

# COUNTY OF CAYUGA

Auburn, New York

## FINANCIAL REPORT

December 31, 2018



# COUNTY OF CAYUGA

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**INDEPENDENT AUDITORS' REPORT**

Honorable Tucker Whitman, Chairman  
 and Honorable Members of the County Legislature  
 County of Cayuga  
 Auburn, New York

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Cayuga, New York (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Cayuga Tobacco Asset Securitization Corporation (aggregate remaining fund information), Cayuga Community College, Cayuga County Industrial Development Agency (discretely presented component units) or Cayuga County Development Corporation (blended component unit), which represent the percentages of the total assets, net position/fund balance, and total revenues of the following opinion units as follows:

	<u>Total Assets</u>	<u>Total Net Position</u>	<u>Total Revenues</u>
Governmental Activities	2%	4%	1%
Aggregate Remaining Fund Information	4%	7%	1%
Aggregate Discretely Presented Business-type Component Units	62%	12%	64%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, are based solely upon the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Cayuga County Development Corporation were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Cayuga, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter***

During the year ended December 31, 2018, the County adopted Government Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." Furthermore, the County restated its General Fund for the correction of an error. As discussed in Note 22 to the financial statements, net position as of December 31, 2017 was restated to reflect this change in accounting principle and correction of an error. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the County's Total OPEB Liability and Related Ratios, Schedule of County's Contributions - NYSLRS Pension Plan, Schedule of County's Proportionate Share of the Net Pension Liability - NYSLRS Pension Plan, Budgetary Comparison Schedule, and the related notes to the required supplementary information on pages 4-41, and 62-67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2019, on our consideration of the County of Cayuga'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 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 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 of Cayuga's internal control over financial reporting and compliance.

Respectfully Submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
September 9, 2019

# ***COUNTY OF CAYUGA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018**

Our discussion and analysis of the County of Cayuga's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2018. Please read this information in conjunction with the County's financial statements, which begin on page 5.

### **FINANCIAL HIGHLIGHTS**

- During the year ended December 31, 2018, the County adopted Government Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." As a result, beginning net position was reduced by \$37,163,200. GASB Statement No. 75 requires the County to record its total Other Post-Employment Benefits (OPEB) liability, as well as deferred outflows of resources and deferred inflows of resources related to the OPEB plan.
- Liabilities and deferred inflows of resources of the County's governmental activities exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$66,664,253 (net deficit). The deficit is primarily attributable to the County's net liabilities for other post-employment benefits (OPEB) of \$110,217,526.
- The County's net position of governmental activities increased by \$5,494,113, or 7.61%, primarily due to excess revenue and a decrease in the change in the net OPEB liability, as restated.
- The County's business-type activities, which consist of the County's Health Insurance Consortium and the Cayuga County Development Corporation, reported a combined net position of \$11,165,073 at December 31, 2018, a decrease of \$712,634. Net position consisted of \$4,053,329 in unrestricted reserves and \$7,111,744 in remaining unrestricted net position.
- The General Fund recorded an increase of \$2,067,922 in 2018 and ended the year with a fund balance of \$30,452,316, which is within the County's fund balance policy described on page 26. Of this fund balance, \$20,729,637 was unassigned. This increase was primarily due to an increase in real property taxes and state aid.
- The County's short-term and long-term debt at year end totaled \$54,409,328; a decrease of \$6,431,227 from 2017. This decrease is primarily due to principal payments in accordance with debt amortization schedules and the extinguishment of AMH certificates of participation in the amount of \$4,735,000. \$26,644,914 of the County's debt is held by the Cayuga Tobacco Asset Securitization Corporation.

# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

### USING THIS ANNUAL REPORT

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 5-6a) provide information about the County as a whole and present a longer-term view of the County's finances. Governmental Fund financial statements start on page 7. For Governmental Activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Governmental Fund financial statements also report the County's operations in greater detail than the Government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside the Government. Following these statements are notes that provide additional information that is essential to a full understanding of the data provided in the financial statements. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the County's General Fund budget for the year, a Schedule of Changes in the County's Total OPEB Liability and Related Ratios, a Schedule of County's Contributions related to pensions, and a Schedule of the County's Proportionate Share of Net Pension Liability.

In addition to the basic financial statements, the annual report contains other information in the form of combining statements for those funds that are not considered Major Funds and, therefore, are not presented individually in the basic financial statements.

### Reporting the County as a Whole

Analysis of the County as a whole begins on page 5, with the Government-wide financial statements. The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer the question of whether the County, as a whole, is better off or worse off as a result of the year's activities. These statements include *all* assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the County's net resources and changes in them. The County's net position, the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources is one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating.

One needs to consider other nonfinancial factors, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

In the Statement of Net Position and the Statement of Activities, the County reports:

- **Governmental Activities** - Most of the County's services are reported in this category, including public safety, public health, economic assistance, transportation, and general administration. Property and sales taxes, and state and federal grants finance most of these activities.

# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

- **Business-type Activities** - The County charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Cayuga County Health Consortium and Cayuga County Development Corporation are reported here. Complete financial statements for the Consortium and Development Corporation can be obtained from the County Treasurer's office.
- **Component Units** - The County includes seven separate legal entities in its report - Cayuga County Health Insurance Consortium and Cayuga County Development Corporation (reported as a business-type activities), Cayuga Tobacco Asset Securitization Corporation (reported as a blended governmental fund), Cayuga County Soil and Water Conservation District, Cayuga County Water and Sewer Authority, Cayuga Community College, Cayuga County Industrial Development Agency (discretely presented component units). Although legally separate, these component units are important because the County is financially accountable for them. Complete financial statements can be obtained from their administrative offices.

### Reporting the County's Most Significant Funds

#### Fund Financial Statements

Analysis of the County's Major Funds begins on page 7. The Governmental Fund financial statements provide detailed information about the most significant funds - not the County as a whole. Some funds are required to be established by state law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes and grants. The County's three types of funds - Governmental, Fiduciary, and Proprietary - use different accounting approaches.

**Governmental Funds** - All of the County's services are reported in the Governmental Funds which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting* which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. The relationship (or differences) between Governmental *Activities* (reported in the Government-wide statements) and Governmental *Funds* is explained in a reconciliation following the Governmental Fund financial statements.

**Proprietary Funds** - When the County charges customers for the services it provides - whether to outside customers or to other units of the County - these services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Cayuga County Health Insurance Consortium and Cayuga County Business Development are reported as Proprietary Funds.

# ***COUNTY OF CAYUGA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018**

**The County as Trustee** - The County is the trustee, or fiduciary, for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County's Agency Fund is reported as a Fiduciary Fund.

### **THE COUNTY AS A WHOLE**

#### **Governmental Activities**

Net position may serve over time as a useful indicator of a government's financial position. The primary cause of net position (deficit) is due to the net liability associated with other postemployment benefits as well as the net pension obligations.

The largest portion of the County's net position of \$34,174,917 reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure) less any 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 by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the County's net position of \$6,572,326, represents resources subject to external restrictions on how they may be used and is reported as restricted.

The remaining category of total net position is unrestricted net position (deficit) of \$107,411,496, largely due to the net liabilities for other postemployment benefits and County's proportionate share of the NYSLRS net pension liability of \$(110,217,526) and \$(5,033,868), respectively. Included in unrestricted net position is the County's appropriation of \$838,475 to fund the subsequent year's budget, funds committed for capital projects of \$609,783 and encumbrances of \$523,233. An additional \$1,410,183 has been designated for claims, liabilities, and unemployment costs.

# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

Our analysis below focuses on the net position (Figure 1), and changes in net position (Figure 2), of the County's Governmental Activities.

*Figure 1 - Governmental Activities Net Position*

	<i>Governmental Activities</i>		<i>Dollar Change</i>	<i>Percent Change</i>
	<i>2017</i>	<i>2018</i>	<i>2017 - 2018</i>	<i>2017 - 2018</i>
<i>Current Assets</i>	\$ 42,043,788	\$ 42,317,099	\$ 273,311	0.65%
<i>Capital Assets, Net</i>	60,844,716	60,748,216	(96,500)	(0.16)%
<i>Other Noncurrent Assets</i>	19,479,554	14,909,901	(4,569,653)	(23.46)%
<b><i>Total Assets</i></b>	<b>122,368,058</b>	<b>117,975,216</b>	<b>(4,392,842)</b>	<b>(3.59)%</b>
<i>Pensions</i>	10,695,350	13,780,741	3,085,391	28.85%
<i>OPEB</i>	3,725,934	16,673,705	12,947,771	347.50%
<i>Deferred Charges on Defeased Debt</i>	250,079	210,632	(39,447)	(15.77)%
<b><i>Total Deferred Outflows of Resources</i></b>	<b>14,671,363</b>	<b>30,665,078</b>	<b>15,993,715</b>	<b>109.01%</b>
<i>Current Liabilities</i>	19,916,886	18,204,887	(1,711,999)	(8.60)%
<i>Noncurrent Liabilities</i>	185,642,846	182,416,739	(3,226,107)	(1.74)%
<b><i>Total Liabilities</i></b>	<b>205,559,732</b>	<b>200,621,626</b>	<b>(4,938,106)</b>	<b>(2.40)%</b>
<i>Pensions</i>	3,638,055	14,682,921	11,044,866	303.59%
<b><i>Total Deferred Inflows of Resources</i></b>	<b>3,638,055</b>	<b>14,682,921</b>	<b>11,044,866</b>	<b>303.59%</b>
<i>Net Investment in Capital Assets</i>	31,923,042	34,174,917	2,251,875	7.05%
<i>Restricted</i>	6,795,877	6,572,326	(223,551)	(3.29)%
<i>Unrestricted</i>	(110,877,285)	(107,411,496)	3,465,789	(3.13)%
<b><i>Total Net Position (Deficit)</i></b>	<b>\$ (72,158,366)</b>	<b>\$ (66,664,253)</b>	<b>\$ 5,494,113</b>	<b>(7.61)%</b>

Total assets decreased 3.59%. This stems from the change in noncurrent assets.

Non-current assets decreased primarily due to the removal of the long-term portion of accounts receivable related to the extinguishment of AMH certificates of participation debt (COPS).

The increase in deferred outflows of resources and deferred inflows of resources is due to changes in actuarial assumptions and differences between actual and expected earnings on pension plan investments for the New York State Local Retirement System (NYSLRS) pension plan as well as recognition of other postemployment benefit (OPEB) deferred outflows of resources.

Current liabilities decreased primarily due to a decrease in the current portion of long-term debt as a result of extinguishment of debt referred to above, offset by increases in amounts due to other governments and unearned revenues. Noncurrent liabilities decreased based on the decrease in the County's proportionate share of the net pension liability and extinguishment of AMH COPS offset by increases in the liability for other post-employment benefits.

# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

Net investment in capital assets increased due to payments of long-term debt used to finance capital acquisitions. Total net position (deficit) decreased due to revenue exceeding expenses.

