

COUNTY OF LIVINGSTON, NEW YORK

**Financial Statements for the Year Ended
December 31, 2021
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

July 26, 2022

To the Board of Supervisors of the
County of Livingston, New York

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining nonmajor governmental fund and nonmajor 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 nonmajor governmental fund and nonmajor special revenue fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental fund and nonmajor 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 July 26, 2022 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, 2021

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, 2021.

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, 2021

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 and the County Road Funds, which are considered to be major funds. Data from the other six 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, and no separate financial statements are issued.

- **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, 2021**

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 \$83,863,883 at the close of 2021.

Table 1 - Summary Statements of Net Position

	Governmental <u>2021</u>	Business-Type <u>2021</u>	Governmental <u>2020</u>	Business-Type <u>2020</u>
Assets:				
Current assets	\$ 135,136,031	\$ 15,025,350	\$ 110,688,746	\$ 20,414,816
Capital assets, net	<u>120,993,943</u>	<u>12,552,329</u>	<u>120,139,377</u>	<u>13,725,492</u>
Total assets	<u>256,129,974</u>	<u>27,577,679</u>	<u>230,828,123</u>	<u>34,140,308</u>
Deferred outflows of resources	<u>49,101,972</u>	<u>17,534,960</u>	<u>44,753,217</u>	<u>14,296,864</u>
Liabilities:				
Current liabilities	21,807,114	11,738,518	18,212,459	11,641,343
Long-term liabilities	<u>148,808,306</u>	<u>50,776,267</u>	<u>184,923,020</u>	<u>66,062,548</u>
Total liabilities	<u>170,615,420</u>	<u>62,514,785</u>	<u>203,135,479</u>	<u>77,703,891</u>
Deferred inflows of resources	<u>50,752,643</u>	<u>19,972,105</u>	<u>12,102,206</u>	<u>3,642,542</u>
Net Position:				
Net investment in capital assets	106,395,571	(9,214,526)	103,381,341	(9,530,421)
Restricted	50,819,909	5,839,065	46,191,506	5,539,065
Unrestricted	<u>(73,351,597)</u>	<u>(33,998,790)</u>	<u>(89,229,192)</u>	<u>(28,917,905)</u>
Total net position	<u>\$ 83,863,883</u>	<u>\$ (37,374,251)</u>	<u>\$ 60,343,655</u>	<u>\$ (32,909,261)</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, 2021

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 infrastructure work on county roads, government center upgrades and several vehicle purchases.

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 2020 to 2021. 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, 2021

Table 2 - Summary Statement of Activities

	Governmental		Business-Type		Governmental		Business-Type	
	<u>2021</u>	<u>%</u>	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>	<u>2020</u>	<u>%</u>
Revenues:								
Program revenues -								
Charges for services	\$ 12,707,748	10%	\$ 21,474,494	76%	\$ 12,786,609	10%	\$ 21,711,670	83%
Operating grants and contributions	32,198,666	25%	1,063,499	4%	27,797,238	23%	1,293,234	5%
Capital grants and contributions	<u>5,124,557</u>	<u>4%</u>	<u>-</u>	<u>0%</u>	<u>4,887,012</u>	<u>4%</u>	<u>-</u>	<u>0%</u>
Total program revenues	<u>50,030,971</u>	<u>39%</u>	<u>22,537,993</u>	<u>80%</u>	<u>45,470,859</u>	<u>37%</u>	<u>23,004,904</u>	<u>88%</u>
General revenues -								
Property taxes	31,860,414	24%	-	0%	31,503,548	26%	-	0%
Other taxes	42,391,290	32%	-	0%	36,134,988	29%	-	0%
Intergovernmental transfer	-	0%	4,932,739	18%	-	0%	6,754,390	26%
Other	<u>6,139,705</u>	<u>5%</u>	<u>470,861</u>	<u>2%</u>	<u>9,485,938</u>	<u>8%</u>	<u>(3,757,792)</u>	<u>-14%</u>
Total general revenues	<u>80,391,409</u>	<u>61%</u>	<u>5,403,600</u>	<u>20%</u>	<u>77,124,474</u>	<u>63%</u>	<u>2,996,598</u>	<u>12%</u>
Total revenues	<u>130,422,380</u>	<u>100%</u>	<u>27,941,593</u>	<u>100%</u>	<u>122,595,333</u>	<u>100%</u>	<u>26,001,502</u>	<u>100%</u>

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COUNTY OF LIVINGSTON, NEW YORK

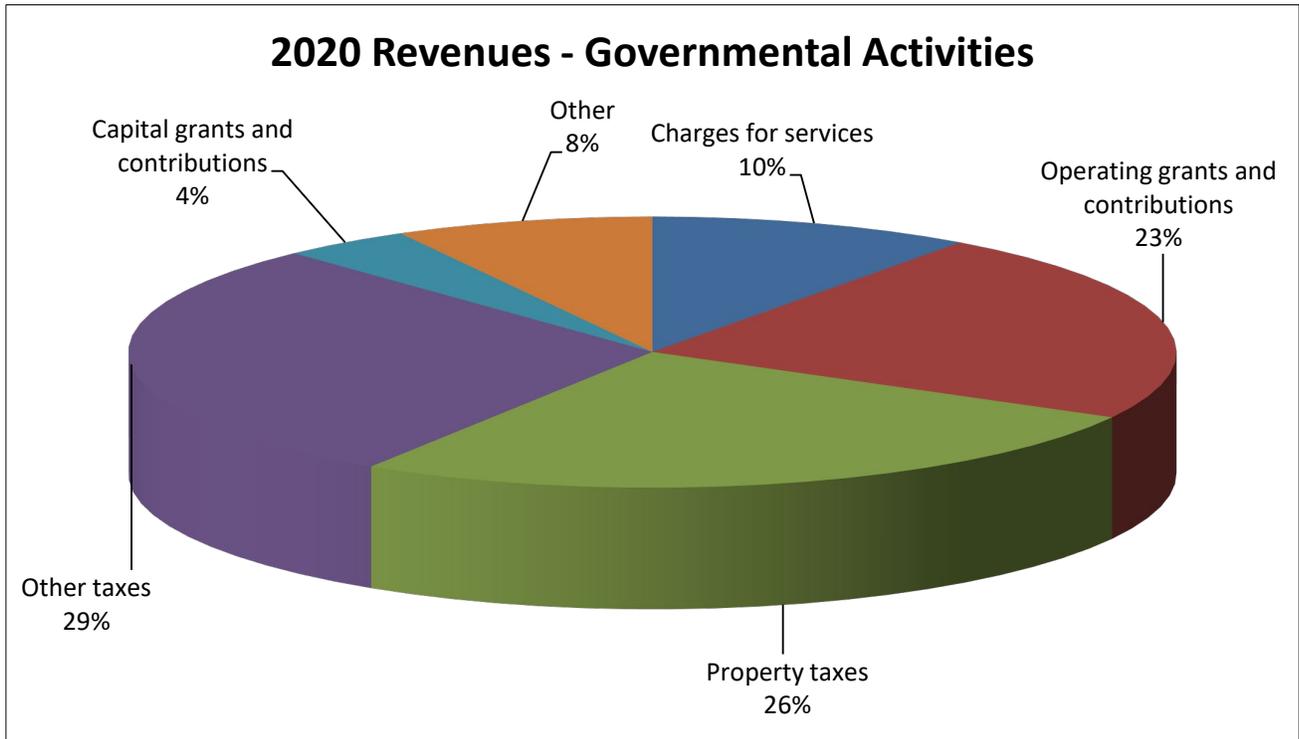
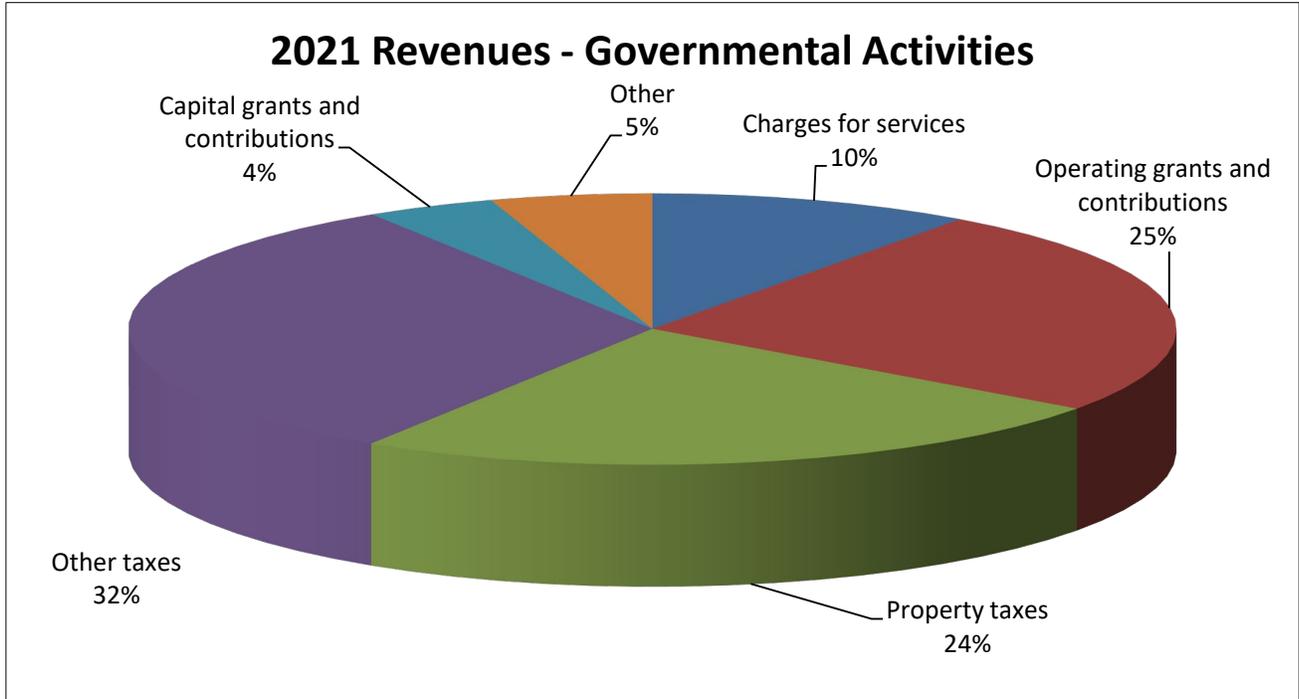
**Management's Discussion and Analysis (Unaudited)
December 31, 2021**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Governmental</u>		<u>Business-Type</u>	
	<u>2021</u>	<u>%</u>	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>	<u>2020</u>	<u>%</u>
Expenses:								
General government	16,919,412	16%	-	0%	19,078,798	16%	-	0%
Judgments/claims	-	0%	1,765,394	5%	-	0%	2,394,358	7%
Education	6,325,513	6%	-	0%	5,791,983	6%	-	0%
Public safety	22,640,291	21%	-	0%	24,800,527	21%	-	0%
Public health	13,468,356	13%	30,420,041	94%	14,136,434	12%	33,162,036	93%
Transportation	9,418,771	9%	-	0%	9,926,841	8%	-	0%
Economic assistance	33,375,858	30%	-	0%	39,362,410	33%	-	0%
Culture and recreation	639,623	1%	-	0%	685,267	1%	-	0%
Home and community services	2,475,255	2%	-	0%	2,235,968	2%	-	0%
Land Bank Corporation	-	0%	221,148	1%	-	0%	158,111	0%
Interest	1,639,073	2%	-	0%	1,694,718	1%	-	0%
Total expenses	<u>106,902,152</u>	<u>100%</u>	<u>32,406,583</u>	<u>100%</u>	<u>117,712,946</u>	<u>100%</u>	<u>35,714,505</u>	<u>100%</u>
 Increase (decrease) in net position	 <u>\$ 23,520,228</u>		 <u>\$ (4,464,990)</u>		 <u>\$ 4,882,387</u>		 <u>\$ (9,713,003)</u>	

COUNTY OF LIVINGSTON, NEW YORK

Management's Discussion and Analysis (Unaudited)

