**Required Supplementary Information
Schedule of Contributions - Pension Plans (Unaudited)
For the Year Ended December 31:**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 6,334	\$ 6,342	\$ 6,233	\$ 6,336	\$ 6,547	\$ 7,681				
Contributions in relation to the contractually required contribution	<u>6,334</u>	<u>6,342</u>	<u>6,233</u>	<u>6,336</u>	<u>6,547</u>	<u>7,681</u>				
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Covered-employee payroll	\$ 44,042	\$ 43,602	\$ 41,714	\$ 38,129	\$ 38,880	\$ 40,675				
Contributions as a percentage of covered-employee payroll	14.38%	14.55%	14.94%	16.62%	16.84%	18.88%				

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

SUPPLEMENTARY INFORMATION

COUNTY OF LIVINGSTON, NEW YORK

**Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2020**

	Debt Service <u>Fund</u>	Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS			
Cash and cash equivalents	\$ 19,798	\$ 9,359,822	\$ 9,379,620
Investments	882,815	799,735	1,682,550
Accounts receivable, net	760,558	26,765	787,323
State and federal aid receivable	-	531,068	531,068
Due from other funds	-	771	771
Prepaid expenses	-	32,545	32,545
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,663,171</u>	<u>\$ 10,750,706</u>	<u>\$ 12,413,877</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable and other current liabilities	\$ -	\$ 276,393	\$ 276,393
Accrued wages and benefits	-	34,738	34,738
Due to other funds	-	357,545	357,545
Due to other governments	-	37,204	37,204
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>705,880</u>	<u>705,880</u>
DEFERRED INFLOWS OF RESOURCES:			
Tobacco settlement revenue	<u>760,558</u>	<u>-</u>	<u>760,558</u>
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>760,558</u>	<u>-</u>	<u>760,558</u>
FUND BALANCES:			
Nonspendable	-	32,545	32,545
Restricted	902,613	10,029,655	10,932,268
Unassigned	-	(17,374)	(17,374)
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>902,613</u>	<u>10,044,826</u>	<u>10,947,439</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,663,171</u>	<u>\$ 10,750,706</u>	<u>\$ 12,413,877</u>

COUNTY OF LIVINGSTON, NEW YORK

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2020**

	Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES:			
Real property taxes and tax items	\$ -	\$ 190,030	\$ 190,030
Use of money and property	6,866	37,596	44,462
Sale of property and compensation for loss	-	81,750	81,750
Interfund revenues	-	245,458	245,458
Miscellaneous	791,666	80,575	872,241
Federal aid	-	1,857,974	1,857,974
	<u>798,532</u>	<u>2,493,383</u>	<u>3,291,915</u>
EXPENDITURES:			
Current -			
General governmental support	70,489	18,887	89,376
Transportation	-	1,814,767	1,814,767
Economic assistance and opportunity	-	1,682,580	1,682,580
Home and community services	-	175,805	175,805
Debt service -			
Principal	350,000	176,438	526,438
Interest	392,737	91,000	483,737
	<u>813,226</u>	<u>3,959,477</u>	<u>4,772,703</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(14,694)</u>	<u>(1,466,094)</u>	<u>(1,480,788)</u>
OTHER FINANCING SOURCES:			
Proceeds of debt issuance	-	805,000	805,000
Premium on obligation	-	101,555	101,555
Payments to escrow agent	-	(886,000)	(886,000)
Operating transfers - in	-	2,047,000	2,047,000
Operating transfers - out	-	(120,000)	(120,000)
	<u>-</u>	<u>1,947,555</u>	<u>1,947,555</u>
CHANGE IN FUND BALANCE	(14,694)	481,461	466,767
FUND BALANCE - beginning of year	<u>917,307</u>	<u>9,563,365</u>	<u>10,480,672</u>
FUND BALANCE - end of year	<u>\$ 902,613</u>	<u>\$ 10,044,826</u>	<u>\$ 10,947,439</u>