Our analysis in Figure 2 separately considers the operations of Governmental Activities.

**Figure 2 - Changes in Net Position**

	<i>Governmental Activities</i>		<i>Dollar Change</i>	<i>Percent Change</i>
	<i>2017</i>	<i>2018</i>	<i>2017 - 2018</i>	<i>2017 - 2018</i>
<b>REVENUES</b>				
<i>Program Revenues:</i>				
<i>Charges for Services</i>	\$ 14,051,096	\$ 14,682,308	\$ 631,212	4.49%
<i>Operating Grants</i>	35,391,605	37,201,193	1,809,588	5.11%
<i>Capital Grants</i>	2,051,631	764,658	(1,286,973)	(62.73)%
<i>General Revenues:</i>				
<i>Property Taxes and Tax Items</i>	40,788,348	41,766,220	977,872	2.40%
<i>Sales and Other Taxes</i>	47,494,579	46,798,350	(696,229)	(1.47)%
<i>Tobacco Settlement Payments</i>	886,880	1,027,510	140,630	15.86%
<i>Sale of Property and Compensation for Loss</i>	(85,806)	129,472	215,278	(250.89)%
<i>Use of Money and Property</i>	400,041	253,427	(146,614)	(36.65)%
<i>Other</i>	321,107	1,798,274	1,477,167	460.02%
<b>Total Revenues</b>	<b>\$ 141,299,481</b>	<b>\$ 144,421,412</b>	<b>\$ 3,121,931</b>	<b>2.21%</b>
<b>PROGRAM EXPENSES</b>				
<i>General Government</i>	\$ 40,329,409	\$ 38,862,817	\$ (1,466,592)	(3.64)%
<i>Education</i>	5,769,454	5,831,648	62,194	1.08%
<i>Public Safety</i>	21,608,827	18,174,727	(3,434,100)	(15.89)%
<i>Public Health</i>	12,377,201	11,174,566	(1,202,635)	(9.72)%
<i>Transportation</i>	15,525,908	15,361,100	(164,808)	(1.06)%
<i>Economic Assistance and Opportunity</i>	45,606,990	41,921,229	(3,685,761)	(8.08)%
<i>Culture and Recreation</i>	1,341,619	1,160,518	(181,101)	(13.50)%
<i>Home and Community Services</i>	1,864,985	3,844,424	1,979,439	106.14%
<i>Interest on Debt</i>	2,634,156	2,596,270	(37,886)	(1.44)%
<b>Total Expenses</b>	<b>\$ 147,058,549</b>	<b>\$ 138,927,299</b>	<b>\$ (8,131,250)</b>	<b>(5.53)%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (5,759,068)</b>	<b>\$ 5,494,113</b>	<b>\$ 11,253,181</b>	<b>(195.40)%</b>

Total revenue increased 2.21%. This change stems from an increase in operating grants, primarily mental health and transportation related state aid. This increase was offset by a decrease in capital grants due to completion of certain reimbursable county road projects.

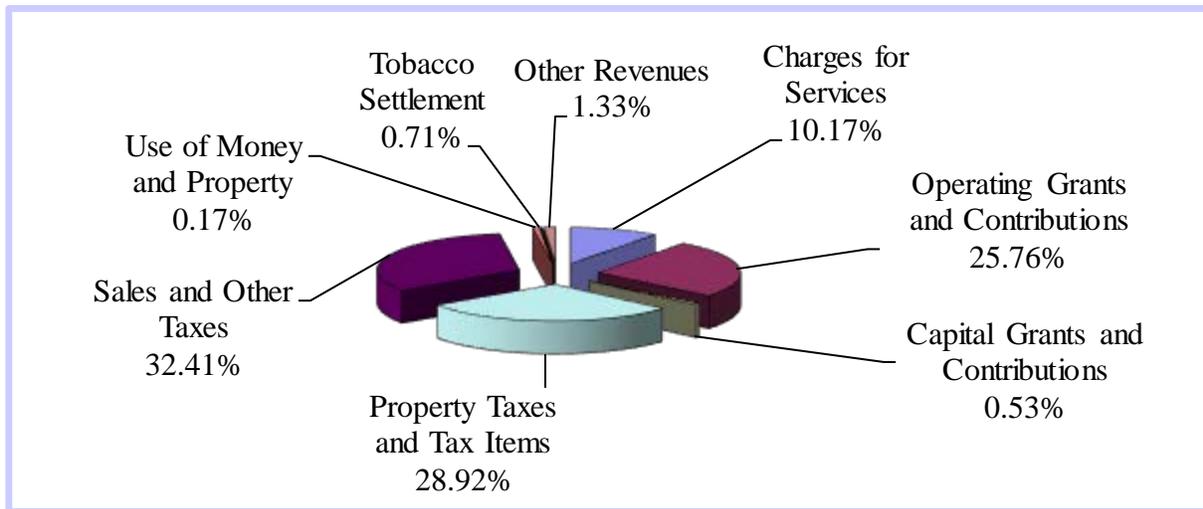
Expenses decreased primarily due to decreases in the general government, public health, transportation, and economic assistance and opportunity functions. These decreases are mainly attributable to a significant decrease in employee benefits and other post-employment benefits expenses allocated to these specific functions.

# COUNTY OF CAYUGA

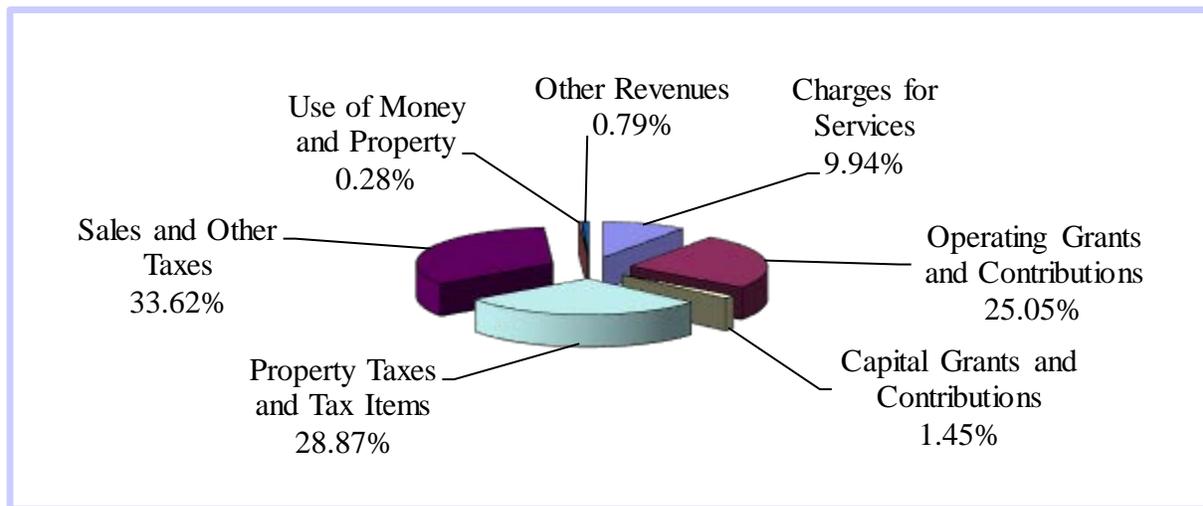
## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

Figures 3 and 4 show in percentages the sources of revenue for 2018 and 2017.

**Figure 3 - Revenue by Source  
Governmental Activities - 2018**



**Figure 4 - Revenue by Source  
Governmental Activities - 2017**



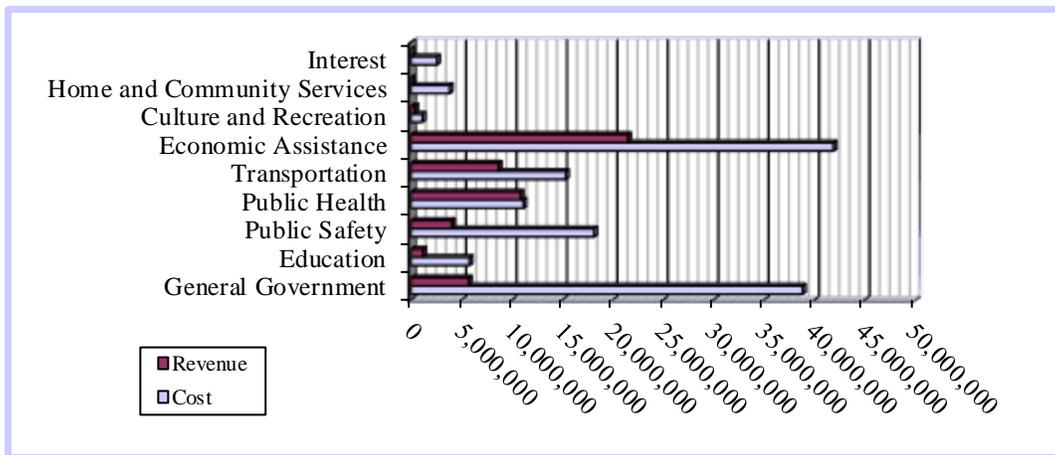
The cost of all Governmental Activities this year was \$138,927,299. As shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through County property and other tax revenues was \$86,279,140, because some of the cost was paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions. Overall, the County's governmental program revenues were \$52,648,159.

# COUNTY OF CAYUGA

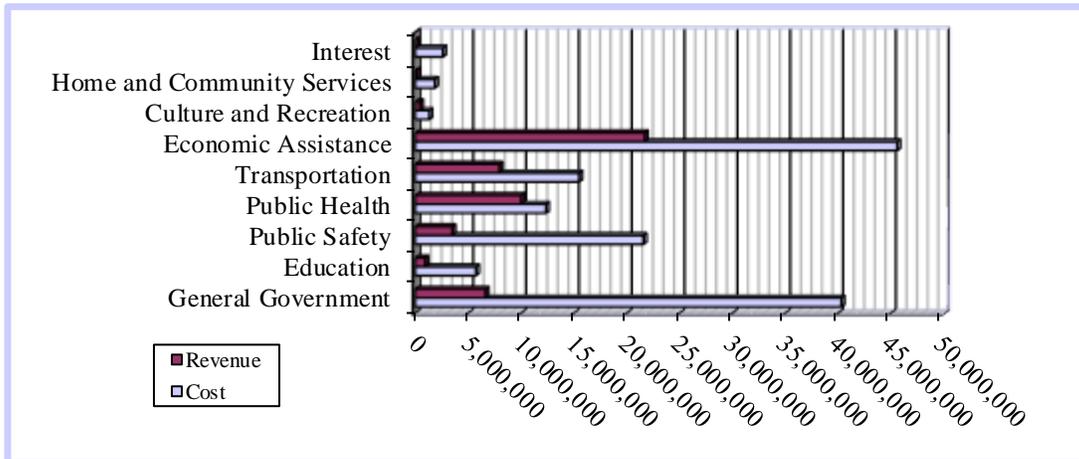
## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

The total cost versus revenue generated by activities for the County's largest programs is presented below. The difference between the cost and revenue shows the relative financial burden placed on the County's taxpayers by each of these functions.