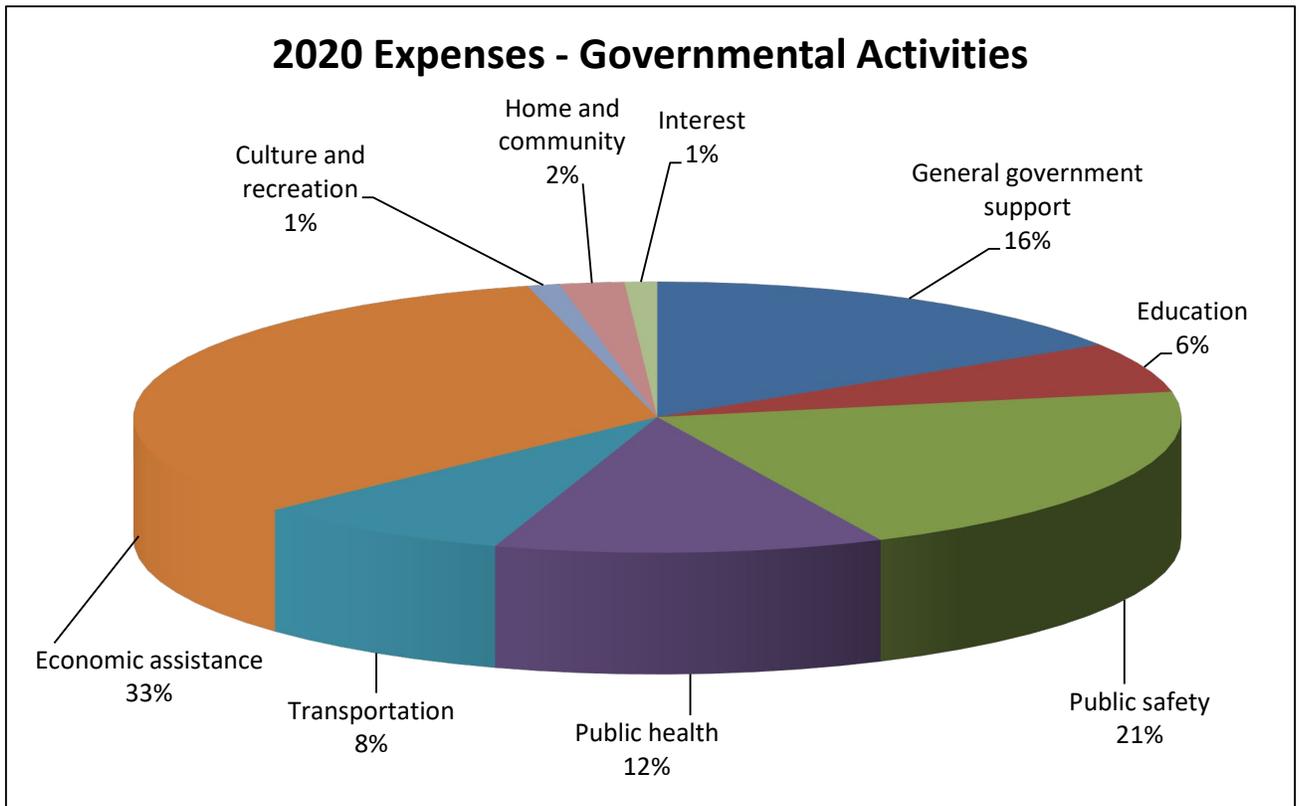
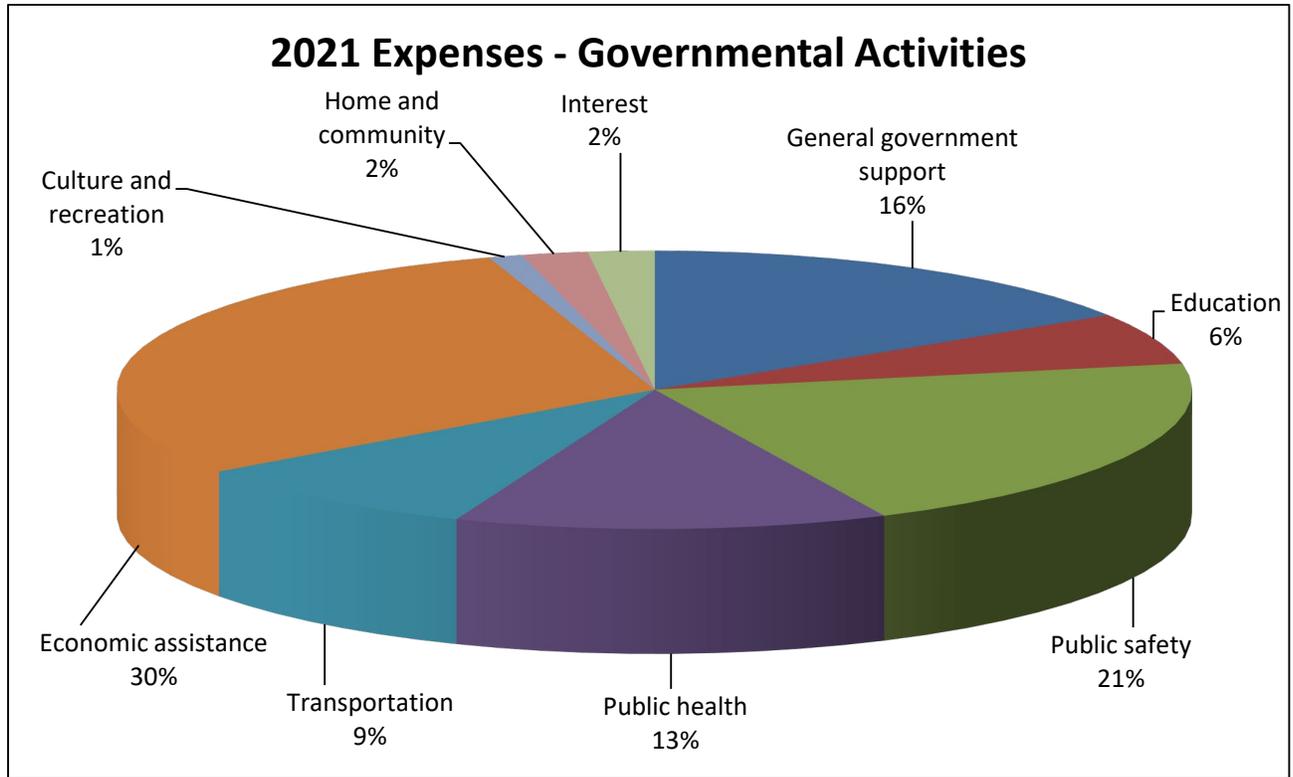
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COUNTY OF LIVINGSTON, NEW YORK

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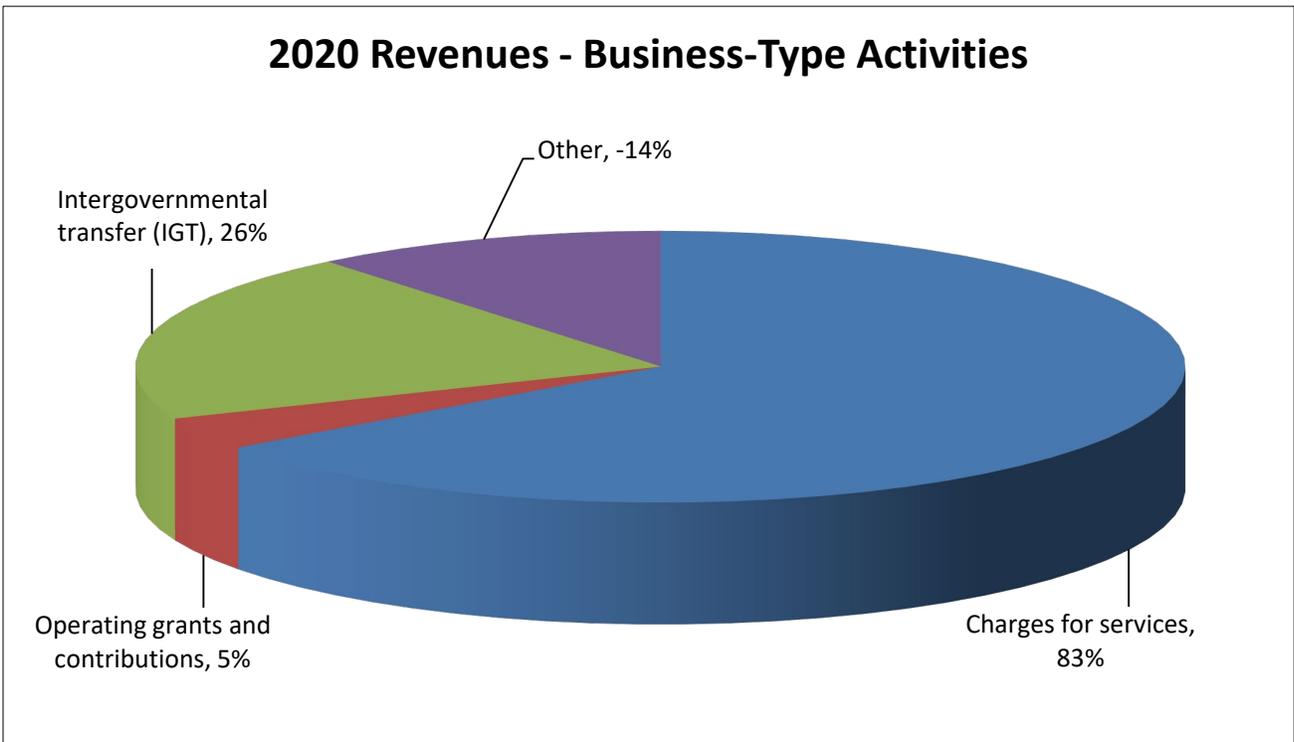
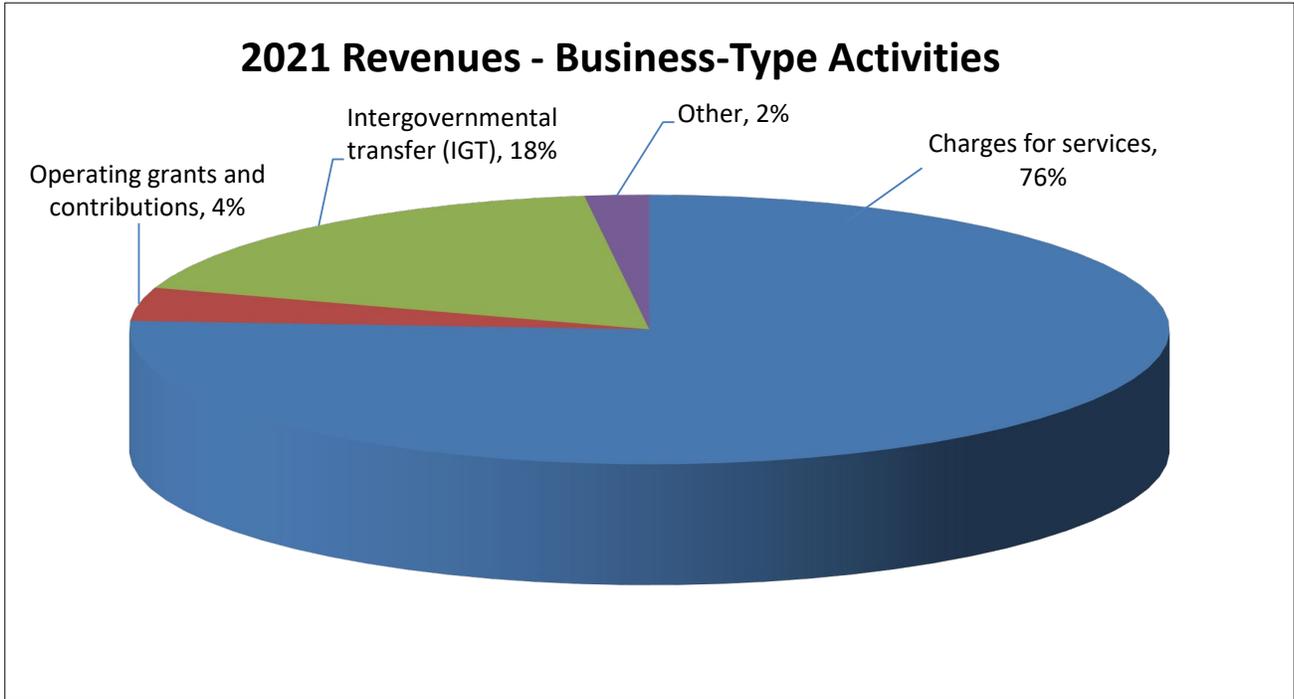
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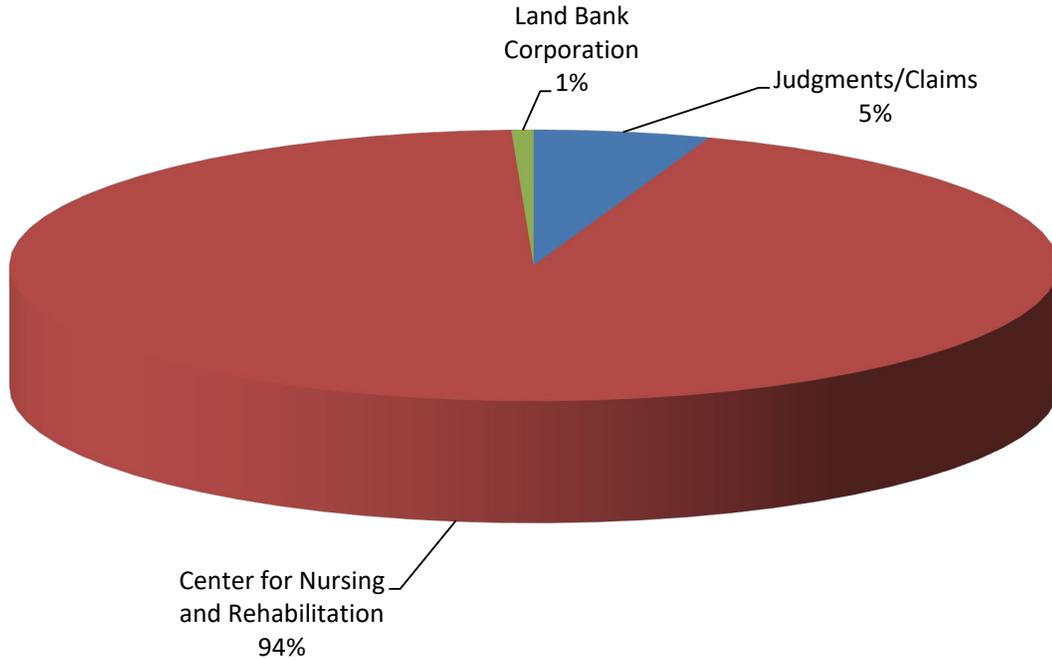


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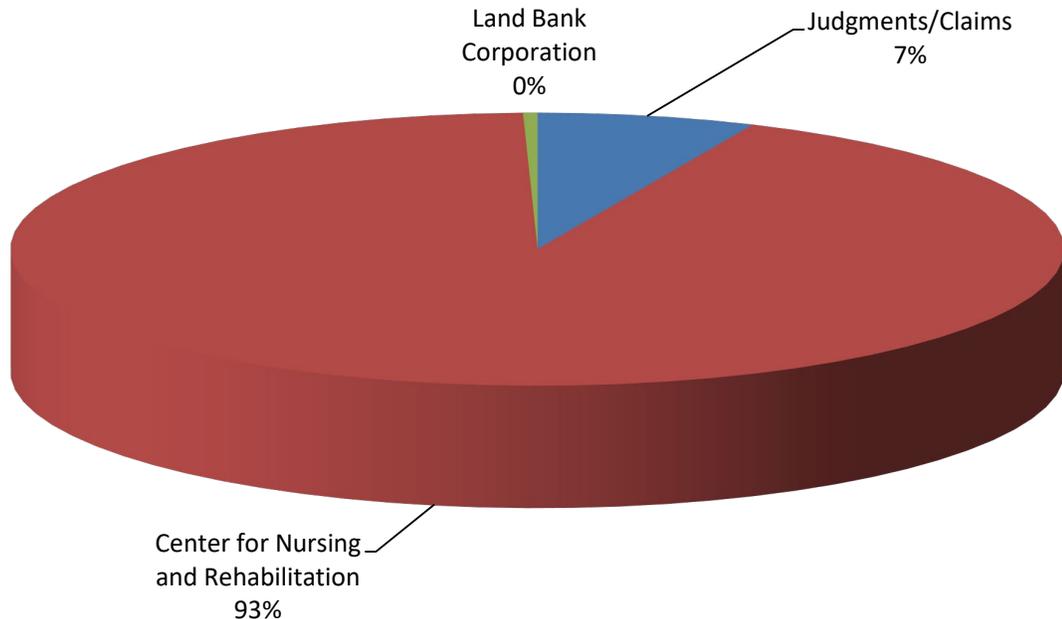
Management's Discussion and Analysis (Unaudited)

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2021 Expenses - Business-Type Activities



2020 Expenses - Business-Type Activities



COUNTY OF LIVINGSTON, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2021

Governmental Activities

Governmental activities increased the County's net position by \$23,520,228. Changes in the NYS Employee Retirement System (ERS) plan resulting from the updated actuarial valuation lowered the County's net pension liability and also impacted deferred inflows and outflows of resources. These changes had a positive impact on net position for governmental activities of approximately \$3.5 million dollars. Sales tax increases, as were noted statewide in 2021, brought in \$6 million dollars in additional revenue over the prior year and \$7 million dollars over what was budgeted. Contributions into the County's health insurance plan from plan participants exceeded actual expenditures for the year. These positive changes were coupled with conservative spending, resulted in the overall positive change in net position.