COUNTY OF LIVINGSTON, NEW YORK

**Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2020**

	Road Machinery Fund	Water Fund	Special Grant Fund	Sewer Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and cash equivalents	\$ 3,273,038	\$ 5,716,838	\$ 34,572	\$ 335,374	\$ 9,359,822
Investments	-	799,735	-	-	799,735
Accounts receivable, net	26,615	-	150	-	26,765
State and federal aid receivable	-	-	531,068	-	531,068
Due from other funds	-	-	771	-	771
Prepaid expenditures	<u>12,653</u>	<u>-</u>	<u>19,892</u>	<u>-</u>	<u>32,545</u>
Total assets	<u>\$ 3,312,306</u>	<u>\$ 6,516,573</u>	<u>\$ 586,453</u>	<u>\$ 335,374</u>	<u>\$ 10,750,706</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and other current liabilities	\$ 84,505	\$ -	\$ 191,888	\$ -	\$ 276,393
Accrued wages and benefits	24,787	-	9,951	-	34,738
Due to other funds	12,653	-	344,892	-	357,545
Due to other governments	<u>-</u>	<u>-</u>	<u>37,204</u>	<u>-</u>	<u>37,204</u>
Total liabilities	<u>121,945</u>	<u>-</u>	<u>583,935</u>	<u>-</u>	<u>705,880</u>
FUND BALANCES:					
Nonspendable	12,653	-	19,892	-	32,545
Restricted	3,177,708	6,516,573	-	335,374	10,029,655
Unassigned	<u>-</u>	<u>-</u>	<u>(17,374)</u>	<u>-</u>	<u>(17,374)</u>
Total fund balances	<u>3,190,361</u>	<u>6,516,573</u>	<u>2,518</u>	<u>335,374</u>	<u>10,044,826</u>
Total liabilities and fund balances	<u>\$ 3,312,306</u>	<u>\$ 6,516,573</u>	<u>\$ 586,453</u>	<u>\$ 335,374</u>	<u>\$ 10,750,706</u>

COUNTY OF LIVINGSTON, NEW YORK

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020**

	Road Machinery Fund	Water Fund	Special Grant Fund	Sewer Fund	Total Nonmajor Special Revenue Funds
REVENUES:					
Real property taxes and tax items	\$ -	\$ 124,422	\$ -	\$ 65,608	\$ 190,030
Use of money and property	2,076	35,520	-	-	37,596
Sale of property and compensation for loss	81,750	-	-	-	81,750
Miscellaneous	80,575	-	-	-	80,575
Interfund revenues	245,458	-	-	-	245,458
Federal aid	-	-	1,857,974	-	1,857,974
Total revenues	<u>409,859</u>	<u>159,942</u>	<u>1,857,974</u>	<u>65,608</u>	<u>2,493,383</u>
EXPENDITURES:					
Current -					
General governmental support	-	18,887	-	-	18,887
Transportation	1,814,767	-	-	-	1,814,767
Economic assistance and opportunity	-	-	1,682,580	-	1,682,580
Home and community services	-	-	175,393	412	175,805
Debt service -					
Principal	-	104,500	-	71,938	176,438
Interest	-	88,151	-	2,849	91,000
Total expenditures	<u>1,814,767</u>	<u>211,538</u>	<u>1,857,973</u>	<u>75,199</u>	<u>3,959,477</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,404,908)</u>	<u>(51,596)</u>	<u>1</u>	<u>(9,591)</u>	<u>(1,466,094)</u>
OTHER FINANCING SOURCES:					
Proceeds of debt issuance	-	805,000	-	-	805,000
Premium on obligation	-	101,555	-	-	101,555
Payments to escrow agent	-	(886,000)	-	-	(886,000)
Operating transfers - in	2,047,000	-	-	-	2,047,000
Operating transfers - out	(120,000)	-	-	-	(120,000)
Total other financing sources	<u>1,927,000</u>	<u>20,555</u>	<u>-</u>	<u>-</u>	<u>1,947,555</u>
CHANGE IN FUND BALANCE	522,092	(31,041)	1	(9,591)	481,461
FUND BALANCE - beginning of year	<u>2,668,269</u>	<u>6,547,614</u>	<u>2,517</u>	<u>344,965</u>	<u>9,563,365</u>
FUND BALANCE - end of year	<u>\$ 3,190,361</u>	<u>\$ 6,516,573</u>	<u>\$ 2,518</u>	<u>\$ 335,374</u>	<u>\$ 10,044,826</u>

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 GOVERNMENT AUDITING STANDARDS

June 23, 2021

To the Board of Supervisors of
County of Livingston, 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 Livingston, 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 23, 2021. The financial statements of the Livingston County Center for Nursing and Rehabilitation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Livingston County Center for Nursing and Rehabilitation.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.