**Figure 5 - Net Program Cost  
Governmental Activities - 2018**



**Figure 6 - Net Program Cost  
Governmental Activities - 2017**



# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

### Business-type Activities

Business-type activities consist of the Health Consortium and the Cayuga County Development Corporation. During the current fiscal year, the Consortium's total assets decreased based on a budgeted deficit designed to stabilize rates for members. A deficit exceeded the budgeted deficit because revenues were 1% less than expected and actual claims expenses exceeded budgeted claims expense by 13%. Furthermore, the County transferred program income funds to CCDC.

*Figure 7 - Business-type Activities Net Position*

	2017	2018	Dollar Change	Percent Change
<i>Current Assets</i>	\$ 11,570,079	\$ 8,209,581	\$ (3,360,498)	(29.04)%
<i>Noncurrent Assets</i>	1,872,855	5,842,001	3,969,146	211.93%
<b><i>Total Assets</i></b>	<b>13,442,934</b>	<b>14,051,582</b>	<b>608,648</b>	<b>4.53%</b>
<b><i>Total Liabilities</i></b>	<b>1,565,227</b>	<b>2,886,509</b>	<b>1,321,282</b>	<b>84.41%</b>
<b><i>Net Position</i></b>	<b>\$ 11,877,707</b>	<b>\$ 11,165,073</b>	<b>\$ (712,634)</b>	<b>(6.00)%</b>

Total revenues increased 18.14% mainly due to the transfer of \$2.2 million in CDBG program income from the County to CCDC. Operating expense increased 15.79% due to an increase in medical claims and a significant increase in members who had claims in excess of \$100,000 during the year.

*Figure 8 - Business-type Activities Changes in Net Position*

	2017	2018	Dollar Change	Percent Change
<i>Operating Revenues</i>	\$ 19,152,576	\$ 22,632,461	\$ 3,479,885	18.17%
<i>Nonoperating Revenues</i>	62,218	67,415	5,197	8.35%
<b><i>Total Revenues</i></b>	<b>19,214,794</b>	<b>22,699,876</b>	<b>3,485,082</b>	<b>18.14%</b>
<i>Operating Expenses</i>	20,219,184	23,412,510	3,193,326	15.79%
<b><i>(Decrease) in Net Position (Deficit)</i></b>	<b>\$ (1,004,390)</b>	<b>\$ (712,634)</b>	<b>\$ 291,756</b>	<b>(29.05)%</b>

# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

### THE COUNTY'S FUNDS

At December 31, 2018, the County's Governmental Funds, are presented in the Balance Sheets on page 7.

Of the amounts below, \$2,462,931 was non-spendable, \$6,572,326 was restricted, \$609,783 was committed, and \$8,043,758 was assigned, leaving \$20,729,637 in unassigned fund balance. Figure 7 shows the changes in fund balance for the County's Governmental Funds.

*Figure 9 - Governmental Funds  
Fund Balance at Years Ended*

	2017	2018	Dollar Change	Percent Change
<i>Major Funds:</i>				
<i>General Fund</i>	\$ 28,384,394	\$ 30,452,316	\$ 2,067,922	7.29%
<i>Non-Major Funds:</i>				
<i>County Road Fund</i>	2,781,022	2,452,336	(328,686)	(11.82)%
<i>Road Machinery Fund</i>	1,592,168	1,232,898	(359,270)	(22.56)%
<i>Special Grant Fund</i>	2,222,132	39,872	(2,182,260)	(98.21)%
<i>Miscellaneous Special Revenue Fund</i>	853,853	1,265,952	412,099	48.26%
<i>Capital Fund</i>	239,887	384,652	144,765	60.35%
<i>CTASC Debt Service Fund</i>	2,599,781	2,590,409	(9,372)	(0.36)%
<b>Totals</b>	<b>\$ 38,673,237</b>	<b>\$ 38,418,435</b>	<b>\$ (254,802)</b>	<b>(0.66)%</b>

Fund balances of the County decreased primarily due to a decrease in fund balance of the Special Grant Fund offset by an increase in General Fund balance. The change in Special Grant fund stemmed from the transfer of approximately \$2.2 million in CDBG funds to the Cayuga County Development Corporation. The change in General Fund balance is a result of revenues exceeding expenditures. Also contributing to the increase in General Fund was an increase in real property tax revenue, departmental income, and state aid.

### General Fund Budgetary Highlights

Over the course of the year, the County Legislature revised the County budget several times. These budget amendments consist of budget transfers between functions, which do not increase the overall budget. In addition to these transfers, the County Legislature increased the overall budget to provide for unspent appropriations from the previous year (encumbrances) and various grants where the majority of the funding came from federal and state sources.

# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

*Figure 10 - Budgetary Comparison Schedule - General Fund  
December 31, 2018*

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Fav.(Unfav.)</i>
<b>REVENUES</b>				
<i>Real Property Taxes and Tax Items</i>	\$ 41,646,226	\$ 41,646,226	\$ 41,404,295	\$ (241,931)
<i>Nonproperty Tax Items</i>	45,829,000	45,829,000	47,093,021	1,264,021
<i>Departmental Income</i>	10,625,689	12,253,437	10,973,261	(1,280,176)
<i>Intergovernmental Charges</i>	2,382,151	2,382,151	2,136,912	(245,239)
<i>Use of Money and Property</i>	399,039	399,039	228,210	(170,829)
<i>Licenses and Permits</i>	20,000	20,000	23,426	3,426
<i>Fines and Forfeitures</i>	192,458	192,458	178,198	(14,260)
<i>Sale of Property and Compensation for Loss</i>	80,000	80,000	110,725	30,725
<i>Miscellaneous Local Sources</i>	125,000	151,125	115,962	(35,163)
<i>State Sources</i>	17,069,109	19,065,816	18,382,991	(682,825)
<i>Federal Sources</i>	12,121,129	14,072,130	11,812,847	(2,259,283)
<i>Interfund Transfers In</i>	220,000	220,000	220,000	-
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 130,709,801</b>	<b>\$ 136,311,382</b>	<b>\$ 132,679,848</b>	<b>\$ (3,631,534)</b>
<b>Appropriated Fund Balances</b>	<b>\$ 582,592</b>	<b>\$ 1,507,431</b>		
<b>EXPENDITURES</b>				
<i>General Government</i>	\$ 36,841,828	\$ 37,285,400	\$ 36,843,135	\$ 442,265
<i>Education</i>	5,905,902	5,905,902	5,831,648	74,254
<i>Public Safety</i>	18,759,287	20,491,983	18,957,826	1,534,157
<i>Public Health</i>	11,184,194	13,133,859	11,455,744	1,678,115
<i>Transportation</i>	162,400	162,400	162,396	4
<i>Economic Assistance and Opportunity</i>	42,690,823	43,780,323	41,600,618	2,179,705
<i>Culture and Recreation</i>	1,145,694	1,300,121	1,254,638	45,483
<i>Home and Community Services</i>	1,732,277	2,341,357	1,685,566	655,791
<i>Employee Benefits</i>	703,068	789,468	737,083	52,385
<i>Debt Service</i>	4,916,920	4,662,790	4,616,974	45,816
<i>Interfund Transfers Out</i>	7,250,000	7,965,210	7,965,210	-
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 131,292,393</b>	<b>\$ 137,818,813</b>	<b>\$ 131,110,838</b>	<b>\$ 6,707,975</b>
<i>Excess of Revenues and Other Financing Uses</i>	\$ -	\$ -	\$ 1,569,010	\$ 3,076,441

# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of December 31, 2018, the County had \$128,902,213, net of accumulated depreciation of \$(68,153,997), invested in a broad range of capital assets, including buildings, machinery and equipment, roads and bridges.

*Figure 11 - Capital Assets, Net of Depreciation*

	<i>Governmental Activities</i>		<i>Dollar Change</i>	<i>Percent Change</i>
	<i>2017</i>	<i>2018</i>	<i>2017 - 2018</i>	<i>2017 - 2018</i>
<i>Land</i>	\$ 2,866,463	\$ 2,866,463	\$ -	0.00%
<i>Construction in Progress</i>	7,887,109	10,105,420	2,218,311	28.13%
<i>Buildings and Improvements</i>	42,212,082	40,074,377	(2,137,705)	(5.06)%
<i>Equipment</i>	3,039,984	3,321,378	281,394	9.26%
<i>Infrastructure</i>	4,839,078	4,380,578	(458,500)	(9.47)%
<b><i>Totals</i></b>	<b>\$ 60,844,716</b>	<b>\$ 60,748,216</b>	<b>\$ (96,500)</b>	<b>(0.16)%</b>

Construction in Progress	\$ 2,228,311
Buildings and Building Improvements	24,459
Machinery and Equipment	1,202,706
Total Additions	<u>3,455,476</u>
Less Depreciation Expense	<u>(3,551,976)</u>
<b>Change in Capital Assets, Net of Accumulated Depreciation</b>	<b><u><u>\$ (96,500)</u></u></b>

#### Debt Administration

The County's outstanding debt obligations are shown in Figure 12. Of the total indebtedness of the County, \$26,315,000 was subject to the constitutional debt limit and represented approximately 8.15% of the County's statutory debt limit. Tobacco settlement pass-through bonds are debt of the Cayuga Tobacco Asset Securitization Corporation (CTASC), under which the County's future tobacco settlement proceeds were securitized. The County is not responsible for this debt in the event the CTASC were to default on repayment of the bonds.

# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

*Figure 12 - Outstanding Debt at Years Ended*

	<i>Governmental Activities</i>		<i>Dollar Change</i>	<i>Percent Change</i>
	<i>2017</i>	<i>2018</i>	<i>2017 - 2018</i>	<i>2017 - 2018</i>
<i>Serial Bonds</i>	\$ 29,171,753	\$ 26,783,931	\$ (2,387,822)	(8.19)%
<i>Tobacco Settlement Pass Through Bonds</i>	25,889,686	26,644,914	755,228	2.92%
<i>Certificates of Participation - Hospital</i>	4,735,000	-	(4,735,000)	(100.00)%
<i>Installment Purchase</i>	1,044,116	980,483	(63,633)	(6.09)%
<b><i>Totals</i></b>	<b>\$ 60,840,555</b>	<b>\$ 54,409,328</b>	<b>\$ (6,431,227)</b>	<b>(10.57)%</b>

The County continues to maintain excellent financial credit as reflected by a Moody's bond rating of A1. More detailed information about the County's outstanding debt is presented in Note 13 to the basic financial statements.

### **ECONOMIC FACTORS**

Other than a slight decrease in the unemployment rate, there have been no significant changes in economic factors that would affect the County either negatively or positively.

### **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about the report or need any additional financial information, contact the Office of the Cayuga County Treasurer, 160 Genesee Street, 5th Floor, Auburn, New York 13021.