Business-Type Activities

Business type activities decreased the County's net position by \$4,464,990.

General Fund Budget Analysis

Due to the impacts from COVID-19, Livingston County, this year particularly saw numerous budget amendments and changes. New York State threatened across-the-board 20% cuts and the federal stimulus package to assist counties of all sizes with revenue loss and relief and expenses offsets never materialized. Recognizing that the financial impacts from sales tax loss forecasts and state aid reductions – in addition to extra expenses for frontline staff payroll and personal protective equipment (PPE) – could be quite high, the County continued with the a conservative approach to minimize expenses.

CAPITAL ASSETS

The County's investment in capital assets for its governmental activities as of December 31, 2021 amounted to \$120,993,943 (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>2021</u>	<u>Business-Type</u> <u>2021</u>	<u>Governmental</u> <u>2020</u>	<u>Business-Type</u> <u>2020</u>
Land	\$ 1,319,867	\$ -	\$ 1,319,867	\$ -
Buildings and improvements	52,849,970	11,291,358	54,512,315	12,398,937
Machinery and equipment	3,187,967	1,260,971	3,320,121	1,326,555
Infrastructure	56,295,414	-	58,987,756	-
Work in progress	<u>7,340,725</u>	<u>-</u>	<u>1,999,318</u>	<u>-</u>
Total	<u>\$ 120,993,943</u>	<u>\$ 12,552,329</u>	<u>\$ 120,139,377</u>	<u>\$ 13,725,492</u>

The \$56,295,414 for 2021 and \$58,987,756 for 2020 of infrastructure represents the depreciated book value of County roads, bridges, water lines, etc.

The \$7,340,725 for 2021 and \$1,999,318 for 2020 of work in progress represents the construction on various County projects. The increase is due to the net effect of starting several new projects that were not underway in the previous year.

COUNTY OF LIVINGSTON, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2021

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

LONG-TERM LIABILITIES

Table 4 - Long-Term Liabilities

	Governmental <u>2021</u>	Business-Type <u>2021</u>	Governmental <u>2020</u>	Business-Type <u>2020</u>
Serial bonds-excluding LTASC	\$ 8,147,800	\$ 21,807,200	\$ 10,032,000	\$ 23,303,000
Bonds from Direct Borrowings	3,555,941	-	1,174,879	-
Serial bonds-LTASC	18,970,549	-	18,477,551	-
Energy performance contract	2,142,737	-	2,308,218	-
Compensated absences	1,015,034	-	1,206,001	-
Premium on bonds	939,850	754,987	1,062,310	881,124
Net pension liability	134,634	52,357	37,683,183	11,899,953
Total other postemployment benefit liability	<u>116,196,074</u>	<u>29,733,523</u>	<u>115,125,370</u>	<u>31,474,271</u>
Total	<u>\$ 151,102,619</u>	<u>\$ 52,348,067</u>	<u>\$ 187,069,512</u>	<u>\$ 67,558,348</u>

In 2021 within governmental activities, 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. The County's governmental activities and business-type activities repaid \$2,644,250 and \$1,495,800, respectively, in principal payments during 2021. The County's total other postemployment benefit liability decreased very slightly overall in 2021 due to the updated actuarial valuation, whereas the County's net pension liability decreased significantly, as the NYS Employee Retirement System net pension liability as a whole significantly decreased from the prior year due to the actuarial valuation and changes in the System's investments.

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

- The local economic conditions were reflective of the same issues being experienced nationwide. Many of our businesses, large and small, found it difficult to fill vacancies in their workforce needs. The supply chain issues, increasing wages and inflationary pressures resulted in lower inventory, higher prices and changes to the overall business model with regard to staffing and hours of operation. There is considerable concern with the viability and sustainability of our smaller businesses as this economic climate stretches into 2022 and potentially beyond. Discretionary dollars being spent by consumers are migrating toward necessities such as fuel, groceries and housing costs while restaurants, leisure-related businesses and niche retail stores are experiencing limited sales.

COUNTY OF LIVINGSTON, NEW YORK

Management's Discussion and Analysis (Unaudited)

December 31, 2021

- Solar activity was high throughout the year with as 11 different projects were approved. These community-scale projects are forerunners to larger utility-scale projects on the doorstep in Mt. Morris, York and Caledonia. All of these developments are entering into PILOT Agreements whereby a commitment of tax revenues is being made to the jurisdictions which, in all cases, exceeds the existing tax revenues being collected. The County has been able to procure ~\$5,500 per MW of produced power in most all cases, representing almost \$105,000 in new revenue to their respective towns, schools and Livingston County.
- The Industrial Development Agency was able to provide assistance to four (4) projects. Three (3) of those projects involved working with new businesses to the area. The local development corporation provided eight (8) new loans for a total of \$610,000. Several projects were completed as redevelopment efforts in the East Avon Plaza, the Geneseo Poorhouse, and Caledonia's State Street rehabilitation. Along those same lines, the Landmark Society recognized two prior renovation projects at Battle Street Brewery and the Avon Inn with their Preservation Award.
- Livingston County Development Corporation (LCDC) accessed CDBG funding made available through the NYS Office of Community Renewal for our Back to Business Program. Overall, the program was able to help assist 42 businesses with funds for inventory, working capital, payroll and equipment.
- Sales tax receipts for the County increased 12.46% over 2020.

ADDITIONAL FINANCIAL IMPLICATIONS

With continued uncertainty with the economy and a second or third COVID-19 wave leading to possible, protracted pauses in the economy, the County projected little growth for the year.

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, 2021

	Primary Government			Component Units
	Governmental	Business-Type	Total	
	Activities	Activities		
ASSETS				
Cash and cash equivalents	\$ 53,048,847	\$ 9,011,923	\$ 62,060,770	\$ 3,593,905
Restricted cash and cash equivalents	8,143,544	454,814	8,598,358	1,067,726
Investments	48,197,248	3,261,123	51,458,371	-
Accounts receivable, net	8,784,841	1,343,014	10,127,855	905,776
Loans receivable, net	-	-	-	1,300,702
Capital contributions receivable	-	-	-	530,518
Internal balances	487,552	(487,552)	-	-
Due from other governments	590,363	423,931	1,014,294	-
Due from State and Federal government, net	13,475,748	-	13,475,748	1,278,605
Opioid settlement receivables	1,012,786	-	1,012,786	-
Prepaid expenses and inventories	1,264,302	828,499	2,092,801	136,626
Other assets	130,800	189,598	320,398	1,422,251
Capital assets, net	<u>120,993,943</u>	<u>12,552,329</u>	<u>133,546,272</u>	<u>38,141,441</u>
Total assets	<u>256,129,974</u>	<u>27,577,679</u>	<u>283,707,653</u>	<u>48,377,550</u>
DEFERRED OUTFLOWS OF RESOURCES				
Other postemployment benefit related	18,455,705	4,953,425	23,409,130	476,596
Pension related	30,307,377	11,786,203	42,093,580	683,081
Deferred amount on refunding	<u>338,890</u>	<u>795,332</u>	<u>1,134,222</u>	<u>-</u>
Total deferred outflows of resources	<u>49,101,972</u>	<u>17,534,960</u>	<u>66,636,932</u>	<u>1,159,677</u>
LIABILITIES				
Accounts payable and other accrued liabilities	6,631,681	9,476,764	16,108,445	1,860,567
Accrued wages and benefits	1,651,996	653,544	2,305,540	-
Due to other governments	3,953,448	-	3,953,448	-
Unearned revenue	7,275,676	36,410	7,312,086	550,462
Bond anticipation note payable	-	-	-	4,601,484
Capital lease	-	-	-	253,976
Long-term liabilities -				
Due within one year	2,294,313	1,571,800	3,866,113	-
Due in more than one year	32,477,598	20,990,387	53,467,985	3,625,569
Net pension liability	134,634	52,357	186,991	2,225
Total other postemployment benefit liability	<u>116,196,074</u>	<u>29,733,523</u>	<u>145,929,597</u>	<u>2,094,564</u>
Total liabilities	<u>170,615,420</u>	<u>62,514,785</u>	<u>233,130,205</u>	<u>12,988,847</u>
DEFERRED INFLOWS OF RESOURCES				
Other postemployment benefit related	9,727,819	4,018,007	13,745,826	115,022
Pension related	<u>41,024,824</u>	<u>15,954,098</u>	<u>56,978,922</u>	<u>649,119</u>
Total deferred inflows of resources	<u>50,752,643</u>	<u>19,972,105</u>	<u>70,724,748</u>	<u>764,141</u>
NET POSITION				
Net investment in capital assets	106,395,571	(9,214,526)	97,181,045	29,708,206
Restricted	50,819,909	5,839,065	56,658,974	514,074
Unrestricted	<u>(73,351,597)</u>	<u>(33,998,790)</u>	<u>(107,350,387)</u>	<u>5,561,959</u>
Total net position	<u>\$ 83,863,883</u>	<u>\$ (37,374,251)</u>	<u>\$ 46,489,632</u>	<u>\$ 35,784,239</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, 2021

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	\$ 16,919,412	\$ 3,078,669	\$ 1,340,998	\$ -	\$ (12,499,745)	\$ -	\$ (12,499,745)	
Education	6,325,513	-	2,198,192	-	(4,127,321)	-	(4,127,321)	
Public safety	22,640,291	723,946	5,052,046	-	(16,864,299)	-	(16,864,299)	
Public health	13,468,356	6,229,699	5,626,587	-	(1,612,070)	-	(1,612,070)	
Transportation	9,418,771	663,005	-	5,124,557	(3,631,209)	-	(3,631,209)	
Economic assistance and opportunity	33,375,858	1,729,641	17,184,384	-	(14,461,833)	-	(14,461,833)	
Culture and recreation	639,623	61,557	167,000	-	(411,066)	-	(411,066)	
Home and community services	2,475,255	221,231	629,459	-	(1,624,565)	-	(1,624,565)	
Interest	1,639,073	-	-	-	(1,639,073)	-	(1,639,073)	
Total governmental activities	<u>106,902,152</u>	<u>12,707,748</u>	<u>32,198,666</u>	<u>5,124,557</u>	<u>(56,871,181)</u>	<u>-</u>	<u>(56,871,181)</u>	
Business-type activities -								
Center for Nursing and Rehabilitation	30,420,041	17,891,849	882,028	-	-	(11,646,164)	(11,646,164)	
Workers' Compensation Fund	1,765,394	3,582,645	-	-	-	1,817,251	1,817,251	
Land Bank	221,148	-	181,471	-	-	(39,677)	(39,677)	
Total business-type activities	<u>32,406,583</u>	<u>21,474,494</u>	<u>1,063,499</u>	<u>-</u>	<u>-</u>	<u>(9,868,590)</u>	<u>(9,868,590)</u>	
Total primary government	<u>\$ 139,308,735</u>	<u>\$ 34,182,242</u>	<u>\$ 33,262,165</u>	<u>\$ 5,124,557</u>	<u>(56,871,181)</u>	<u>(9,868,590)</u>	<u>(66,739,771)</u>	

(Continued)

COUNTY OF LIVINGSTON, NEW YORK

Statement of Activities

For the Year Ended December 31, 2021

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	\$ 162,992	\$ 363,690	\$ 32	\$ -				\$ 200,730
Development Corporation	1,101,148	215,381	1,002,515	-				116,748
Soil and Water Conservation District	815,706	14,306	693,233	-				(108,167)
Water and Sewer Authority	4,583,007	3,854,806	-	21,410				(706,791)
Total component units	<u>\$ 6,662,853</u>	<u>\$ 4,448,183</u>	<u>\$ 1,695,780</u>	<u>\$ 21,410</u>				<u>(497,480)</u>
GENERAL REVENUES AND TRANSFERS								
Real property taxes and real property tax items					31,860,414	-	31,860,414	-
Nonproperty tax items					42,391,290	-	42,391,290	-
Sale of property and compensation for loss					88,154	335,165	423,319	45,163
Use of money and property					3,125,623	34,064	3,159,687	8,446
Intergovernmental transfer					-	4,932,739	4,932,739	-
Transfers to governmental activities					(64,708)	64,708	-	-
Miscellaneous					2,990,636	36,924	3,027,560	2,073,645
Total general revenues					<u>80,391,409</u>	<u>5,403,600</u>	<u>85,795,009</u>	<u>2,127,254</u>
Change in net position					23,520,228	(4,464,990)	19,055,238	1,629,774
Net position - beginning of the year					<u>60,343,655</u>	<u>(32,909,261)</u>	<u>27,434,394</u>	<u>34,154,465</u>
Net position - end of year					<u>\$ 83,863,883</u>	<u>\$ (37,374,251)</u>	<u>\$ 46,489,632</u>	<u>\$ 35,784,239</u>