# COUNTY OF CAYUGA

## STATEMENT OF NET POSITION DECEMBER 31, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Governmental	Business-type
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 11,044,453	\$ 6,963,763	\$ 18,008,216	\$ 141,496	\$ 8,694,296
Restricted Cash and Cash Equivalents			-	1,681,051	
Investments		1,178,982	1,178,982		
Taxes Receivable, Net	8,869,825		8,869,825		
Other Receivables, Net	1,693,261	13,476	1,706,737	32,139	2,759,711
Due from State and Federal Governments	17,477,438		17,477,438	259,604	699,171
Due from Other Governments	189,044		189,044		661,645
Loans and Notes Receivable, Current Portion	65,684	121,060	186,744		
Internal Balances	67,700	(67,700)	-	342,798	(342,798)
Due from Cayuga Community College	391,763		391,763		(391,763)
Due from Cayuga County Soil and Water Conservation District, Current Portion	55,000		55,000		(55,000)
Prepaid Expenses	2,462,931		2,462,931		93,291
<b>Total Current Assets</b>	42,317,099	8,209,581	50,526,680	2,457,088	12,118,553
<b>Noncurrent Assets</b>					
Restricted Cash and Cash Equivalents	5,534,326		5,534,326		370,464
Investments	7,345,776	4,053,329	11,399,105		15,098,650
Loans and Notes Receivable, Long-term Portion	914,799	693,672	1,608,471		
Due from Cayuga County Soil and Water Conservation District	1,115,000		1,115,000		(1,115,000)
Other Assets		1,095,000	1,095,000		
Net Pension Asset			-		392,854
Land Lease Receivable			-		2,350,227
Land and Construction-in-progress	12,971,883		12,971,883		
Capital Assets, Net of Accumulated Depreciation	47,776,333		47,776,333	255,982	40,650,906
<b>Total Noncurrent Assets</b>	75,658,117	5,842,001	81,500,118	255,982	57,748,101
<b>Total Assets</b>	117,975,216	14,051,582	132,026,798	2,713,070	69,866,654
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pensions	13,780,741		13,780,741	290,582	4,418,464
Other Post-Employment Benefit Obligations	16,673,705		16,673,705	107,734	1,436,848
Deferred Charges on Defeased Debt	210,632		210,632		
<b>Total Deferred Outflows of Resources</b>	30,665,078	-	30,665,078	398,316	5,855,312

# COUNTY OF CAYUGA

## STATEMENT OF NET POSITION (Continued) DECEMBER 31, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Governmental	Business-type
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	\$ 1,406,363	\$ 18,636	\$ 1,424,999	\$ 139,439	\$ 1,568,049
Accrued Liabilities	2,754,311	1,145,000	3,899,311	5,757	1,172,171
Accrued Interest Payable	298,134		298,134		9,815
Due to Other Governments	7,144,596		7,144,596		698,184
Due to Employees' Retirement System			-	78,152	
Unearned Revenue	1,137,648	510,586	1,648,234	1,490,203	1,109,267
Claims Payable		1,212,287	1,212,287		
Long-term Obligations Due Within One Year	5,463,835		5,463,835	22,648	170,452
<b>Total Current Liabilities</b>	<b>18,204,887</b>	<b>2,886,509</b>	<b>21,091,396</b>	<b>1,736,199</b>	<b>4,727,938</b>
<b>Long-term Obligations Due in More than One Year</b>	<b>182,416,739</b>		<b>182,416,739</b>	<b>4,862,508</b>	<b>46,872,817</b>
<b>Total Liabilities</b>	<b>200,621,626</b>	<b>2,886,509</b>	<b>203,508,135</b>	<b>6,598,707</b>	<b>51,600,755</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pensions	14,682,921		14,682,921	291,147	3,270,274
Other Post-Employment Benefit Obligations			-	390,695	3,868,498
Deferred Tuition Assistance Program			-		778,963
<b>Total Deferred Inflows of Resources</b>	<b>14,682,921</b>	<b>-</b>	<b>14,682,921</b>	<b>681,842</b>	<b>7,917,735</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	34,174,917		34,174,917	255,982	35,517,543
Restricted:					
Capital Projects	3,758,331		3,758,331		
Debt Service	2,590,409		2,590,409		
Public Safety	223,586		223,586	441,205	11,269,636
Unrestricted	(107,411,496)	11,165,073	(96,246,423)	(4,866,350)	(30,583,703)
<b>Total Net (Deficit) Position</b>	<b>\$ (66,664,253)</b>	<b>\$ 11,165,073</b>	<b>\$ (55,499,180)</b>	<b>\$ (4,169,163)</b>	<b>\$ 16,203,476</b>

See Notes to Financial Statements

# COUNTY OF CAYUGA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2018

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities:				
General Government	\$ 38,862,817	\$ 3,247,082	\$ 1,936,216	\$ 576,881
Education	5,831,648		1,216,847	
Public Safety	18,174,727	3,138,713	936,946	
Public Health	11,174,566	4,691,370	6,182,146	
Transportation	15,361,100	2,501,676	6,020,622	187,777
Economic Assistance and Opportunity	41,921,229	957,120	20,585,319	
Culture and Recreation	1,160,518	231,028	200,128	
Home and Community Services	3,844,424	(84,681)	122,969	
Interest on Long-term Debt	2,596,270			
Total Governmental Activities	138,927,299	14,682,308	37,201,193	764,658
Business-type Activities:				
Cayuga County Development Corporation	40,217	2,193,898	86,302	
Cayuga County Health Insurance Consortium	23,372,293	19,593,367	747,849	
Total Business-type Activities	23,412,510	21,787,265	834,151	
<b>Total Primary Government</b>	<b>\$ 162,339,809</b>	<b>\$ 36,469,573</b>	<b>\$ 38,035,344</b>	<b>\$ 764,658</b>
<b>Component Units</b>				
Governmental:				
CC Soil and Water Conservation District	\$ 2,857,293	\$ 240,305	\$ 2,318,862	\$ -
Business-type:				
CC Soil and Water Conservation District	49,234	12,258		
CC Water and Sewer Authority	1,892,038	1,315,895		
Cayuga Community College	37,749,885	8,678,273	3,638,012	
CC Industrial Development Agency	44,711	75,961		
<b>Total Component Units</b>	<b>\$ 42,593,161</b>	<b>\$ 10,322,692</b>	<b>\$ 5,956,874</b>	<b>\$ -</b>

Net Revenue (Expense) and Changes in Net Position Brought Forward

### GENERAL REVENUES

Property Taxes, Levied for General Purposes  
 Property Tax Items  
 Sales Taxes  
 Tobacco Settlement Payments  
 Grants and Contributions Not Restricted to Specific Programs  
 Use of Money and Property  
 Miscellaneous  
 Sale of Property and Compensation for Loss  
 Transfers  
 Total

Change in Net Position

Net Position (Deficit) - Beginning of Year, As Restated

**Net Position (Deficit) - End of Year**

*See Notes to Financial Statements*

**Net (Expense) Revenue and Changes in Net Position**

<b>Primary Government</b>			<b>Component Units</b>	
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Governmental</b>	<b>Business-type</b>
\$ (33,102,638)	\$	\$ (33,102,638)	\$	\$
(4,614,801)		(4,614,801)		
(14,099,068)		(14,099,068)		
(301,050)		(301,050)		
(6,651,025)		(6,651,025)		
(20,378,790)		(20,378,790)		
(729,362)		(729,362)		
(3,806,136)		(3,806,136)		
(2,596,270)		(2,596,270)		
(86,279,140)	-	(86,279,140)	-	-
	2,239,983	2,239,983		
	(3,031,077)	(3,031,077)		
	(791,094)	(791,094)		
(86,279,140)	(791,094)	(87,070,234)	-	-
		-	(298,126)	
		-		(36,976)
		-		(576,143)
		-		(25,433,600)
		-		31,250
-	-	-	(298,126)	(26,015,469)
-	-	-	(298,126)	(26,015,469)
39,868,271		39,868,271		194,621
1,897,949		1,897,949		
46,798,350		46,798,350		
1,027,510		1,027,510		
265,825		265,825		23,958,498
253,427	78,809	332,236	89,543	1,275,445
1,532,449	(349)	1,532,100	33,450	(714,956)
129,472		129,472	(21,292)	
		-	(60,590)	(28,817)
91,773,253	78,460	91,851,713	41,111	24,684,791
5,494,113	(712,634)	4,781,479	(257,015)	(1,330,678)
(72,158,366)	11,877,707	(60,280,659)	(3,912,148)	17,534,154
<b>\$ (66,664,253)</b>	<b>\$ 11,165,073</b>	<b>\$ (55,499,180)</b>	<b>\$ (4,169,163)</b>	<b>\$ 16,203,476</b>

# COUNTY OF CAYUGA

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2018

	<u>Major Fund</u>	<u>Total</u>	<u>Total</u>
	<u>General</u>	<u>Non-Major</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents - Unrestricted	\$ 7,431,311	\$ 3,608,883	\$ 11,040,194
Cash and Cash Equivalents - Restricted	3,981,917	1,556,668	5,538,585
Investments	7,345,776		7,345,776
Taxes Receivable, Net	8,869,825		8,869,825
Other Receivables, Net	350,797	1,342,464	1,693,261
Due from State and Federal Governments	14,736,954	2,740,484	17,477,438
Due from Other Governments	1,750,807		1,750,807
Due from Other Funds	1,024,021	233,393	1,257,414
Due from Proprietary Fund	67,700		67,700
Prepaid Expenses	2,359,088	103,843	2,462,931
Loans and Notes Receivable	980,483		980,483
<b>Total Assets</b>	<b>\$ 48,898,679</b>	<b>\$ 9,585,735</b>	<b>\$ 58,484,414</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,316,654	\$ 89,709	\$ 1,406,363
Accrued Liabilities	2,267,943	486,368	2,754,311
Due to Other Funds	233,393	1,024,021	1,257,414
Due to Other Governments	7,125,078	19,518	7,144,596
Unearned Revenues	1,137,648		1,137,648
<b>Total Liabilities</b>	<b>12,080,716</b>	<b>1,619,616</b>	<b>13,700,332</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	6,365,647	-	6,365,647
<b>FUND BALANCES</b>			
Nonspendable	2,359,088	103,843	2,462,931
Restricted	3,981,917	2,590,409	6,572,326
Committed	609,783		609,783
Assigned	2,771,891	5,271,867	8,043,758
Unassigned	20,729,637		20,729,637
<b>Total Fund Balances</b>	<b>30,452,316</b>	<b>7,966,119</b>	<b>38,418,435</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 48,898,679</b>	<b>\$ 9,585,735</b>	<b>\$ 58,484,414</b>

*See Notes to Financial Statements*

# COUNTY OF CAYUGA

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2018

**Total Governmental Fund Balances** \$ 38,418,435

Amounts reported for Governmental Activities in the Statement of Net Position are

Capital assets with a historical cost used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.

Historical Cost	\$ 128,902,213	
Accumulated Depreciation	<u>(68,153,997)</u>	<u>60,748,216</u>

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

6,365,647

Deferred outflows of resources, including deferred charges on defeased debt and pensions, represents a consumption of net position that applies to future periods and, therefore, is not reported in governmental funds. Deferred inflows of resources, including pensions, represent an acquisition of net position that applies to future periods and, therefore, is not reported in governmental funds.

Deferred Outflows of Resources - Pensions	\$ 13,780,741	
Deferred Outflows of Resources - OPEB	16,673,705	
Deferred Inflows of Resources - Pensions	(14,682,921)	
Deferred Outflows of Resources - Amortized Deferred Charges	<u>210,632</u>	<u>15,982,157</u>

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	\$ (26,315,000)	
Unamortized Bond Premium	(468,931)	
Bonds Payable - CTASC	(26,644,914)	
Capital Lease - Cayuga Community College	(980,483)	
Other Postemployment Benefits	(126,891,231)	
Pension Liability - Employer's Proportionate Share	(4,131,688)	
Compensated Absences	<u>(2,448,327)</u>	<u>(187,880,574)</u>

Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the governmental funds.

Accrued Interest Payable		<u>(298,134)</u>
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**Net Position (Deficit) of Governmental Activities** \$ (66,664,253)

*See Notes to Financial Statements*

# COUNTY OF CAYUGA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Major Funds</u>	<u>Total Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>		
<b>REVENUES</b>			
Real Property Taxes	\$ 39,506,346	\$	\$ 39,506,346
Real Property Tax Items	1,897,949		1,897,949
Nonproperty Tax Items	47,093,021		47,093,021
Departmental Income	11,084,280	218,943	11,303,223
Intergovernmental Charges	2,136,912	972,725	3,109,637
Use of Money and Property	228,210	29,360	257,570
Licenses and Permits	23,426	1,010	24,436
Fines and Forfeitures	178,198		178,198
Sale of Property and Compensation for Loss	110,725	1,046,257	1,156,982
Miscellaneous Local Sources	115,962	458,418	574,380
Interfund Revenues		1,529,632	1,529,632
State Sources	18,382,991	6,597,503	24,980,494
Federal Sources	11,812,847	1,002,020	12,814,867
<b>Total Revenues</b>	<u>132,570,867</u>	<u>11,855,868</u>	<u>144,426,735</u>
<b>EXPENDITURES</b>			
General Governmental Support	36,756,650	214,877	36,971,527
Education	5,831,648		5,831,648
Public Safety	18,917,819	4,220	18,922,039
Public Health	11,446,788		11,446,788
Transportation	162,396	15,246,261	15,408,657
Economic Assistance and Opportunity	41,598,969	806,708	42,405,677
Culture and Recreation	1,210,255		1,210,255
Home and Community Services	1,679,153	2,202,096	3,881,249
Employee Benefits	737,083		737,083
Debt Service Principal and Interest	4,616,974	1,021,328	5,638,302
Capital Outlay		2,228,312	2,228,312
<b>Total Expenditures</b>	<u>122,957,735</u>	<u>21,723,802</u>	<u>144,681,537</u>
Excess of Revenues (Expenditures)	<u>9,613,132</u>	<u>(9,867,934)</u>	<u>(254,802)</u>
<b>OTHER FINANCING (USES) SOURCES</b>			
Interfund Transfers In	420,000	8,670,576	9,090,576
Interfund Transfers (Out)	(7,965,210)	(1,125,366)	(9,090,576)
<b>Total Other Financing (Uses) Sources</b>	<u>(7,545,210)</u>	<u>7,545,210</u>	<u>-</u>
Excess of Revenues (Expenditures) over Other Financing Sources (Uses)	<u>2,067,922</u>	<u>(2,322,724)</u>	<u>(254,802)</u>
Fund Balances, Beginning of Year, As Restated	<u>28,384,394</u>	<u>10,288,843</u>	<u>38,673,237</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 30,452,316</u></u>	<u><u>\$ 7,966,119</u></u>	<u><u>\$ 38,418,435</u></u>

*See Notes to Financial Statements*

# COUNTY OF CAYUGA

## RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2018

**Net Change in Fund Balances - Total Governmental Funds** **\$ (254,802)**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay, net of disposals in the current period.

Capital Outlay, Net	\$ 3,455,476	
Depreciation Expense	<u>(3,551,976)</u>	<u>(96,500)</u>

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Change in Deferred Taxes	\$ 361,925	
Changes in Other Loans and Notes Receivable	(3,627,509)	
Principal Payments on Community Development Loans Net of New Loans	<u>(91,406)</u>	<u>(3,356,990)</u>

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which repayments of bond principal and installment purchase debt exceed proceeds from debt.

Principal Payments on Debt	\$ 4,111,966	
Extinguishment of Debt	<u>3,351,667</u>	<u>7,463,633</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds.

Change in Accrued Interest Payable	\$ 1,919	
Amortization of Bond Discount	(9,280)	
Amortization of Bond Premium	87,822	
Amortization of Deferred Charges on Defeased Debt	(39,447)	
Increase in Accreted Interest on Capital Appreciation Bonds	(1,110,948)	
Change in Compensated Absences	(25,788)	
Changes in the Proportionate Share of Pension Liabilities and Associated Deferred Outflows and Inflows of Resources	411,775	
Changes in the Proportionate Share of OPEB Liabilities and Associated Deferred Outflows of Resources	<u>2,422,719</u>	<u>1,738,772</u>

**Change in Net Position of Governmental Activities** **\$ 5,494,113**

*See Notes to Financial Statements*

# COUNTY OF CAYUGA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2018

	<u>Cayuga County Health Insurance Consortium</u>	<u>Cayuga County Development Corporation</u>	<u>Total Business-type Activities</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 5,315,039	\$ 1,648,724	\$ 6,963,763
Investments	1,178,982		1,178,982
Accounts Receivable, Net	13,476		13,476
Loans and Notes Receivable, Current Portion		121,060	121,060
Internal Balances	(67,700)		(67,700)
<b>Total Current Assets</b>	<u>6,439,797</u>	<u>1,769,784</u>	<u>8,209,581</u>
<b>Noncurrent Assets</b>			
Other Assets - Premium Claims Deposit	1,095,000		1,095,000
Restricted Investments	4,053,329		4,053,329
Loans Receivable, Net, Long-term Portion		693,672	693,672
<b>Total Noncurrent Assets</b>	<u>5,148,329</u>	<u>693,672</u>	<u>5,842,001</u>
<b>Total Assets</b>	<u>11,588,126</u>	<u>2,463,456</u>	<u>14,051,582</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable		18,636	18,636
Claims Payable	1,212,287		1,212,287
Accrued Liabilities	1,145,000		1,145,000
Unearned Revenues	510,586		510,586
<b>Total Current Liabilities</b>	<u>2,867,873</u>	<u>18,636</u>	<u>2,886,509</u>
<b>NET POSITION</b>			
<b>Unrestricted</b>			
Rate Stabilization Reserve	1,999,740		1,999,740
Catastrophic Claims Reserve	2,053,589		2,053,589
Remaining Net Position	4,666,924	2,444,820	7,111,744
<b>Total Net Position</b>	<u>\$ 8,720,253</u>	<u>\$ 2,444,820</u>	<u>\$ 11,165,073</u>

*See Notes to Financial Statements*

# COUNTY OF CAYUGA

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Cayuga County Health Insurance Consortium</u>	<u>Cayuga County Development Corporation</u>	<u>Total Business-type Activities</u>
<b>OPERATING REVENUES</b>			
<b>Charges for Services - Premiums</b>			
County	\$ 8,159,200	\$	\$ 8,159,200
Other Governments	9,271,185		9,271,185
Participants	2,162,982		2,162,982
<b>Total Charges for Services</b>	<b>19,593,367</b>	-	<b>19,593,367</b>
Grant Revenue		2,193,898	2,193,898
Interest Revenue		11,045	11,045
Other Operating Revenues	747,849	86,302	834,151
<b>Total Operating Revenues</b>	<b>20,341,216</b>	<b>2,291,245</b>	<b>22,632,461</b>
<b>OPERATING EXPENSES</b>			
<b>Benefit Costs</b>			
Health Claims Expense	21,537,186		21,537,186
Dental Claims Expense	452,631		452,631
<b>Total Benefit Costs</b>	<b>21,989,817</b>	-	<b>21,989,817</b>
Health Claims Administrative Expense	870,343		870,343
Dental Claims Administrative Expense	33,445		33,445
Operations	478,688		478,688
Other Contractual		40,217	40,217
<b>Total Operating Expenses</b>	<b>23,372,293</b>	<b>40,217</b>	<b>23,412,510</b>
Loss on Operations	(3,031,077)	2,251,028	(780,049)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	69,756		69,756
Realized (Loss) on Sale of Investments	(1,992)		(1,992)
Other Unclassified Revenue	(349)		(349)
<b>Total Nonoperating Revenues</b>	<b>67,415</b>	-	<b>67,415</b>
Change in Net Position	(2,963,662)	2,251,028	(712,634)
Total Net Position, Beginning of Year	11,683,915	193,792	11,877,707
<b>Total Net Position, End of Year</b>	<b>\$ 8,720,253</b>	<b>\$ 2,444,820</b>	<b>\$ 11,165,073</b>