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

**Balance Sheet - Governmental Funds
December 31, 2021**

	General Fund	County Road Fund	Nonmajor Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 36,140,546	\$ 5,913,748	\$ 10,994,553	\$ 53,048,847
Restricted cash and cash equivalents	3,670,118	-	-	3,670,118
Investments	35,018,970	3,503,992	3,659,057	42,182,019
Accounts receivable, net	7,886,441	79,428	818,972	8,784,841
Due from State and Federal governments, net	11,922,831	1,286,552	266,365	13,475,748
Due from other governments	480,490	-	109,873	590,363
Opioid settlement receivables	1,012,786	-	-	1,012,786
Prepaid expenditures	1,196,864	46,802	20,636	1,264,302
Due from other funds	1,249,814	-	213,910	1,463,724
Total assets	<u>\$ 98,578,860</u>	<u>\$ 10,830,522</u>	<u>\$ 16,083,366</u>	<u>\$ 125,492,748</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and other current liabilities	\$ 4,954,916	\$ 453,719	\$ 497,112	\$ 5,905,747
Accrued wages and benefits	1,563,690	56,520	31,786	1,651,996
Due to other funds	853,349	47,002	75,821	976,172
Due to other governments	3,953,448	-	-	3,953,448
Unearned revenue	6,899,726	375,950	-	7,275,676
Total liabilities	<u>18,225,129</u>	<u>933,191</u>	<u>604,719</u>	<u>19,763,039</u>
DEFERRED INFLOWS OF RESOURCES:				
Tobacco settlement revenue	-	-	747,767	747,767
Opioid settlement revenue	1,012,786	-	-	1,012,786
Deferred taxes	3,459,917	-	-	3,459,917
Total deferred inflows of resources	<u>4,472,703</u>	<u>-</u>	<u>747,767</u>	<u>5,220,470</u>
FUND BALANCES:				
Nonspendable	1,196,864	46,802	20,636	1,264,302
Restricted	18,647,016	9,850,529	11,758,698	40,256,243
Assigned	3,428,090	-	2,956,423	6,384,513
Unassigned	52,609,058	-	(4,877)	52,604,181
Total fund balances	<u>75,881,028</u>	<u>9,897,331</u>	<u>14,730,880</u>	<u>100,509,239</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 98,578,860</u>	<u>\$ 10,830,522</u>	<u>\$ 16,083,366</u>	<u>\$ 125,492,748</u>

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, 2021

Total fund balances - governmental funds	\$ 100,509,239
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.	120,993,943
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.	10,001,736
Opioid and tobacco settlement revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and are, therefore, unearned in the funds.	1,760,553
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	(11,703,741)
Serial bonds - LTASC	(18,970,549)
Energy performance contract	(2,142,737)
Premium on refunding	(939,850)
Total other postemployment benefit liability	(116,196,074)
Compensated absences	(1,015,034)
Net pension liability	(134,634)
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(108,215)
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.	3,459,917
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	30,307,377
Deferred outflow - other postemployment benefit related	18,455,705
Deferred amount on refunding	338,890
Deferred inflow - pension related	(41,024,824)
Deferred inflow - other postemployment benefit related	<u>(9,727,819)</u>
Total net position of governmental activities	<u>\$ 83,863,883</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, 2021**

	General Fund	County Road Fund	Nonmajor Governmental Funds	Total
REVENUES:				
Real property taxes and tax items	\$ 23,626,575	\$ 8,548,807	\$ 154,220	\$ 32,329,602
Nonproperty tax items	42,391,290	-	-	42,391,290
Departmental income	10,399,199	-	-	10,399,199
Intergovernmental charges	395,230	663,005	-	1,058,235
Use of money and property	3,094,639	4,423	15,863	3,114,925
Licenses and permits	22,140	-	-	22,140
Fines and forfeitures	399,738	-	-	399,738
Sale of property and compensation for loss	55,874	11,402	26,462	93,738
Miscellaneous	969,809	36,004	984,828	1,990,641
Interfund revenues	2,238,712	12,966	366,459	2,618,137
State aid	15,089,847	4,050,417	109,873	19,250,137
Federal aid	14,606,293	1,074,140	2,392,653	18,073,086
Total revenues	113,289,346	14,401,164	4,050,358	131,740,868
EXPENDITURES:				
Current -				
General governmental support	17,679,237	-	796,235	18,475,472
Education	6,325,513	-	-	6,325,513
Public safety	22,663,028	-	613,108	23,276,136
Public health	14,164,314	-	109,873	14,274,187
Transportation	31,511	10,713,797	1,654,279	12,399,587
Economic assistance and opportunity	32,739,897	-	1,937,921	34,677,818
Culture and recreation	611,130	-	-	611,130
Home and community services	1,902,293	-	468,917	2,371,210
Debt service -				
Principal	2,053,112	-	591,138	2,644,250
Interest	334,798	-	456,259	791,057
Total expenditures	98,504,833	10,713,797	6,627,730	115,846,360
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,784,513	3,687,367	(2,577,372)	15,894,508
OTHER FINANCING SOURCES (USES):				
Proceeds of debt issuance	-	-	2,560,631	2,560,631
Operating transfers - in	-	-	5,069,323	5,069,323
Operating transfers - out	(3,099,516)	(2,034,515)	-	(5,134,031)
Total other financing sources (uses)	(3,099,516)	(2,034,515)	7,629,954	2,495,923
CHANGE IN FUND BALANCE	11,684,997	1,652,852	5,052,582	18,390,431
FUND BALANCE - beginning of year	64,196,031	8,244,479	9,678,298	82,118,808
FUND BALANCE - end of year	\$ 75,881,028	\$ 9,897,331	\$ 14,730,880	\$ 100,509,239

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, 2021

Net change in fund balances - governmental funds	\$ 18,390,431
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	9,181,045
Depreciation	<u>(8,123,388)</u> 1,057,657
Loss on disposal of capital assets is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(203,091)
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.	1,930,990
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.	(12,791)
Opioid settlement revenues are not considered "available" revenues at the fund level, but are recognized as revenue in the statement of activities	1,012,786
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.	(2,560,631)
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.	2,644,250
Amortization of bond premiums is not recorded as revenue in the governmental funds, but is recorded in the statement of activities.	122,460
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.	(5,997)
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.	(907,998)
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.	190,967
Unearned property tax revenues are recorded on the modified accrual basis, but are not reported in the government-wide financial statements.	(314,968)
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.	(1,285,075)
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	4,604,265
Cost of benefits earned, net of employee contributions	<u>(1,086,546)</u>
Change in net position of governmental activities	<u>\$ 23,520,228</u>

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

Statement of Net Position - Proprietary Funds
December 31, 2021

	Business Type Activities - Enterprise Funds				
	Workers'	Livingston County	Livingston	Total	Internal Service
	Compensation	Center for Nursing	County Land		
Fund	and Rehabilitation	Bank		Fund	
ASSETS					
Cash and cash equivalents	\$ 100,512	\$ 8,770,811	\$ 140,600	\$ 9,011,923	\$ -
Restricted cash and cash equivalents	418,404	-	36,410	454,814	4,473,426
Investments	3,261,123	-	-	3,261,123	6,015,229
Accounts receivable, net	-	1,343,014	-	1,343,014	-
Due from State and Federal government	-	-	-	-	-
Due from other funds	2,482,750	-	-	2,482,750	-
Due from other governments	423,931	-	-	423,931	-
Prepaid expense and other current assets	57,500	770,999	-	828,499	130,800
Capital assets, net	-	12,552,329	-	12,552,329	-
Resident funds held in trust	-	189,598	-	189,598	-
Total assets	<u>6,744,220</u>	<u>23,626,751</u>	<u>177,010</u>	<u>30,547,981</u>	<u>10,619,455</u>
DEFERRED OUTFLOWS OF RESOURCES					
Other postemployment benefit related	-	4,953,425	-	4,953,425	-
Pension related	-	11,786,203	-	11,786,203	-
Deferred loss on refunding	-	795,332	-	795,332	-
Total deferred outflows of resources	<u>-</u>	<u>17,534,960</u>	<u>-</u>	<u>17,534,960</u>	<u>-</u>
LIABILITIES					
Accounts payable and other liabilities	34,990	3,154,876	77,951	3,267,817	7,719
Accrued wages and benefits	-	653,544	-	653,544	-
Accrued liabilities	6,208,947	-	-	6,208,947	610,000
Due to other funds	-	2,970,302	-	2,970,302	-
Unearned grant revenue	-	-	36,410	36,410	-
Non-current liabilities -					
Due in one year	-	1,571,800	-	1,571,800	-
Due in more than one year	-	20,990,387	-	20,990,387	-
Net pension liability	-	52,357	-	52,357	-
Total other postemployment benefits liability	-	29,733,523	-	29,733,523	-
Total liabilities	<u>6,243,937</u>	<u>59,126,789</u>	<u>114,361</u>	<u>65,485,087</u>	<u>617,719</u>
DEFERRED INFLOWS OF RESOURCES					
Other postemployment benefit related	-	4,018,007	-	4,018,007	-
Pension related	-	15,954,098	-	15,954,098	-
Total deferred inflows of resources	<u>-</u>	<u>19,972,105</u>	<u>-</u>	<u>19,972,105</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	-	(9,214,526)	-	(9,214,526)	-
Restricted	5,839,065	-	-	5,839,065	10,001,736
Unrestricted	(5,338,782)	(28,722,657)	62,649	(33,998,790)	-
Total net position	<u>\$ 500,283</u>	<u>\$ (37,937,183)</u>	<u>\$ 62,649</u>	<u>\$ (37,374,251)</u>	<u>\$ 10,001,736</u>

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, 2021**

	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	\$ 3,582,645	\$ 17,891,849	\$ -	\$ 21,474,494	\$ 11,681,469
Grant revenue	-	882,028	181,471	1,063,499	-
Intergovernmental transfers	-	4,932,739	-	4,932,739	-
In-kind revenues	-	-	36,315	36,315	-
Total operating revenues	3,582,645	23,706,616	217,786	27,507,047	11,681,469
OPERATING EXPENSES:					
Cost of sales	-	-	27,066	27,066	-
Property rehabilitation grant	-	-	101,874	101,874	-
Judgments, claims, and insurance premiums	1,765,394	-	-	1,765,394	9,958,684
Nursing services	-	9,703,246	-	9,703,246	-
Employee benefits	-	6,292,515	19,277	6,311,792	-
Other professional services	-	10,447,255	36,616	10,483,871	-
Depreciation and amortization	-	1,370,989	-	1,370,989	-
Bad debts	-	87,531	-	87,531	-
County cost allocation	-	704,267	-	704,267	-
New York State assessment	-	1,004,712	-	1,004,712	-
In-kind expense	-	-	36,315	36,315	-
Total operating expenses	1,765,394	29,610,515	221,148	31,597,057	9,958,684
Operating income (loss)	1,817,251	(5,903,899)	(3,362)	(4,090,010)	1,722,785
NON-OPERATING REVENUES (EXPENSES):					
Interest income	15,462	18,602	-	34,064	10,698
Interest expense	-	(809,526)	-	(809,526)	-
Sale of property and compensation for loss	335,165	-	-	335,165	197,507
Other income	609	-	-	609	-
Total non-operating revenues (expenses)	351,236	(790,924)	-	(439,688)	208,205
CHANGE IN NET POSITION BEFORE COUNTY TRANSFERS	2,168,487	(6,694,823)	(3,362)	(4,529,698)	1,930,990
COUNTY TRANSFERS	-	64,708	-	64,708	-
CHANGE IN NET POSITION	2,168,487	(6,630,115)	(3,362)	(4,464,990)	1,930,990
NET POSITION - beginning of year	(1,668,204)	(31,307,068)	66,011	(32,909,261)	8,070,746
NET POSITION - end of year	\$ 500,283	\$ (37,937,183)	\$ 62,649	\$ (37,374,251)	\$ 10,001,736

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, 2021

	Business Type Activities - Enterprise Funds				
	Workers' Compensation Fund	Livingston		Total	Internal Service Fund
		County Center for Nursing and Rehabilitation	Livingston County Land Bank		
CASH FLOW FROM OPERATING ACTIVITIES:					
Cash received from providing services	\$ 1,473,545	\$ 25,620,192	\$ -	\$ 27,093,737	\$ 11,709,044
Cash received from grants	-	-	169,129	169,129	-
Cash payments for inventory	-	-	(6,066)	(6,066)	-
Cash payments to insurance providers	(3,900,404)	-	-	(3,900,404)	(10,347,631)
Cash payments for salaries and benefits	-	(16,974,036)	(19,130)	(16,993,166)	-
Cash payments for contractual services	-	(11,239,851)	(84,386)	(11,324,237)	-
Net cash flow from operating activities	<u>(2,426,859)</u>	<u>(2,593,695)</u>	<u>59,547</u>	<u>(4,961,007)</u>	<u>1,361,413</u>
CASH FLOW FROM NON-CAPITAL FINANCING					
Repayments to County general fund	-	1,572,315	-	1,572,315	-
Net cash flow from non-capital financing activities	-	<u>1,572,315</u>	-	<u>1,572,315</u>	-
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchases of capital assets	-	(197,826)	-	(197,826)	-
Repayment of debt	-	(1,495,800)	-	(1,495,800)	-
Interest expense	-	(802,784)	-	(802,784)	-
Net cash flow from capital and related financing activities	-	<u>(2,496,410)</u>	-	<u>(2,496,410)</u>	-
CASH FLOW FROM INVESTING ACTIVITIES:					
Other income	335,774	-	-	335,774	197,507
Investment income	4,442	18,602	-	23,044	400
Net cash flow from investing activities	<u>340,216</u>	<u>18,602</u>	-	<u>358,818</u>	<u>197,907</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(2,086,643)	(3,499,188)	59,547	(5,526,284)	1,559,320
CASH AND CASH EQUIVALENTS - beginning of year	<u>2,605,559</u>	<u>12,269,999</u>	<u>117,463</u>	<u>14,993,021</u>	<u>2,914,106</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 518,916</u>	<u>\$ 8,770,811</u>	<u>\$ 177,010</u>	<u>\$ 9,466,737</u>	<u>\$ 4,473,426</u>
CASH AND CASH EQUIVALENTS - unrestricted	<u>\$ 100,512</u>	<u>\$ 8,770,811</u>	<u>\$ 140,600</u>	<u>\$ 9,011,923</u>	<u>\$ -</u>
CASH AND CASH EQUIVALENTS - restricted	<u>\$ 418,404</u>	<u>\$ -</u>	<u>\$ 36,410</u>	<u>\$ 454,814</u>	<u>\$ 4,473,426</u>

(Continued)

COUNTY OF LIVINGSTON, NEW YORK

Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2021

	Business Type Activities - Enterprise Funds				
	Workers'	Livingston	Livingston	Total	Internal
	Compensation	County Center	County Land		
Fund	for Nursing and Rehabilitation	Bank		Service Fund	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 1,817,251	\$ (5,903,899)	\$ (3,362)	\$ (4,090,010)	\$ 1,722,785
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation and amortization	-	1,370,989	-	1,370,989	-
Bad debts	-	87,531	-	87,531	-
Changes in:					
Due from other funds	(1,778,584)	-	-	(1,778,584)	-
Due from other governments	(330,516)	-	-	(330,516)	-
Accounts receivable	-	218,534	-	218,534	27,575
Intergovernmental transfer receivable	-	2,467,481	-	2,467,481	-
Prepaid expense and other assets	-	(133,034)	-	(133,034)	14,000
Inventory	-	-	21,000	21,000	-
Deferred outflows of resources - pension	-	(3,565,434)	-	(3,565,434)	-
Deferred outflows of resources - other postemployment benefit obligations	-	194,459	-	194,459	-
Accounts payable and other liabilities	(21,323)	899,755	54,251	932,683	(110,947)
Accrued liabilities	61,313	(198,857)	-	(137,544)	(292,000)
Due to other funds	(2,175,000)	-	-	(2,175,000)	-
Unearned grant revenue	-	-	(12,342)	(12,342)	-
Total other postemployment benefits liability	-	(1,740,748)	-	(1,740,748)	-
Estimated third-party payor settlements, net	-	(772,439)	-	(772,439)	-
Net pension liability	-	(11,847,596)	-	(11,847,596)	-
Deferred inflows of resources - pension	-	15,095,450	-	15,095,450	-
Deferred inflows of resources - other postemployment benefit obligations	-	1,234,113	-	1,234,113	-
Net cash flow from operating activities	<u>\$ (2,426,859)</u>	<u>\$ (2,593,695)</u>	<u>\$ 59,547</u>	<u>\$ (4,961,007)</u>	<u>\$ 1,361,413</u>

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

**Statement of Fiduciary Net Position
December 31, 2021**

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ <u>1,450,655</u>
Total assets	<u>1,450,655</u>
LIABILITIES	
Accounts payable and other liabilities	<u>503,206</u>
Total liabilities	<u>503,206</u>
NET POSITION	
Restricted for individuals, organizations and other governments	<u><u>\$ 947,449</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, 2021**

	<u>Custodial Funds</u>
ADDITIONS:	
Taxes collected for other governments	\$ 3,284,425
Amounts collected on behalf of individuals	612,607
Miscellaneous	659,032
Bail collected	86,355
Interest earnings	<u>354</u>
Total additions	<u>4,642,773</u>
DEDUCTIONS:	
Payment of tax to other governments	2,933,847
Amounts paid on behalf of individuals	676,131
Miscellaneous	647,502
Bail returned	<u>55,670</u>
Total deductions	<u>4,313,150</u>
CHANGE IN NET POSITION	329,623
NET POSITION - beginning of year	<u>617,826</u>
NET POSITION - end of year	<u>\$ 947,449</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, 2021**

	Livingston County Industrial Development Agency	Livingston County Water and Sewer Authority	Livingston County Development Corporation	Livingston County Soil and Water District	Total
ASSETS					
Cash and cash equivalents	\$ 745,855	\$ 2,579,774	\$ 206,633	\$ 61,643	\$ 3,593,905
Restricted cash	-	118,569	395,505	553,652	1,067,726
Capital contributions receivable	-	530,518	-	-	530,518
Grants receivable	-	-	97,248	-	97,248
Accounts receivable, net	-	905,776	-	-	905,776
Due from State and Federal government	-	1,059,352	-	122,005	1,181,357
Loans receivable, net	-	-	1,300,702	-	1,300,702
Prepaid expenses	-	127,324	9,302	-	136,626
Funds held for others	-	35,638	-	-	35,638
Inventory	-	41,875	-	-	41,875
Land held for development or sale	1,344,738	-	-	-	1,344,738
Capital assets, net	<u>1,762</u>	<u>38,138,332</u>	<u>-</u>	<u>1,347</u>	<u>38,141,441</u>
Total assets	<u>2,092,355</u>	<u>43,537,158</u>	<u>2,009,390</u>	<u>738,647</u>	<u>48,377,550</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	-	683,081	-	-	683,081
Other postemployment benefit related	-	<u>476,596</u>	-	-	<u>476,596</u>
Total deferred outflows of resources	-	<u>1,159,677</u>	-	-	<u>1,159,677</u>
LIABILITIES					
Accounts payable and other current liabilities	-	1,765,107	91,341	4,119	1,860,567
Unearned revenue	-	-	-	550,462	550,462
Bond anticipation note payable	-	4,601,484	-	-	4,601,484
Long-term debt	-	3,577,775	-	-	3,577,775
Capital lease	-	253,976	-	-	253,976
Compensated absences	-	37,395	-	10,399	47,794
Net pension liability	-	2,225	-	-	2,225
Total other postemployment benefits liability	-	<u>2,094,564</u>	-	-	<u>2,094,564</u>
Total liabilities	-	<u>12,332,526</u>	<u>91,341</u>	<u>564,980</u>	<u>12,988,847</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related	-	649,119	-	-	649,119
Other postemployment benefit related	-	<u>115,022</u>	-	-	<u>115,022</u>
Total deferred inflows of resources	-	<u>764,141</u>	-	-	<u>764,141</u>
NET POSITION					
Net investment in capital assets	1,762	29,705,097	-	1,347	29,708,206
Restricted	-	118,569	395,505	-	514,074
Unrestricted	<u>2,090,593</u>	<u>1,776,502</u>	<u>1,522,544</u>	<u>172,320</u>	<u>5,561,959</u>
Total net position	<u>\$ 2,092,355</u>	<u>\$ 31,600,168</u>	<u>\$ 1,918,049</u>	<u>\$ 173,667</u>	<u>\$ 35,784,239</u>

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, 2021**

	Livingston County Industrial Development Agency	Livingston County Water and Sewer Authority	Livingston County Development Corporation	Livingston County Soil and Water District	Total
OPERATING REVENUE:					
Charges for services, net	\$ 363,690	\$ 3,854,806	\$ 215,381	\$ 14,306	\$ 4,448,183
Grants	-	-	766,515	689,775	1,456,290
Other revenue	32	-	236,000	3,458	239,490
Total operating revenue	<u>363,722</u>	<u>3,854,806</u>	<u>1,217,896</u>	<u>707,539</u>	<u>6,143,963</u>
OPERATING EXPENSES:					
Salaries and benefits	-	1,341,759	73,543	142,141	1,557,443
Grant and project expense	125,745	-	866,868	613,091	1,605,704
Water and sewer operations	-	1,510,891	-	-	1,510,891
Professional services	19,079	404,976	149,429	5,261	578,745
Depreciation	783	1,297,974	-	9,326	1,308,083
Other	17,385	27,407	11,308	45,887	101,987
Total operating expenses	<u>162,992</u>	<u>4,583,007</u>	<u>1,101,148</u>	<u>815,706</u>	<u>6,662,853</u>
OPERATING INCOME (LOSS)	<u>200,730</u>	<u>(728,201)</u>	<u>116,748</u>	<u>(108,167)</u>	<u>(518,890)</u>
NON-OPERATING REVENUE AND EXPENSES:					
Rental of real property	17,221	-	-	-	17,221
Grant revenue	-	2,056,424	-	-	2,056,424
Gain (loss) on sale of assets	(12,989)	58,152	-	-	45,163
Interest income	329	27,546	44,598	(18)	72,455
Interest expense	-	(64,009)	-	-	(64,009)
Total non-operating revenue and expenses	<u>4,561</u>	<u>2,078,113</u>	<u>44,598</u>	<u>(18)</u>	<u>2,127,254</u>
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	205,291	1,349,912	161,346	(108,185)	1,608,364
CAPITAL CONTRIBUTIONS	-	21,410	-	-	21,410
CHANGE IN NET POSITION	205,291	1,371,322	161,346	(108,185)	1,629,774
NET POSITION - beginning 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>
NET POSITION - end of year	<u>\$ 2,092,355</u>	<u>\$ 31,600,168</u>	<u>\$ 1,918,049</u>	<u>\$ 173,667</u>	<u>\$ 35,784,239</u>

The accompanying notes are an integral part of these statements.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2021

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, 2021

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, 2021

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 unit is not material to the financial statements of the County and is 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 activity is 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, 2021 is as follows:

Total assets	\$	378,142
Total liabilities	\$	22,600
Fund balance	\$	355,542
Total revenues	\$	122,034
Total expenditures	\$	124,006

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2021

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, 2021

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.
- 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:

- 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.
- 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. All of the County's enterprise funds are considered major.
- 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, 2021

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.

- **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 generally 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.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2021

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 certificates of deposit and U.S. Treasury securities. The U.S. Treasury securities have a maturity of less than one year at time of purchase; therefore, these investments are measured at amortized cost. The certificates of deposit are considered nonparticipating interest-earning investment contracts as they are non-negotiable and have fixed interest rates.

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.

- **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.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2021**

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.

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

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2021

- **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.

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, 2021 totaled \$1,425,336 and \$585,588, 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.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2021

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.

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."

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2021

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, 2021.

- **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.

- **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, 2021.

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.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2021

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.

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.

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.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2021**

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	\$ 62,117,070	\$ 61,192,391
CNR	8,767,112	8,770,811
Worker's compensation	518,737	518,916
Land Bank Corporation	117,010	177,010
Fiduciary Funds	<u>1,451,254</u>	<u>1,450,655</u>
Cash and Cash Equivalents	<u>\$ 72,971,183</u>	<u>\$ 72,109,783</u>

The collateral related to those above is as follows:

FDIC insured	\$ 53,374,291
Collateralized with securities held by the pledging financial institution, or its trust department or agent in the County's name	73,265,184
Uninsured and uncollateralized	-
	<u>\$ 126,639,475</u>

As of December 31, 2021, the reported amount of the SWCD's deposits was \$615,295 and the bank balance was \$619,126. Of the bank balance, \$250,000 was covered by federal depository insurance and \$376,509 was collateralized with securities held by the pledging financial institution.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2021

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 Fund	County Road Fund	Nonmajor Governmental and Internal Service Funds	Total Governmental Activities	CNR	Workers' Compensation Fund
Accounts receivable net						
Taxes Receivable:						
County taxes	\$ 3,764,073	\$ -	\$ -	\$ 3,764,073	\$ -	\$ -
School taxes	2,684,971	-	-	2,684,971	-	-
Village taxes	302,032	-	-	302,032	-	-
Tax acquired property	52,791	-	-	52,791	-	-
	<u>6,803,867</u>	<u>-</u>	<u>-</u>	<u>6,803,867</u>	<u>-</u>	<u>-</u>
Other receivables:						
Residents	-	-	-	-	1,732,467	-
Trade	1,082,574	79,428	818,972	1,980,974	-	-
Less:						
Allowance	-	-	-	-	(389,453)	-
	<u>\$ 7,886,441</u>	<u>\$ 79,428</u>	<u>\$ 818,972</u>	<u>\$ 8,784,841</u>	<u>\$ 1,343,014</u>	<u>\$ -</u>
Due from other governments						
Miscellaneous	\$ 437,347	\$ -	\$ 109,873	\$ 547,220	\$ -	\$ -
Town/Villages	15,966	-	-	15,966	-	423,931
Schools	27,177	-	-	27,177	-	-
	<u>\$ 480,490</u>	<u>\$ -</u>	<u>\$ 109,873</u>	<u>\$ 590,363</u>	<u>\$ -</u>	<u>\$ 423,931</u>
Due from State and Federal government:						
Social service, net	\$ 2,995,797	\$ -	\$ -	\$ 2,995,797	\$ -	\$ -
Sales tax	4,345,174	-	-	4,345,174	-	-
IGT revenue	-	-	-	-	-	-
Other state agencies	4,581,860	1,286,552	266,365	6,134,777	-	-
	<u>\$ 11,922,831</u>	<u>\$ 1,286,552</u>	<u>\$ 266,365</u>	<u>\$ 13,475,748</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2021**

In 2021, New York State and participating counties entered into settlement agreements with several opioid manufacturers and distributors. These agreements will provide the County with future revenues, portions of which will be restricted for use in combating the opioid crisis through treatment and prevention programs. As of December 31, 2021, the County's receivable related to these settlements is \$1,012,786. At the fund level, this amount is offset by deferred inflows of resources in the same amount, as none of these receipts were received within 60 days of year end. At the government-wide level, the full amount was recognized as revenue in 2021, the year the settlements were reached and finalized. Of the total \$1,012,786 receivable, \$743,678 is not expected to be received within one year.