*See Notes to Financial Statements*

# COUNTY OF CAYUGA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Cayuga County Health Insurance Consortium	Cayuga County Development Corporation	Total Business-type Activities
<b>Cash Flows from Operating Activities</b>			
Premiums Collected from:			
County	\$ 8,159,200	\$	\$ 8,159,200
Other Governments	9,271,185		9,271,185
Participants	2,219,795		2,219,795
Rebates Received	747,849		747,849
Premiums Claims Deposit	668,400		668,400
Health Claims Paid	(20,229,899)		(20,229,899)
Dental Claims Paid	(452,631)		(452,631)
Other Operating Expenses Paid	(1,338,563)		(1,338,563)
Cash Received from Application Fees		70	70
Cash Received from Loan Interest Income		7,379	7,379
Cash Received from Interest Income		3,666	3,666
Cash Received from Grant Revenue		2,193,898	2,193,898
Cash Received from Principal Due On Notes Receivable		316,306	316,306
Cash Paid To Borrowers		(904,982)	(904,982)
Cash Paid For Contract Services		(30,000)	(30,000)
Cash Paid For Professional Services		(9,342)	(9,342)
Cash Paid for Registration Fees		(75)	(75)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(954,664)</b>	<b>1,576,920</b>	<b>622,256</b>
<b>Cash Flows from Investing Activities</b>	-	-	-
<b>Cash Flows from Capital and Related Financing Activities</b>	-	-	-
<b>Cash Flows from Nonoperating Investing Activities</b>			
Interest Income Received	71,748		71,748
Realized Gain (Loss) on Sale of Investments	(1,992)		(1,992)
Other (Expense)	(349)		(349)
Purchase of Investments	(5,794,487)		(5,794,487)
Proceeds from Sale of Investments	8,992,619		8,992,619
<b>Net Cash Provided (Used) by Nonoperating Investing Activities</b>	<b>3,267,539</b>	-	<b>3,267,539</b>
Cash and Cash Equivalents, January 1,	3,002,164	71,804	3,073,968
<b>Cash and Cash Equivalents, December 31,</b>	<b>\$ 5,315,039</b>	<b>\$ 1,648,724</b>	<b>\$ 6,963,763</b>
<b>Reconciliation of (Deficit) of Operating Revenues under (Expenses) to Net Cash from Operating Activities</b>			
(Deficit) Operating Revenues Under Expenses	\$ (3,031,077)	\$ 2,251,028	\$ (780,049)
(Increase) Decrease in Accounts Receivable	37,667		37,667
(Increase) Decrease in Loan Receivable		(692,744)	(692,744)
(Increase) Decrease in Premium Claims Deposit	668,400		668,400
Increase (Decrease) in Accounts Payable	43,913	18,636	62,549
Increase (Decrease) in Claims Payable	1,212,287		1,212,287
Increase (Decrease) in Incurred but not Reported Health Claims	95,000		95,000
Increase (Decrease) in Unearned Revenue	19,146		19,146
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (954,664)</b>	<b>\$ 1,576,920</b>	<b>\$ 622,256</b>

*See Notes to Financial Statements*

# COUNTY OF CAYUGA

## COMBINING STATEMENT OF NET POSITION PROPRIETARY COMPONENT UNITS DECEMBER 31, 2018

	Cayuga County Soil and Water Conservation District	Cayuga County Water and Sewer Authority	Cayuga Community College	Cayuga County Industrial Development Agency	Total Business-type Component Units
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents - Unrestricted	\$ 172,747	\$ 1,568,643	\$ 6,279,653	\$ 673,253	\$ 8,694,296
Other Receivables, Net	163,876	264,883	2,307,336	23,616	2,759,711
Due from State and Federal Governments			699,171		699,171
Due from Other Governments			661,645		661,645
Prepaid Expenses		20,975	72,316		93,291
<b>Total Current Assets</b>	<b>336,623</b>	<b>1,854,501</b>	<b>10,020,121</b>	<b>696,869</b>	<b>12,908,114</b>
<b>Noncurrent Assets</b>					
Cash and Cash Equivalents - Restricted		370,464			370,464
Investments - Restricted			14,899,866	198,784	15,098,650
Pension Asset			392,854		392,854
Land Lease Receivable	2,350,227				2,350,227
Capital Assets, Net of Accumulated Depreciation		14,352,303	25,687,194	611,409	40,650,906
<b>Total Noncurrent Assets</b>	<b>2,350,227</b>	<b>14,722,767</b>	<b>40,979,914</b>	<b>810,193</b>	<b>58,863,101</b>
<b>Total Assets</b>	<b>2,686,850</b>	<b>16,577,268</b>	<b>51,000,035</b>	<b>1,507,062</b>	<b>71,771,215</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pensions		63,391	4,355,073		4,418,464
Other Post-Employment Benefit Obligations			1,436,848		1,436,848
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>63,391</b>	<b>5,791,921</b>	<b>-</b>	<b>5,855,312</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	109,745	89,660	1,320,142	48,502	1,568,049
Accrued Liabilities		12,799	1,159,372		1,172,171
Accrued Interest Payable	9,815				9,815
Due to Other Funds	342,798				342,798
Due to Other Governments			698,184		698,184
Due to Cayuga County	55,000		391,763		446,763
Unearned Revenues			1,109,267		1,109,267
Long-term Liabilities Due Within One Year		103,517	66,935		170,452
<b>Total Current Liabilities</b>	<b>517,358</b>	<b>205,976</b>	<b>4,745,663</b>	<b>48,502</b>	<b>5,517,499</b>
<b>Long-term Liabilities</b>					
Due to Cayuga County	1,115,000				1,115,000
Due in More than One Year		3,560,395	43,312,422		46,872,817
<b>Total Noncurrent Liabilities</b>	<b>1,115,000</b>	<b>3,560,395</b>	<b>43,312,422</b>		<b>47,987,817</b>
<b>Total Liabilities</b>	<b>1,632,358</b>	<b>3,766,371</b>	<b>48,058,085</b>	<b>48,502</b>	<b>53,505,316</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pensions		67,443	3,202,831		3,270,274
Other Post-Employment Benefit Obligations			3,868,498		3,868,498
Deferred Tuition Assistance Program			778,963		778,963
<b>Total Deferred Inflows of Resources</b>		<b>67,443</b>	<b>7,850,292</b>	<b>-</b>	<b>7,917,735</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets		10,712,435	24,193,699	611,409	35,517,543
Restricted			11,269,636		11,269,636
Unrestricted	1,054,492	2,094,410	(34,579,756)	847,151	(30,583,703)
<b>Total Net Position</b>	<b>\$ 1,054,492</b>	<b>\$ 12,806,845</b>	<b>\$ 883,579</b>	<b>\$ 1,458,560</b>	<b>\$ 16,203,476</b>

*See Notes to Financial Statements*

# COUNTY OF CAYUGA

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY COMPONENT UNITS FOR THE YEAR ENDED DECEMBER 31, 2018

	Cayuga County Soil and Water Conservation District	Cayuga County Water and Sewer Authority	Cayuga Community College	Cayuga County Industrial Development Agency	Total Business-type Component Units
<b>REVENUES</b>					
Charges for Services	\$ 12,258	\$ 1,315,895	\$ 8,678,273	\$ 75,961	\$ 10,082,387
Use of Money and Property	119,802				119,802
State Sources			1,051,344		1,051,344
Federal Sources			183,794		183,794
Other Grants			506,659		506,659
Other Operating Revenue			1,896,215		1,896,215
<b>Total Revenues</b>	<u>132,060</u>	<u>1,315,895</u>	<u>12,316,285</u>	<u>75,961</u>	<u>13,840,201</u>
<b>EXPENSES</b>					
Instruction			12,141,312		12,141,312
Public Service			193,465		193,465
Academic Support			4,617,694		4,617,694
Student Services			4,019,131		4,019,131
Operation and Maintenance			4,176,264		4,176,264
Administration		61,803	5,741,456	29,682	5,832,941
Student Aid Payments			4,227,429		4,227,429
Auxiliary Enterprises			1,591,251		1,591,251
Water and Sewer		737,687			737,687
Salaries and Employee Benefits		282,153			282,153
Utilities		41,147			41,147
Other Contractual	642	20,390		15,029	36,061
Depreciation	998	664,022	1,041,883		1,706,903
Capital Outlay					
<b>Total Expenses</b>	<u>1,640</u>	<u>1,807,202</u>	<u>37,749,885</u>	<u>44,711</u>	<u>39,603,438</u>
Excess of Revenues (Expenses)	<u>130,420</u>	<u>(491,307)</u>	<u>(25,433,600)</u>	<u>31,250</u>	<u>(25,763,237)</u>
<b>NON OPERATING REVENUES (EXPENSES)</b>					
Interest Income		5,555	1,144,586	5,502	1,155,643
Federal and State Financial Aid			8,333,450		8,333,450
State Appropriations			7,337,115		7,337,115
Local Appropriations			8,051,404		8,051,404
Private Contributions			236,529		236,529
Property Taxes		194,621			194,621
Interest Expense	(47,594)	(84,836)			(132,430)
Transfers	(28,817)				(28,817)
Other Non Operating Revenues (Expenses)		37,895	(753,071)	220	(714,956)
<b>Total Non-operating Revenues (Expenses)</b>	<u>(76,411)</u>	<u>153,235</u>	<u>24,350,013</u>	<u>5,722</u>	<u>24,432,559</u>
Net Gain (Loss) Before Contributions	<u>54,009</u>	<u>(338,072)</u>	<u>(1,083,587)</u>	<u>36,972</u>	<u>(1,330,678)</u>
Change in Net Position	<u>54,009</u>	<u>(338,072)</u>	<u>(1,083,587)</u>	<u>36,972</u>	<u>(1,330,678)</u>
Net Position Beginning of Year	<u>1,000,483</u>	<u>13,144,917</u>	<u>1,967,166</u>	<u>1,421,588</u>	<u>17,534,154</u>
<b>Net Position, End of Year</b>	<u><b>\$ 1,054,492</b></u>	<u><b>\$ 12,806,845</b></u>	<u><b>\$ 883,579</b></u>	<u><b>\$ 1,458,560</b></u>	<u><b>\$ 16,203,476</b></u>

*See Notes to Financial Statements*

# COUNTY OF CAYUGA

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS DECEMBER 31, 2018

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents - Unrestricted	\$ 1,557,107
<b>Total Assets</b>	<b><u>\$ 1,557,107</u></b>
<b>LIABILITIES</b>	
Agency Liabilities	\$ 1,557,107
<b>Total Liabilities</b>	<b><u>\$ 1,557,107</u></b>

*See Notes to Financial Statements*

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### ***Note 1* Nature of Business and Summary of Significant Accounting Policies**

The financial statements of the County of Cayuga (the County) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the County's accounting policies are described below.

#### **Financial Reporting Entity**

The County of Cayuga, New York (the County) is governed by County law, general laws of the State of New York and various local laws and ordinances. The County Board of Legislators (Board of Legislators), which is the legislative body responsible for the overall operation of the County, consists of the fifteen legislators representing the districts in the County. The Chairman of the Board of Legislators serves as chief executive officer and the County Treasurer serves as chief fiscal officer of the County.

The County provides the following basic services: general governmental support, education, public safety, health, transportation, highways and streets, economic assistance and opportunity, culture and recreation, and home and community services.

All Governmental Activities and functions performed for the County are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government which is the County of Cayuga, (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 as set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus," and GASB Statement Number 85, "Omnibus 2017."

The decision to include a potential component unit in the County's reporting entity is based on several criteria set forth in GASB Statement Number 14, "The Financial Reporting Entity," as amended by GASB Statements No. 39, No. 61 and No. 85 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following are included as component units:

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

### *Note 1* **Nature of Business and Summary of Significant Accounting Policies - Continued**

#### **Blended Component Units**

##### Cayuga Tobacco Asset Securitization Corporation (CTASC)

CTASC is a special purpose, bankruptcy-remote local development corporation organized under the Not-For-Profit Corporation Law of the State of New York. CTASC was established in October 2000. CTASC is presented in the financial reporting entity as a blended component unit based on the criteria that CTASC serves and benefits the County exclusively. CTASC is presented as a governmental fund type and blended with the Debt Service Fund. Separate audited financial statements for CTASC may be obtained by contacting CTASC directly.