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 \$3,378,278 for the school districts and \$337,149 for the villages.

Interfund Transactions

Interfund receivables, payables, revenues and expenditures for the year ended December 31, 2021 were as follows:

	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General fund	\$ 1,249,814	\$ 853,349	\$ -	\$ 3,099,516
County road fund	-	47,002	-	2,034,515
Nonmajor funds	213,910	75,821	5,069,323	-
Workers' compensation	2,482,750	-	-	-
CNR	-	2,970,302	-	(64,708)
Total	<u>\$ 3,946,474</u>	<u>\$ 3,946,474</u>	<u>\$ 5,069,323</u>	<u>\$ 5,069,323</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, 2021

6. CAPITAL ASSETS

The County's capital assets for 2021 are as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>1/1/2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2021</u>
Land	\$ 1,319,867	\$ -	\$ -	\$ 1,319,867
Work-in-progress	<u>1,999,318</u>	<u>8,215,020</u>	<u>(2,873,613)</u>	<u>7,340,725</u>
Total non-depreciable	<u>3,319,185</u>	<u>8,215,020</u>	<u>(2,873,613)</u>	<u>8,660,592</u>
Buildings and improvements	91,680,493	1,066,917	-	92,747,410
Machinery and equipment	13,344,298	994,882	(627,403)	13,711,777
Infrastructure	<u>129,770,837</u>	<u>1,777,839</u>	<u>-</u>	<u>131,548,676</u>
Total depreciable assets	<u>234,795,628</u>	<u>3,839,638</u>	<u>(627,403)</u>	<u>238,007,863</u>
Less: Accumulated depreciation:				
Buildings and improvements	(37,168,178)	(2,729,262)	-	(39,897,440)
Machinery and equipment	(10,024,177)	(923,945)	424,312	(10,523,810)
Infrastructure	<u>(70,783,081)</u>	<u>(4,470,181)</u>	<u>-</u>	<u>(75,253,262)</u>
Total accumulated depreciation	<u>(117,975,436)</u>	<u>(8,123,388)</u>	<u>424,312</u>	<u>(125,674,512)</u>
Net depreciable assets	<u>116,820,192</u>	<u>(4,283,750)</u>	<u>(203,091)</u>	<u>112,333,351</u>
Capital assets, net	<u>\$ 120,139,377</u>	<u>\$ 3,931,270</u>	<u>\$ (3,076,704)</u>	<u>\$ 120,993,943</u>

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

Government activities:	
Transportation	\$ 4,753,360
General government support	1,544,020
Public safety	1,522,023
Home and community services	138,962
Public health	82,258
Culture and recreation	47,165
Economic assistance and opportunity	<u>35,600</u>
Total depreciation expense	<u>\$ 8,123,388</u>

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2021

<u>Business-Type Activities</u>	Balance <u>1/1/2021</u>	Increases	Decreases	Balance <u>12/31/2021</u>
Buildings and improvements	\$ 39,468,072	\$ 24,358	\$ -	\$ 39,492,430
Machinery and equipment	<u>8,442,139</u>	<u>173,468</u>	-	<u>8,615,607</u>
Total depreciable assets	<u>47,910,211</u>	<u>197,826</u>	-	<u>48,108,037</u>
Less: Accumulated depreciation:				
Buildings and improvements	(27,069,135)	(1,131,937)	-	(28,201,072)
Machinery and equipment	<u>(7,115,584)</u>	<u>(239,052)</u>	-	<u>(7,354,636)</u>
Total accumulated depreciation	<u>(34,184,719)</u>	<u>(1,370,989)</u>	-	<u>(35,555,708)</u>
Net depreciable assets	<u>13,725,492</u>	<u>(1,173,163)</u>	-	<u>12,552,329</u>
Capital assets, net	<u>\$ 13,725,492</u>	<u>\$ (1,173,163)</u>	<u>\$ -</u>	<u>\$ 12,552,329</u>

Component Units

Component units' capital assets at December 31, 2021 consisted of:

Land	\$ 150,285
Work-in-progress	5,038,373
Right-of-use asset	346,471
Buildings	5,701,696
Infrastructure	42,244,949
Machinery and equipment	4,717,714
Leasehold Improvements	<u>871,377</u>
	59,070,865
Less: Accumulated depreciation	<u>(20,929,424)</u>
Total capital assets, net	<u>\$ 38,141,441</u>

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2021**

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 matured on March 10, 2021 and was converted to long-term debt.

<u>Description</u>	<u>Outstanding 1/1/2021</u>	<u>Issuances</u>	<u>Principal Payments</u>	<u>Outstanding 12/31/2021</u>
BAN, renewed 9/10/2020	\$ 2,576,000	\$ -	\$ (2,576,000)	\$ -

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, 2021**

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 2021, 2020 and 2019 were equal to the required contributions for the plan fiscal year as follows:

	County	CNR
2021	\$ 4,604,265	\$ 1,790,548
2020	\$ 4,813,572	\$ 1,520,075
2019	\$ 4,756,664	\$ 1,585,555

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, 2021**

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

At December 31, 2021, the County and CNR reported a net pension liability of \$134,634 and \$52,357, 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, 2021, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation rolled forward from April 1, 2020. 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, 2021, the County's proportionate share was 0.1877911%, which was an increase from its proportionate share of 0.1872434% measured at December 31, 2020.

For the year ended December 31, 2021, the County and CNR recognized pension expense of \$2,206,516 and \$858,090, respectively. At December 31, 2021, 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
Differences between expected and actual experience	\$ 1,644,241	\$ -
Changes in assumptions	24,754,771	466,883
Net difference between projected and actual earnings on pension plan investments	-	38,674,690
Changes in proportion and differences between the County's contributions and proportionate share of contributions	91,501	1,883,251
Contributions subsequent to the measurement date	<u>3,816,864</u>	<u>-</u>
Total	<u>\$ 30,307,377</u>	<u>\$ 41,024,824</u>
CNR	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 639,427	\$ -
Changes in assumptions	9,626,856	181,565
Net difference between projected and actual earnings on pension plan investments	-	15,040,157
Changes in proportion and differences between the CNR's contributions and proportionate share of contributions	35,584	732,376
Contributions subsequent to the measurement date	<u>1,484,336</u>	<u>-</u>
Total	<u>\$ 11,786,203</u>	<u>\$ 15,954,098</u>

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2021**

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>
2022	\$ (3,026,927)	\$ (1,177,138)
2023	(1,371,181)	(533,237)
2024	(2,503,493)	(973,580)
2025	<u>(7,632,710)</u>	<u>(2,968,276)</u>
	<u>\$ (14,534,311)</u>	<u>\$ (5,652,231)</u>

The County and CNR recognized \$3,816,864 and \$1,484,336, respectively as a deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2021 which will be recognized as a reduction of the net pension liability in the year ended December 31, 2022.

Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021.

The actuarial valuation used the following actuarial assumptions:

Inflation	2.70%
Salary scale	4.4% indexed by service
Projected COLAs	1.4% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020
Investment Rate of Return	5.9% 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, 2021**

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	32.0	4.05
International equity	15.0	6.30
Private equity	10.0	6.75
Real estate	9.0	4.95
Opportunistic/ARS portfolio	3.0	4.50
Credit	4.0	3.63
Real assets	3.0	5.95
Fixed income	23.0	0.00
Cash	<u>1.0</u>	0.50
	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the 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 5.9%, 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 (4.9%) or 1% higher (6.9%) than the current rate:

	1% Decrease <u>4.90%</u>	Current Discount <u>5.90%</u>	1% Increase <u>6.90%</u>
County Proportionate Share of Net Pension liability (asset)	<u>\$ 37,369,071</u>	<u>\$ 134,634</u>	<u>\$ (34,204,233)</u>
CNR Proportionate Share of Net Pension liability (asset)	<u>\$ 14,532,417</u>	<u>\$ 52,357</u>	<u>\$ (13,301,646)</u>

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2021

Pension Plan Fiduciary Net Position (000's)

The components of the current-year net pension liability of the employers as of March 31, 2021 were as follows:

Total pension liability	\$220,680,157
Net position	<u>220,580,583</u>
Net pension liability (asset)	<u>\$ 99,574</u>
ERS net position as a percentage of total pension liability	99.95%

9. 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.

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%.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2021

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.

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.

In 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.

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 is being 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, 2021

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, 2021:

	<u>Balance</u> <u>1/1/2021</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	\$ 10,032,000	\$ -	\$ (1,884,200)	\$ 1,963,200	\$ 6,184,600
Bonds from direct borrowings	1,174,879	2,560,631	(179,569)	154,938	3,401,003
Serial bonds - LTASC	18,477,551	907,998	(415,000)	-	18,970,549
Energy performance lease agreement	2,308,218	-	(165,481)	169,941	1,972,796
Premium	1,062,310	-	(122,460)	-	939,850
Compensated absences	<u>1,206,001</u>	<u>-</u>	<u>(190,967)</u>	<u>6,234</u>	<u>1,008,800</u>
Total governmental activities	<u>34,260,959</u>	<u>3,468,629</u>	<u>(2,957,677)</u>	<u>2,294,313</u>	<u>32,477,598</u>
<u>Business-type activities:</u>					
Serial bonds	\$ 23,303,000	\$ -	\$ (1,495,800)	\$ 1,571,800	\$ 20,235,400
Premium	<u>881,124</u>	<u>-</u>	<u>(126,137)</u>	<u>-</u>	<u>754,987</u>
Total business-type activities	<u>24,184,124</u>	<u>-</u>	<u>(1,621,937)</u>	<u>1,571,800</u>	<u>20,990,387</u>
Total primary government	<u>\$ 58,445,083</u>	<u>\$ 3,468,629</u>	<u>\$ (4,579,614)</u>	<u>\$ 3,866,113</u>	<u>\$ 53,467,985</u>

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2021

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>2021 Payments</u>	<u>Outstanding 12/31/2021</u>
Government activities:					
Serial Bonds - Excluding LTASC					
2016 Refunding Bond	2016	2027	4.00%	\$ 1,630,000	\$ 5,295,000
East Lake Water System	2012	2033	2.00 - 5.00%	67,400	1,058,300
Water Transmission System	2012	2033	2.00 - 5.00%	2,500	38,700
Route 20 Water Main	2012	2033	2.00 - 5.00%	9,300	150,800
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%	175,000	1,605,000
					<u>8,147,800</u>
Direct Borrowings					
Sewer - NYS EFC	2004	2033	1.02 - 4.63%	10,000	155,000
Groveland Sewer - NYS EFC	2006	2035	0.00%	34,000	473,000
Conesus Sewer - NYS EOC Installment	2008	2038	0.00%	27,938	474,941
	2021	2044	2.25%	107,631	2,453,000
					<u>3,555,941</u>
Serial Bonds - LTASC					
Series 2000 Bonds	2000	2042	5.80 - 6.625%	415,000	5,385,000
Series 2005 Bonds	2005	2060	0.00%	-	4,676,860
Add: Accretion of capital appreciation bonds					8,908,689
					<u>18,970,549</u>
Energy performance lease agreement					
	2017	2032	2.67%	165,481	2,142,737
Business type activities:					
Nursing Facilities Construction					
	2016	2027	3.00%	185,000	1,295,000
Nursing Facilities Construction					
	2012	2033	2.0 - 5.0%	1,310,800	20,512,200
					<u>21,807,200</u>
					<u>\$ 54,624,227</u>

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2021

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>
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	310,700	70,006	1,814,300	497,955
2027-2031	744,100	260,766	9,215,900	1,459,079
2032-2036	488,800	57,658	4,086,200	123,390
2037-2041	190,000	10,500	-	-
	<u>\$ 8,147,800</u>	<u>\$ 1,050,505</u>	<u>\$ 21,807,200</u>	<u>\$ 4,609,769</u>

NYS EFC State Revolving Fund Revenue Bonds & EOC Installment Bonds - Direct Borrowings

	<u>Governmental Activities</u>	
	<u>Bonds</u>	<u>Interest</u>
2022	\$ 154,938	\$ 59,212
2023	156,938	57,092
2024	157,938	54,918
2025	159,938	52,718
2026	161,938	50,471
2027-2031	866,690	215,338
2032-2036	841,689	150,835
2037-2041	659,872	85,907
2042-2046	396,000	17,956
	<u>\$ 3,555,941</u>	<u>\$ 744,447</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, or 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
December 31, 2021

Interest on long-term debt, including LTASC and CNR, for the year was composed of:

Interest paid	\$ 1,600,583
Plus: Interest accrued in the current year	108,215
Less: Interest accrued in the prior year	(102,218)
Less: Amortization of bond premium	(122,460)
Plus: Accretion on TASC capital appreciation bonds	907,998
Plus: Amortization of bond discount	<u>56,481</u>
Total interest expense	<u>\$ 2,448,599</u>

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:

2022	\$ 226,172
2023	226,172
2024	226,171
2025	221,211
2026	226,171
2027-2031	1,130,859
2032	<u>226,174</u>
Net Minimum Lease Payments	2,482,930
Less: Interest	<u>(340,193)</u>
Present Value of Minimum Lease Payments	<u>\$ 2,142,737</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, 2021

Serial Bonds - LTASC

The following is a summary of maturing debt service requirements for LTASC Series 2000 bond issue in accordance with the flexible amortization payment schedule at December 31, 2021:

Required Maturities

	<u>Nonflexible</u>	<u>Flexible</u>	<u>Interest</u>
2022	\$ -	\$ -	\$ 354,388
2023	-	-	354,388
2024	-	-	354,388
2025	-	-	354,388
2026	-	-	354,388
2027-2031	-	240,000	1,764,138
2032-2036	-	2,100,000	1,358,910
2037-2041	-	2,475,000	613,310
2042	-	570,000	18,881
	<u>\$ -</u>	<u>\$ 5,385,000</u>	<u>\$ 5,527,179</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>

LTASC was in compliance with all covenants and indenture agreement requirements at December 31, 2021. A principal payment in the amount of \$415,000 was made during 2021 in accordance with the Series 2000 Bonds.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2021**

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, 2021:

<u>Purpose</u>	<u>Restricted By</u>	<u>Amount</u>
Governmental Activities		
General fund reserves	Law	\$ 18,647,016
Opioid use treatment and prevention	Third parties	561,930
County road fund	Law	9,850,529
Internal service fund	Law	10,001,736
Nonmajor funds:		
Road machinery fund	Law	4,105,083
Water fund	Law	6,453,540
Sewer fund	Law	318,334
Debt service	Debt agreements	<u>881,741</u>
		<u>\$ 50,819,909</u>
Business-type Activities		
Workers' compensation fund	Law	<u>\$ 5,839,065</u>

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. Reliance Trust Company 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 \$34,380,895 at December 31, 2021. Employees contributed \$1,671,535 into the Plan in 2021.

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 \$2,223,290 at December 31, 2021. The County contributed \$255,137 into the 401(a) plan in 2021.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2021**

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, 2021 census, there were 280 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.

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 2021 by the County and CNR was \$4,496,517.

Employees Covered by Benefit Terms

As of the January 1, 2021 census, the following employees were covered by the benefit terms:

Inactive employees and spouses or beneficiaries currently receiving benefits	280
Active employees	<u>186</u>
Total participants	<u><u>466</u></u>

Total OPEB Liability

The County's total OPEB liability was measured as of December 31, 2020. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2021**

Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuation for the December 31, 2021 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	2.12 percent, as of the measurement date
Inflation Rate	2.5 percent
Salary Scale	3.0 percent
Medical Trend Rate - Pre-65	5.00% for 2022 with an ultimate rate of 4.04% in 2091
Medical Trend Rate - Post-65	6.00% for 2022 with an ultimate rate of 4.04% in 2091

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 RPH-2014 Mortality Table adjusted to 2006 using scale MP-2014 and projected forward using scale MP-2020.

Changes in the Total OPEB Liability

	<u>Total</u>	<u>Governmental</u>	<u>Business-Type</u>
Balance at January 1, 2021	\$ 146,599,641	\$ 115,125,370	\$ 31,474,271
Changes for the year-			
Service cost	2,173,166	1,676,994	496,172
Interest	4,014,773	3,151,637	863,136
Differences between expected and actual experience	(12,407,430)	(8,266,726)	(4,140,704)
Changes in assumptions and other inputs	10,045,964	8,067,045	1,978,919
Benefit payments	<u>(4,496,517)</u>	<u>(3,558,246)</u>	<u>(938,271)</u>
Net changes	<u>(670,044)</u>	<u>1,070,704</u>	<u>(1,740,748)</u>
Balance at December 31, 2021	<u>\$ 145,929,597</u>	<u>\$ 116,196,074</u>	<u>\$ 29,733,523</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 (1.12%) or 1 percentage point higher (3.12%) than the current discount rate of 2.12%:

	1% Decrease <u>1.12%</u>	Current Discount <u>2.12%</u>	1% Increase <u>3.12%</u>
Total OPEB Liability - County	<u>\$ 137,037,513</u>	<u>\$ 116,196,074</u>	<u>\$ 99,668,431</u>
Total OPEB Liability - CNR	<u>\$ 35,066,658</u>	<u>\$ 29,733,523</u>	<u>\$ 25,504,249</u>

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2021

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 5.00% for pre-65 individuals, 6.00% for post-65 individuals:

	1% <u>Decrease</u>	Current <u>Trend Rate</u>	1% <u>Increase</u>
Total OPEB Liability - County	\$ 99,341,358	\$ 116,196,074	\$ 137,466,684
Total OPEB Liability - CNR	\$ 25,420,554	\$ 29,733,523	\$ 35,176,480

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

For the year ended December 31, 2021, the County recognized OPEB expense of \$5,139,134 and \$640,795 for governmental activities and business-type activities, respectively. At December 31, 2021, 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	\$ 3,574,231	\$ 2,777,064	\$ 797,167
Changes of assumptions or other inputs	<u>19,834,899</u>	<u>15,678,641</u>	<u>4,156,258</u>
	<u>\$ 23,409,130</u>	<u>\$ 18,455,705</u>	<u>\$ 4,953,425</u>

The County recognized \$2,777,064 and \$797,167 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, 2020, which will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2022.

At December 31, 2021, 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	\$ 9,331,469	\$ 6,336,543	\$ 2,994,926
Changes of assumptions or other inputs	<u>4,414,357</u>	<u>3,391,276</u>	<u>1,023,081</u>
Total	<u>\$ 13,745,826</u>	<u>\$ 9,727,819</u>	<u>\$ 4,018,007</u>

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2021**

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:			
2022	\$ 919,463	\$ 1,332,836	\$ (413,373)
2023	5,200,682	4,620,615	580,067
2024	<u>(31,072)</u>	<u>(2,629)</u>	<u>(28,443)</u>
	<u>\$ 6,089,073</u>	<u>\$ 5,950,822</u>	<u>\$ 138,251</u>

13. LIVINGSTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Revolving Loan Fund

The IDA has entered into an agreement with the 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, 2021.

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, 2021, there was one (1) Industrial Development Bond outstanding with an approximate aggregate amount payable of \$3.85 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, 2021 is \$5,839,065.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements
December 31, 2021

• **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, 2021 amounted to \$6,208,947.

The change in claims liabilities for the year ended December 31, 2021 was as follows:

	<u>2021</u>	<u>2020</u>
Balance - beginning of year	\$ 6,147,634	\$ 5,975,372
Insured claims	2,091,313	1,678,968
Claims payments	<u>(2,030,000)</u>	<u>(1,506,706)</u>
Balance - end of year	<u>\$ 6,208,947</u>	<u>\$ 6,147,634</u>

No claims were settled during 2021 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>
2021	1,525,505	1,765,393
2020	1,727,837	2,039,352
2019	1,931,389	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	<u>2,616,016</u>	<u>2,349,929</u>
	<u>\$ 29,041,151</u>	<u>\$ 37,674,683</u>

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2021**

- **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 2021 year totaled \$202,459 which was liquidated with available financial resources. The balance of the Fund at December 31, 2021 was \$370,111 and is recorded in the General Fund. In addition, as of December 31, 2021, no loss contingencies existed or were considered probable or estimable.

- **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>2021</u>	<u>2020</u>
Balance - beginning of year	\$ 902,000	\$ 1,125,000
Change in estimates/claims payments	<u>(292,000)</u>	<u>(223,000)</u>
Balance - end of year	<u>\$ 610,000</u>	<u>\$ 902,000</u>

Concentrations

The County has a two-year agreement with the full-time and part-time members of its employees’ union which expires on December 31, 2022. The union represents greater than 75% of the County’s workforce.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2021**

15. FUND BALANCES

As of December 31, 2021, fund balances were composed of the following:

	General Fund	County Road Fund	Nonmajor Funds	Total
Nonspendable:				
Prepaid expenditures	\$ 1,196,864	\$ 46,802	\$ 20,636	\$ 1,264,302
Restricted:				
Debt service	-	-	881,741	881,741
Law	18,647,016	-	-	18,647,016
County road	-	9,850,529	-	9,850,529
Road machinery	-	-	4,105,083	4,105,083
Water	-	-	6,453,540	6,453,540
Sewer	-	-	318,334	318,334
Assigned:				
Appropriations	2,485,000	-	-	2,485,000
General governmental support	463,351	-	18,523	481,874
Capital projects	-	-	2,937,900	2,937,900
Public safety	479,739	-	-	479,739
Unassigned	<u>52,609,058</u>	<u>-</u>	<u>(4,877)</u>	<u>52,604,181</u>
 Total	 <u>\$ 75,881,028</u>	 <u>\$ 9,897,331</u>	 <u>\$ 14,730,880</u>	 <u>\$100,509,239</u>

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.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2021**

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, 2021**

Abatements are permitted as follows:

New Construction Projects:

County/Town/School	Year 1-5	100%
	Year 6	80%
	Year 7	60%
	Year 8	40%
	Year 9	20%
	Year 10	0% (fully taxable)
Village	Year 1-6	75%
	Year 7	60%
	Year 8	40%
	Year 9	20%
	Year 10	0% (fully taxable)

Renovation of Existing Buildings:

County/Town/School/Village	Year 1-7	Property tax freeze
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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, 2021

The following is a listing of PILOT agreements in place at December 31, 2021:

COMPANY NAME	TAXABLE ASSESSED VALUE	TAX RATE	TAX VALUE	PILOT RECEIVED	TAXES ABATED
5638 Tec Drive LLC	\$ 3,023,650	0.007438105	\$ 22,490	\$ 10,398	\$ 12,092
American Rock Salt, LLC	\$ 48,597,076	0.008225717	399,746	201,523	198,222
Barilla America NY, Inc.	\$ 15,300,000	0.007864836	120,332	121,869	(1,537)
Bristol Property Holdings,	\$ 1,776,700	0.008141928	14,466	8,087	6,378
Coast Professional Properties LLC	\$ 1,280,300	0.007012324	8,978	7,916	1,062
Commodity Resources Corp.	\$ 10,689,900	0.008000824	85,528	5,520	80,008
Dansville Properties LLC	\$ 9,292,700	0.007097221	65,952	32,968	32,984
Evening Star Coffee Roasters	\$ 198,000	0.007438105	1,473	335	1,137
Fox & West	\$ 969,520	0.007438105	7,211	1,880	5,332
Geneseo Hospitality, LLC	\$ 3,632,000	0.007438165	27,015	27,015	-
Gray Metal Products, Inc.	\$ 62,600	0.007438105	43,685	36,284	7,400
2013 Facility	\$ 5,495,241	0.007864836			
JB Properties of Avon, Inc.	\$ 832,100	0.007438105	6,189	308	5,881
Kings Harbor View Associates Limited Partnership	\$ 100,000	0.007438165	744	744	-
Krog Maloney Dansville LLC/CASA Trinity	\$ 2,385,000	0.007097221	16,927	2,498	14,429
Livingston Associates, Inc.	\$ 1,216,120	0.008000824	9,730	9,730	-
Marcus Real Estate, LLC	\$ 748,000	0.007097221	5,309	2,803	2,505
Matthew Buses, Inc.	\$ 500,280	0.007438105	3,721	3,721	-
Mattice Brothers Properties (Gigglin' Pig)	\$ 368,900	0.008000824	2,952	3,130	(179.0)
Millstone Development Geneseo 1, LLC	\$ 817,000	0.007012324	5,729	5,369	360
Once Again Nut Butter	\$ 3,131,800	0.007924776	24,819	1,144	23,675
PEMM, LLC	\$ 5,278,000	0.007438105	39,258	5,658	33,600
Piranha Tec Drive, LLC	\$ 126,300	0.007438105	939	939	-
Shrier-Martin Process Equipment, Inc.	\$ 390,000	0.008141928	3,175	1,628	1,547
TKM Ventures LLC (UET Controls)	\$ 367,500	0.007438105	2,734	410	2,324
Valley Energy Services, LLC	\$ 740,300	0.007097221	5,254	2,195	3,059
WNY Cheese Enterprise, LLC	\$ 1,573,000	0.008463177	13,313	5,517	7,796
		TOTALS:	\$ 937,669	\$ 499,589	\$ 438,075

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, 2021 were \$316,056 and \$2,748,760, respectively.

COUNTY OF LIVINGSTON, NEW YORK

Notes to Basic Financial Statements December 31, 2021

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 2021 was \$108,873. The real property taxes that NYS DEC would have owed to the County for 2021 were estimated at \$42,540. 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 in total. Fifty percent of the award was received in 2021, with the remaining funds to be received in 2022. Under the Final Rule, published by the U.S. Treasury in January 2022, the County will be able to apply \$10,000,000 of these funds toward replacing lost public sector revenue during the pandemic and can use these funds for government services. The remaining \$2,200,000 can be used to support COVID-19 public health and economic response, provide premium pay for essential workers, or invest in water, sewer, and broadband infrastructure. As of December 31, 2021, the County has expended \$6,950 of these funds.

21. SUBSEQUENT EVENT

On February 3, 2022, the County issued refunding bonds in the amount of \$17,810,000. These bonds refunded the outstanding principal balance of \$20,300,000 for the years 2023 - 2033 on the County's 2012 public improvement refunding serial bonds. Of the new bonds issued, \$992,130 relates to County governmental activities, as the original bonds funded various County water systems. \$16,817,870 of the new bonds relate to the Center for Nursing and Rehabilitation (CNR). The bonds mature in 2033 and interest rates vary each year between 2% and 4%.

COUNTY OF LIVINGSTON, NEW YORK

**Notes to Basic Financial Statements
December 31, 2021**

As mentioned previously in these footnotes, in 2021, New York State and participating counties entered into settlement agreements with several opioid manufacturers and distributors. These agreements will provide the County with future revenues, portions of which will be restricted for use in combating the opioid crisis through treatment and prevention programs. For those agreements finalized in 2021, the County has recorded receivables as of December 31, 2021 representing future receipts associated with the settlements. No receivable was recorded related to the Allergan settlement, as final conditions associated with the agreement were not met until 2022. The County is expected to receive a total of \$135,781 associated with the Allergan settlement in June or July of 2022. This will be a one-time payment.

In March 2022, the Seneca Nation Council voted to release gaming related revenues to the State that had been withheld by the Seneca Nation Council since March 2017. The County's portion of these revenues is \$1.57 million, representing amounts earned between January 2017 and December 31, 2021. The County received this payment in April 2022.