On December 7, 2000, pursuant to a Purchase and Sale Agreement with the County, the County sold to CTASC all of its future rights, title and interest in the Tobacco Settlement Revenues (TSRs) under the Master Settlement Agreement between the settling states and the Participating Manufacturers (PMs), and the decree and final judgment.

The purchase price of the County's future right, title and interest in the TSRs has been financed by the issuance of serial bonds. A Residual Certificate exists which represents the entitlement to receive all amounts required to be distributed after payment of debt service, operating expenses, and certain other costs as set forth in the indenture. Payments on the Residual Certificate from TSR collections are subordinate to payments on the bonds and payment of certain other costs specified in the indenture. Excess TSRs not required by CTASC to pay various expenses, debt service or required reserves with respect to the bonds are transferred to the CTASC Residual Trust (the Trust). The County is the beneficial owner of the Trust and thus the funds received by the Trust will ultimately transfer to the County.

##### Cayuga County Health Insurance Consortium (the Consortium)

The County, CCC, and the SWCD are all participants in a municipal cooperation agreement to create the Consortium for the sole purpose of purchasing a health insurance policy for its members. The participants have established a joint body which oversees administration of the plan. Each participant shares in the cost of, and assumes the liabilities for medical, surgical, hospital, and prescription drug benefits provided under the plan. The Consortium is presented in the financial reporting entity as a blended component unit based on the criteria that the Consortium serves and benefits the County almost exclusively. The Consortium is presented as a blended proprietary fund type. Separate audited financial statements for the Consortium may be obtained by contacting the Consortium directly.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

### *Note 1* **Nature of Business and Summary of Significant Accounting Policies - Continued**

#### **Blended Component Units - Continued**

Each participating municipal corporation joining the Consortium must remain a member for a minimum of three years; a municipality may withdraw with written notice prior to October 31<sup>st</sup> of the end of the Consortium year. Municipalities applying for membership in the Consortium may do so on approval of two-thirds of the entire Board. Consortium underwriting and rate setting policies have been established after consultation with actuaries. Consortium members are subject to supplemental assessment in the event of deficiencies. Premium assessments are determined annually, and should the assets of the Consortium be exhausted, members would be responsible for the Consortium's liabilities. The Consortium's members currently include the County of Cayuga, Cayuga County Soil and Water Conservation District, Cayuga Community College, and the City of Auburn.

#### Cayuga County Development Corporation (CCDC)

CCDC is a local development corporation whose purpose is to relieve and reduce unemployment; promote and provide for additional employment and maintain job opportunities; lessen the burden of government, and act in the public interest. CCDC is presented in the financial reporting entity as a blended component unit based on the criteria that the County appoints a voting majority of CCDC's governing body and there is a potential for the County to impose its will on CCDC as the County is the sole member of CCDC. CCDC is presented as a proprietary fund type. Separate audited financial statements for the CCDC may be obtained by contacting CCDC directly.

#### **Discretely Presented Component Units**

#### Cayuga County Soil and Water Conservation District (SWCD)

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. SWCD is presented in the financial reporting entity as a discretely presented component unit based on the criteria that members of the SWCD's Board of Directors are appointed by the County Board of Legislators, and the County has the potential to provide a financial benefit or burden on SWCD. SWCD has both governmental and proprietary fund types and as such is presented as a governmental and proprietary component unit in the government-wide financial statements. Separate audited financial statements for the SWCD may be obtained by contacting SWCD directly.

In 2011, SWCD borrowed \$1,500,000 from the County. At December 31, 2018, remaining balance due was \$1,170,000. SWCD total interest expense during the fiscal year ending December 31, 2018 was \$47,594. At December 31, 2018, total accrued interest was \$9,815. SWCD recorded revenue from the County in the amount of \$642,032 for the year ended December 31, 2018.

# ***COUNTY OF CAYUGA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### ***Note 1* Nature of Business and Summary of Significant Accounting Policies - Continued**

#### **Discretely Presented Component Units - Continued**

##### Cayuga County Water and Sewer Authority (CCWSA)

CCWSA is a public benefit corporation organized in July 1995 pursuant to Title 8-G of the Public Authorities Law of the State of New York. The CCWSA was created to finance, construct, operate, and maintain water and sewage facilities for the benefit of the residents of the County. CCWSA is presented in the financial reporting entity as a discretely presented component unit based on the criteria that members of the CCWSA are appointed by the County Board of Legislators and the County has the potential to provide a financial benefit or burden on CCWSA. CCWSA is presented as a proprietary fund type. Separate audited financial statements for the CCWSA may be obtained by contacting CCWSA directly.

During the fiscal year ending December 31, 2018, CCWSA did not receive intergovernmental assistance from the County.

##### Cayuga Community College (CCC)

CCC was established in 1975 with the County as the local sponsor under the provisions of Article 126 of the Education Law. A Board of Trustees consisting of ten voting members administers the CCC; five are appointed by the County Legislature, four by the governor and one is elected by the students of CCC. The CCC budget is subject to approval of the County Legislature. The County provides approximately one-half of the capital costs and one-third of the operating costs for CCC. Real property of CCC vests with the County. Certain bonds and notes for CCC capital costs are issued and guaranteed by the County. Although these assets and related debt are recorded on the financial statements of CCC, they are considered to be assets and debt of the County. To avoid recording these transactions twice, the Statement of Net Position reflects these items in the CCC column and they are eliminated from the Governmental Activities column. The County also pays a portion of tuition and capital costs charged for County residents attending other community colleges. CCC is presented in the financial reporting entity as a discretely presented component unit based on the criteria that CCC is fiscally dependent on the County and the County has the potential to provide a financial benefit or burden on CCC. CCC is presented as a proprietary fund type.

The CCC financial statements include two discretely reported component units; the Cayuga County Community College Foundation, Inc. and the Faculty Student Association of Cayuga County Community College, Inc. both of which are included in this financial reporting entity as part of CCC. CCC has a fiscal year ending August 31. Balances for CCC in the County's December 31, 2018 financial statements reflect balances at August 31, 2018. Separate audited financial statements for CCC may be obtained by contacting CCC directly.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### **Note 1 Nature of Business and Summary of Significant Accounting Policies - Continued**

#### **Discretely Presented Component Units - Continued**

##### Cayuga County Industrial Development Agency (CCIDA)

CCIDA is a public benefit corporation created by state legislation to promote the economic welfare, opportunities, and prosperity of the County's inhabitants. CCIDA has the authority to issue tax exempt and taxable industrial revenue bonds for eligible projects in the County. CCIDA is presented in the financial reporting entity as a discretely presented component unit based on the criteria that members of CCIDA are appointed by the County Legislator and the County has the potential to provide a financial benefit or burden on the CCIDA. CCIDA is presented as a proprietary fund type. Separate audited financial statements for the CCIDA may be obtained by contacting CCIDA directly.

#### **Basic 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 Funds). Both the Government-wide and fund financial statements categorize primary activities as either governmental or business type. The County's general governmental support, education, public safety, health, transportation, highways and streets, economic assistance and opportunity, culture and recreation, and home and community services are classified as Governmental Activities. Services relating to the Consortium are classified as Business-type Activities.

#### **Government-wide Financial Statements**

The Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government (Governmental and Business-type) and for the County's discretely presented component units.

Government-wide financial statements do not include the activities reported in the Fiduciary Funds or fiduciary component units. This Government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

In the Government-wide Statement of Net Position, both the Governmental and Business-type Activities columns are presented on a consolidated basis by column, and are reported on a full accrual, economic resource 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, and unrestricted. The County first utilizes restricted resources to finance qualifying activities.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### **Note 1 Nature of Business and Summary of Significant Accounting Policies - Continued**

#### **Government-wide Financial Statements - Continued**

The Statement of Activities reports both the gross and net cost for each of the County's functions or programs. Gross expenses are direct expenses, including depreciation, that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. These expenses are offset by program revenues - charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the program or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The net cost represents the extent to which each function or program is self-financing or draws from the general revenues of the County.

The County does not allocate indirect costs. Indirect costs are reported in the function entitled "general government."

#### **Governmental Fund Financial Statements**

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The County records its transactions in the fund types described below:

#### **Governmental Funds**

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

#### **Major Fund**

- General Fund - Principal fund of the County and includes all operations not required to be recorded in other funds. The self-insurance fund of the County is reported here for financial reporting purposes, but is excluded from the budgetary comparison, as it does not have a legally adopted budget.

# ***COUNTY OF CAYUGA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### ***Note 1* Nature of Business and Summary of Significant Accounting Policies - Continued**

#### **Non-Major Funds**

- Special Revenue Funds - account for proceeds of specific revenue sources legally restricted to expenditures for specified purposes.
  - County Road Fund - Accounts for expenditures for highway purposes authorized by §114 of the Highway Law.
  - Road Machinery Fund - Accounts for the purchase, repair, maintenance, and storage of highway machinery, tools, and equipment pursuant to §133 of the Highway Law.
  - Special Grant Fund - Accounts for funds received under the Workforce Investment Act (WIA) and from the Department of Housing and Urban Development (HUD).
  - Miscellaneous Special Revenue Fund - Accounts for funds received for various purposes.
- Capital Fund - accounts for financial resources to be used for the acquisition, construction or renovation of capital facilities, or acquisition of equipment.
- CTASC 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. As noted previously, CTASC is reported as a blended component unit.

#### **Proprietary Funds**

Account for activities similar to those often found in the private sector. The costs of providing goods or services to the general public are financed or recovered primarily through user fees. The measurement focus is upon determination of operating income, changes in net position, financial position, and cash flows. The following Proprietary Funds are utilized:

- Health Consortium - Accounts for activities of the Health Consortium. See description under Blended Component Units.
- Cayuga County Development Corporation - Accounts for activities of the Development Corporation. See description under Blended Component Units.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### **Note 1 Nature of Business and Summary of Significant Accounting Policies - Continued**

#### **Fiduciary Funds**

Account for assets held by the local government in a trustee or custodial capacity.

- Agency Funds - Account for money (and/or property) received and held in the capacity of trustee, custodian or agent.

#### **Basis of Accounting/Measurement Focus**

Basis of accounting refers to when revenues and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

#### **Accrual Basis**

The Government-wide financial statements and the Proprietary and Fiduciary Fund financial statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the County's assets, deferred outflows and inflows of resources and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

#### **Modified Accrual Basis**

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges. The County considers property tax receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. All other revenues deemed collectible within one year after year-end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred. The cost of capital assets is recognized as an expenditure when received. Exceptions to this general rule are that 1) principal and interest on indebtedness are not recognized as an expenditure until due, and 2) compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### **Note 1 Nature of Business and Summary of Significant Accounting Policies - Continued**

#### **Government-wide Financial Statements**

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

- 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, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of net resources with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other net resources that do not meet the definition of “restricted” or “net investment in capital assets.”