**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, 2021

	<u>Original Budget</u>	<u>Budget (Amended)</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Favorable (Unfavorable) Variance</u>
REVENUES:					
Real property taxes and tax items	\$ 23,279,591	\$ 23,279,591	\$ 23,626,575	\$ -	\$ 346,984
Non-property tax items	34,665,000	34,911,783	42,391,290	-	7,479,507
Departmental income	9,976,174	9,996,938	10,399,199	-	402,261
Intergovernmental charges	477,538	479,323	395,230	-	(84,093)
Use of money and property	3,127,498	3,149,193	3,094,639	-	(54,554)
Licenses and permits	19,500	19,500	22,140	-	2,640
Fines and forfeitures	346,000	390,600	399,738	-	9,138
Sale of property and compensation for loss	19,815	18,679	55,874	-	37,195
Miscellaneous	591,481	819,327	969,809	-	150,482
Interfund revenues	2,004,978	1,985,262	2,238,712	-	253,450
State aid	16,816,327	16,929,709	15,089,847	-	(1,839,862)
Federal aid	15,653,338	16,649,311	14,606,293	-	(2,043,018)
Total revenues	106,977,240	108,629,216	113,289,346	-	4,660,130
EXPENDITURES:					
Current -					
General governmental support	19,809,196	20,061,283	17,679,237	72,861	2,309,185
Education	7,140,757	7,317,231	6,325,513	-	991,718
Public safety	24,003,164	24,437,135	22,663,028	198,535	1,575,572
Public health	13,771,629	15,296,565	14,164,314	-	1,132,251
Transportation	35,000	35,000	31,511	-	3,489
Economic assistance and opportunity	37,563,591	37,743,978	32,739,897	92,596	4,911,485
Culture and recreation	680,498	681,633	611,130	-	70,503
Home and community services	2,223,774	2,342,599	1,902,293	-	440,306
Debt service -					
Principal	2,205,481	2,205,481	2,053,112	-	152,369
Interest	424,150	424,150	334,798	-	89,352
Total expenditures	107,857,240	110,545,055	98,504,833	363,992	11,676,230
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(880,000)	(1,915,839)	14,784,513	(363,992)	16,336,360
OTHER FINANCING SOURCES (USES):					
Operating transfers - in	50,000	50,000	-	-	(50,000)
Operating transfers - out	(2,030,000)	(4,114,808)	(3,099,516)	-	1,015,292
Total other financing sources (uses)	(1,980,000)	(4,064,808)	(3,099,516)	-	965,292
CHANGE IN FUND BALANCE	\$ (2,860,000)	\$ (5,980,647)	11,684,997	\$ (363,992)	\$ 17,301,652
FUND BALANCE - beginning of year			64,196,031		
FUND BALANCE - end of year			\$ 75,881,028		

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, 2021

	<u>Original Budget</u>	<u>Budget (Amended)</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Favorable (Unfavorable) Variance</u>
REVENUES:					
Real property taxes and tax items	\$ 8,548,807	\$ 8,548,807	\$ 8,548,807	\$ -	\$ -
Intergovernmental charges	827,500	827,500	663,005	-	(164,495)
Use of money and property	-	-	4,423	-	4,423
Sale of property and compensation for loss	3,100	3,100	11,402	-	8,302
Miscellaneous	12,500	12,500	36,004	-	23,504
Interfund revenues	5,000	5,000	12,966	-	7,966
State aid	2,354,305	3,950,898	4,050,417	-	99,519
Federal aid	281,840	1,643,290	1,074,140	-	(569,150)
Total revenues	12,033,052	14,991,095	14,401,164	-	(589,931)
EXPENDITURES:					
Transportation	10,418,997	12,908,241	10,713,797	128,385	2,066,059
Total expenditures	10,418,997	12,908,241	10,713,797	128,385	2,066,059
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,614,055	2,082,854	3,687,367	(128,385)	1,476,128
OTHER FINANCING SOURCES (USES):					
Operating transfers - in	70,460	70,460	-	-	(70,460)
Operating transfers - out	(2,034,515)	(2,034,515)	(2,034,515)	-	-
Total other financing sources (uses)	(1,964,055)	(1,964,055)	(2,034,515)	-	(70,460)
CHANGE IN FUND BALANCE	\$ (350,000)	\$ 118,799	1,652,852	\$ (128,385)	\$ 1,405,668
FUND BALANCE - beginning of year			8,244,479		
FUND BALANCE - end of year			\$ 9,897,331		

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)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB Liability										
Service cost	\$ 2,173	\$ 1,440	\$ 2,049	\$ 2,076						
Interest	4,015	4,784	4,655	5,191						
Differences between expected and actual experience	(12,407)	-	(3,780)	(1,278)						
Changes in assumptions and other inputs	10,046	27,326	(17,119)	(4,789)						
Benefit payments	(4,497)	(4,386)	(3,264)	(3,069)						
Total change in total OPEB liability	(670)	29,164	(17,459)	(1,869)						
Total OPEB liability - beginning	<u>146,600</u>	<u>117,436</u>	<u>134,895</u>	<u>136,764</u>						
Total OPEB liability - ending	<u>\$ 145,930</u>	<u>\$ 146,600</u>	<u>\$ 117,436</u>	<u>\$ 134,895</u>						
Covered-employee payroll	\$ 51,734	\$ 47,483	\$ 45,470	46,350						
Total OPEB liability as a percentage of covered-employee payroll	282.1%	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	2.12%	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.

Changes in assumptions also reflects the following:

- Updated the mortality tables to the RPH-2014 SOA Mortality Tables adjusted back to 2006 using scale MP-2014 and projected forward using scale MP-2020.
- The trend table was updated.

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)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion of the net pension liability	0.1878%	0.1872%	0.1944%	0.1913%	0.1904%	0.1949%	0.1948%			
Proportionate share of the net pension liability (asset)	\$ 187	\$ 49,583	\$ 13,775	\$ 6,175	\$ 17,888	\$ 31,276	\$ 6,582			
Covered-employee payroll	\$ 44,193	\$ 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	0.42%	112.58%	31.59%	14.80%	46.91%	80.44%	16.18%			
Plan fiduciary net position as a percentage of the total pension liability	99.95%	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:**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 6,395	\$ 6,334	\$ 6,342	\$ 6,233	\$ 6,336	\$ 6,547	\$ 7,681			
Contributions in relation to the contractually required contribution	<u>6,395</u>	<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>	<u>\$ -</u>			
Covered-employee payroll	\$ 44,193	\$ 44,042	\$ 43,602	\$ 41,714	\$ 38,129	\$ 38,880	\$ 40,675			
Contributions as a percentage of covered-employee payroll	14.47%	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, 2021**

	Debt Service <u>Fund</u>	Capital Projects <u>Fund</u>	Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS				
Cash and cash equivalents	\$ 18,253	\$ 2,793,356	\$ 8,182,944	\$ 10,994,553
Investments	882,011	-	2,777,046	3,659,057
Accounts receivable, net	747,767	-	71,205	818,972
State and federal aid receivable	-	-	266,365	266,365
Due from other governments	-	109,873	-	109,873
Due from other funds	-	185,605	28,305	213,910
Prepaid expenses	-	-	20,636	20,636
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,648,031</u>	<u>\$ 3,088,834</u>	<u>\$ 11,346,501</u>	<u>\$ 16,083,366</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and other current liabilities	\$ -	\$ 150,934	\$ 346,178	\$ 497,112
Accrued wages and benefits	-	-	31,786	31,786
Due to other funds	-	-	75,821	75,821
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>150,934</u>	<u>453,785</u>	<u>604,719</u>
DEFERRED INFLOWS OF RESOURCES:				
Tobacco settlement revenue	<u>747,767</u>	<u>-</u>	<u>-</u>	<u>747,767</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>747,767</u>	<u>-</u>	<u>-</u>	<u>747,767</u>
FUND BALANCES:				
Nonspendable	-	-	20,636	20,636
Restricted	881,741	-	10,876,957	11,758,698
Assigned	18,523	2,937,900	-	2,956,423
Unassigned	-	-	(4,877)	(4,877)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>900,264</u>	<u>2,937,900</u>	<u>10,892,716</u>	<u>14,730,880</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,648,031</u>	<u>\$ 3,088,834</u>	<u>\$ 11,346,501</u>	<u>\$ 16,083,366</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, 2021**

	Debt Service <u>Fund</u>	Capital Projects <u>Fund</u>	Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
REVENUES:				
Real property taxes and tax items	\$ -	\$ -	\$ 154,220	\$ 154,220
Use of money and property	51	40	15,772	15,863
Sale of property and compensation for loss	-	-	26,462	26,462
Interfund revenues	-	-	366,459	366,459
Miscellaneous	856,143	-	128,685	984,828
Federal aid	-	-	2,392,653	2,392,653
State aid	-	109,873	-	109,873
	<u>856,194</u>	<u>109,913</u>	<u>3,084,251</u>	<u>4,050,358</u>
Total revenues				
EXPENDITURES:				
Current -				
General governmental support	75,668	720,567	-	796,235
Public safety	-	613,108	-	613,108
Public health	-	109,873	-	109,873
Transportation	-	24,275	1,630,004	1,654,279
Economic assistance and opportunity	-	-	1,937,921	1,937,921
Home and community services	-	13,799	455,118	468,917
Debt service -				
Principal	415,000	-	176,138	591,138
Interest	367,875	16,689	71,695	456,259
	<u>858,543</u>	<u>1,498,311</u>	<u>4,270,876</u>	<u>6,627,730</u>
Total expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,349)</u>	<u>(1,388,398)</u>	<u>(1,186,625)</u>	<u>(2,577,372)</u>
OTHER FINANCING SOURCES:				
Proceeds of debt issuance	-	2,560,631	-	2,560,631
Operating transfers - in	-	3,034,808	2,034,515	5,069,323
	<u>-</u>	<u>5,595,439</u>	<u>2,034,515</u>	<u>7,629,954</u>
Total other financing sources				
CHANGE IN FUND BALANCE	(2,349)	4,207,041	847,890	5,052,582
FUND BALANCE - beginning of year	<u>902,613</u>	<u>(1,269,141)</u>	<u>10,044,826</u>	<u>9,678,298</u>
FUND BALANCE - end of year	<u>\$ 900,264</u>	<u>\$ 2,937,900</u>	<u>\$ 10,892,716</u>	<u>\$ 14,730,880</u>

COUNTY OF LIVINGSTON, NEW YORK

**Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2021**

	Road Machinery Fund	Water Fund	Special Grant Fund	Sewer Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and cash equivalents	\$ 2,655,480	\$ 5,178,205	\$ 30,925	\$ 318,334	\$ 8,182,944
Investments	1,501,711	1,275,335	-	-	2,777,046
Accounts receivable, net	71,202	-	3	-	71,205
State and federal aid receivable	-	-	266,365	-	266,365
Due from other funds	-	-	28,305	-	28,305
Prepaid expenditures	13,241	-	7,395	-	20,636
	<u>4,241,634</u>	<u>6,453,540</u>	<u>332,993</u>	<u>318,334</u>	<u>11,346,501</u>
Total assets	<u>\$ 4,241,634</u>	<u>\$ 6,453,540</u>	<u>\$ 332,993</u>	<u>\$ 318,334</u>	<u>\$ 11,346,501</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and other current liabilities	\$ 99,409	\$ -	\$ 246,769	\$ -	\$ 346,178
Accrued wages and benefits	10,475	-	21,311	-	31,786
Due to other funds	13,426	-	62,395	-	75,821
	<u>123,310</u>	<u>-</u>	<u>330,475</u>	<u>-</u>	<u>453,785</u>
Total liabilities	<u>123,310</u>	<u>-</u>	<u>330,475</u>	<u>-</u>	<u>453,785</u>
FUND BALANCES:					
Nonspendable	13,241	-	7,395	-	20,636
Restricted	4,105,083	6,453,540	-	318,334	10,876,957
Unassigned	-	-	(4,877)	-	(4,877)
	<u>4,118,324</u>	<u>6,453,540</u>	<u>2,518</u>	<u>318,334</u>	<u>10,892,716</u>
Total fund balances	<u>4,118,324</u>	<u>6,453,540</u>	<u>2,518</u>	<u>318,334</u>	<u>10,892,716</u>
Total liabilities and fund balances	<u>\$ 4,241,634</u>	<u>\$ 6,453,540</u>	<u>\$ 332,993</u>	<u>\$ 318,334</u>	<u>\$ 11,346,501</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, 2021**

	Road Machinery <u>Fund</u>	Water Fund	Special Grant <u>Fund</u>	Sewer Fund	Total Nonmajor Special Revenue <u>Funds</u>
REVENUES:					
Real property taxes and tax items	\$ -	\$ 96,280	\$ -	\$ 57,940	\$ 154,220
Use of money and property	1,846	13,926	-	-	15,772
Sale of property and compensation for loss	26,462	-	-	-	26,462
Miscellaneous	128,685	-	-	-	128,685
Interfund revenues	366,459	-	-	-	366,459
Federal aid	-	-	2,392,653	-	2,392,653
Total revenues	<u>523,452</u>	<u>110,206</u>	<u>2,392,653</u>	<u>57,940</u>	<u>3,084,251</u>
EXPENDITURES:					
Current -					
Transportation	1,630,004	-	-	-	1,630,004
Economic assistance and opportunity	-	-	1,937,921	-	1,937,921
Home and community services	-	-	454,732	386	455,118
Debt service -					
Principal	-	104,200	-	71,938	176,138
Interest	-	69,039	-	2,656	71,695
Total expenditures	<u>1,630,004</u>	<u>173,239</u>	<u>2,392,653</u>	<u>74,980</u>	<u>4,270,876</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,106,552)</u>	<u>(63,033)</u>	<u>-</u>	<u>(17,040)</u>	<u>(1,186,625)</u>
OTHER FINANCING SOURCES:					
Operating transfers - in	<u>2,034,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,034,515</u>
Total other financing sources	<u>2,034,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,034,515</u>
CHANGE IN FUND BALANCE	927,963	(63,033)	-	(17,040)	847,890
FUND BALANCE - beginning 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>
FUND BALANCE - end of year	<u>\$ 4,118,324</u>	<u>\$ 6,453,540</u>	<u>\$ 2,518</u>	<u>\$ 318,334</u>	<u>\$ 10,892,716</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

July 26, 2022

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, 2021, 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 2, 2022. 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.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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