#### **Governmental Fund Financial Statements**

Fund balance constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowment principal.
- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the County’s legally adopted reserves are reported here.
- Committed - Consists of amounts subject to a purpose constraint imposed by formal action of the government’s highest level of decision-making authority prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.
- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the government’s highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### **Note 1 Nature of Business and Summary of Significant Accounting Policies - Continued**

#### **Governmental Fund Financial Statements - Continued**

- Unassigned - Represents the residual classification of the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

The County commits fund balance by adopting resolutions by the County Legislature. Currently, fund balance is assigned by the County Treasurer for encumbrances and designations and the County Legislature, by resolution, approves fund balance appropriations for next year's budget. The County has not formally adopted a policy defining the order in which to apply expenditures against fund balances. However, the County's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

#### **Fund Balance Policy**

It is the policy of the County Legislature to maintain an unappropriated unassigned fund balance at a level that falls between a maximum of 15% of General Fund revenues and a minimum of 10% of General Fund revenues. In the event the fund balance exceeds or falls below or above this goal, the County Administrator will submit to the Ways and Means Committee a plan to restore fund balance to the stated goal. The Ways and Means Committee will recommend this plan to the County Legislature for complementation during the annual budget process.

#### **Cash and Cash Equivalents/Investments**

For financial statement purposes, the County considers all highly liquid investments with original maturities of three months or less as cash equivalents. Investments consist of certificates of deposit with original maturities greater than three months and are valued at cost, which approximates fair value.

Certificates of deposit held for investment are included in investments. Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as investments within current assets on the Statement of Net Position. Certificates of deposit with remaining maturities greater than one year are classified as investments within noncurrent assets on the Statement of Net Position.

Statutes authorize the County to invest its surplus cash in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities of the United States, public authorities, public housing authorities, urban renewal agencies, and industrial development agencies where the general state statutes governing such entities or whose specific enabling legislation authorizes such investments. CTASC is authorized to invest its surplus cash in the same manner as the County as well as short-term commercial paper. Investments for the County, as well as for its component units, are reported at fair value.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

### *Note 1* Nature of Business and Summary of Significant Accounting Policies - Continued

#### **Other Receivables**

Accounts receivable in the primary government are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided in the General Fund or Capital Fund, as it is believed such allowance would not be material. Amounts due from state and federal governments represent amounts owed to the County to reimburse it for expenditures incurred pursuant to state and federally funded programs.

Accounts receivable reported by CCC are reported net of an estimate of uncollectible student tuition and fees of \$1,689,289.

#### **Notes and Loans Receivable**

Notes and loans receivable consists of microenterprise development loans funded through the Small Cities Community Development Block Grant within the Special Grant Fund. The County entered into a capital lease on behalf of CCC, for which the County recognizes a capital lease payable and a receivable from CCC. Receivables and unavailable revenue from CCC are reported in the General Fund.

#### **Due From Other Governments**

Due from other governments includes reimbursement claims for various grant programs from state and federal agencies.

#### **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.

#### **Capital Assets**

All capital assets are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of 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 estimated useful lives of the assets. All land and buildings originally purchased or acquired, equipment purchased or acquired with an original cost of over \$5,000, and improvements purchased or acquired with an original cost over \$10,000, and having a useful life of greater than one year are capitalized. The estimated useful lives for governmental capital assets of the primary government are as follows:

Buildings	30 Years
Land Improvements	20 Years
Machinery and Equipment	3 - 5 Years
Infrastructure	20 Years

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### **Note 1 Nature of Business and Summary of Significant Accounting Policies - Continued**

#### **Capital Assets - Continued**

Property, plant, and equipment is stated at cost, (or estimated historical cost) including interest capitalized during construction, where applicable. Contributed fixed assets are recorded at fair market value at the date received. Depreciation has been provided using the straight-line method over estimated useful lives ranging from two to 40 years.

When capital assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, and any resulting gain or loss is reflected as a component of non-operating income for the period. Maintenance and repairs are charged to expense as incurred; significant renewals and improvements are capitalized.

#### **Compensated Absences**

A liability for compensated absences (unused vacation and compensatory time) is attributable to services already rendered and is not contingent on a specific event that is outside the control of the employer or employee. Compensated absences are accrued as employees earn the rights to the benefits and are expended in the General, County Road, Road Machinery, and Special Grant Funds.

County employees are granted varying amounts of vacation, compensatory and sick leave in accordance with their employee group and various employee unions. Upon retirement, unused sick time may be applied towards additional service credit pursuant to §33 and 41J of the Retirement and Social Security Law; therefore, no payments are made for unused sick leave.

The County has computed the value of earned and unused vacation and compensatory time related to the governmental activities as of December 31, 2018 to be \$2,448,327. This represents vacation and compensatory time earned but not usable until 2019. The earned and unused leave has been recorded as a liability in the government-wide financial statements. The expenditure for these fringe benefits is recorded in the applicable governmental fund at the time the benefit is paid.

#### **Postemployment Benefits**

In addition to providing pension benefits, the County provides health insurance coverage and survivor benefits for 456 retired employees and their survivors. Substantially all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. Health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The County recognizes the cost of providing benefits by recording its share of insurance premiums as an expense in the year paid.

The County follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The County's liability for other postemployment benefits has been recorded in the Statement of Net Position in accordance with that statement. See Note 9 for additional information.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### **Note 1 Nature of Business and Summary of Significant Accounting Policies - Continued**

#### **Deferred Outflows and Inflows of Resources**

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government reports a deferred outflow of resources associated with pensions, other post employment benefits, and deferred charges on defeased debt in the government-wide statements. These are further described in Notes 8, 9 and 13.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. On the Balance Sheet, the County reports unavailable revenue, one type of deferred inflow, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from loans receivable and taxes receivable that remain uncollected 60 days after year-end, as well as receivables from CCC. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The County also reports a deferred inflow of resources related to pensions and other postemployment benefits in the government-wide statements. These are further described in Notes 8, and 9.

#### **Unpaid Claims Liabilities**

The Consortium establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are periodically recomputed to produce current estimates that reflect recent settlements and other factors and are adjusted. The liability for the year ended December 31, 2018 is based on the report of the actuary. The incurred but not reported health claims amounted to \$1,145,000 at December 31, 2018.

#### **Reinsurance**

The Consortium uses reinsurance agreements to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the primary liability of the Consortium as direct insurer of the risks reinsured. The Consortium does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by the reinsurer.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### **Note 1 Nature of Business and Summary of Significant Accounting Policies - Continued**

#### **Health and Dental Claims**

The Consortium uses a third party to process all claims incurred, which are presented in the financial statements net of any refund credited to the Consortium. The third-party charges the Consortium a fixed charge per person currently enrolled in the plan. This per person charge is included with the costs of the health and dental claims reported in these financial statements.

#### **Revenues**

Substantially all Governmental Fund revenues are accrued. Property tax receivables expected to be received later than 60 days after year end are reported as deferred inflows of resources. In applying GASB Statement No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements are met. Resources transmitted before time eligibility requirements are met are reported as deferred outflows of resources by the provider and deferred inflows of resources revenue by the recipient. Resources transmitted before all other eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient.

#### **Property Taxes**

County real property taxes are levied annually no later than December 31, become a lien on January 1 and are due within 30 days. Taxes are collected during the period from January 1 to no later than November 30. Taxes for County purposes apportioned to the area of the County outside the City of Auburn are levied together with taxes for town and special district purposes as a single bill. 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 of 60 days thereafter. Delinquent property taxes not collected at year-end (excluding collections in the 60-day subsequent period) are included in deferred inflow of resources. The County assumes enforcement responsibility for all taxes levied within the towns. The collection of County taxes levied on properties within the City of Auburn are enforced by the city; the County receives the full amount of such taxes within the year of the levy. All unpaid non-city school district taxes and village taxes are turned over to the County and are relieved as County taxes in the subsequent year.

Returned school and delinquent town taxes represent the unpaid portion of taxes from other governments which will be added to the County levy on the following January 1. These assets are offset by an allowance for doubtful accounts of \$221,792 and deferred tax revenue of \$4,214,040 that represents the amount of taxes not expected to be collected within 60 days after year end.

The County is permitted by the New York State Constitution to levy taxes up to 2.0% of the most recent five-year average full valuation of taxable real property (the "legal margin").

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### **Note 1 Nature of Business and Summary of Significant Accounting Policies - Continued**

#### **Sales Tax Revenues**

Sales tax revenues are reported on an accrual basis to include the portion of sales tax revenues attributable to the current year that is remitted to New York State and ultimately paid to the County in the subsequent year.

#### **Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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

#### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, it is the County's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

#### **Interfund Activity**

Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements take place when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between Governmental and Proprietary Funds are netted as part of the reconciliation to the Government-wide financial statements.

#### **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.

### **Note 2 Cash and Investments**

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

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### **Note 2 Cash and Investments - Continued**

Collateral (security) is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

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, as discussed previously in these notes. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name.

Deposits and investments are valued at cost or cost plus interest, and are categorized as either (1) insured and for which the collateral is held by the County's agent in the County's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the County's name, or (3) uncollateralized.

Deposits and investments at year-end for the primary government and component units were entirely covered by FDIC insurance or by collateral held by custodial banks in the County's and its component units' names. Total financial institution (bank) balances of governmental activities at December 31, 2018 per the bank were \$27,301,106, of which \$7,345,776 are certificates of deposit.

The Consortium's and Cayuga County Development Corporation's aggregate bank balances of \$4,584,836 and \$1,647,300, respectively, at December 31, were either insured or collateralized with securities held by the pledging financial institution in the County of Cayuga's name.

### **Restricted Cash**

Restricted cash and cash equivalents consists of \$5,534,326, which represents funds reserved for debt of \$1,552,409, reserved for capital of \$3,758,331 and restricted for other of \$223,586.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 2 Cash and Investments - Continued**

**Investments**

Investments of the County's governmental activities consist of the following at December 31, 2018.

	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized (Depreciation) Appreciation</b>
Certificates of Deposit, Long-term 0.00%- 2.80%, Maturing 06/15/2019- 12/08/2032	\$ 7,345,776	\$ 7,345,776	\$ -
<b>Total</b>	<b>\$ 7,345,776</b>	<b>\$ 7,345,776</b>	<b>\$ -</b>

**Consortium**

The Consortium's investments consist of the following at December 31, 2018.

	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized (Depreciation) Appreciation</b>
Certificate of Deposit 11/15/19	\$ 5,232,311	\$ 5,232,311	\$ -
<b>Total Investments</b>	<b>\$ 5,232,311</b>	<b>\$ 5,232,311</b>	<b>\$ -</b>

The Consortium has restricted investments of \$4,053,329; \$1,999,740 is restricted for a rate stabilization reserve and \$2,053,589 is restricted for a catastrophic claims reserve.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

### Note 2 Cash and Investments - Continued

#### Cayuga County Community College Foundation, Inc.

CCC reports investments from the Cayuga County Community College Foundation, Inc. (the Foundation). In accordance with GAAP, gains (losses) on investments of permanently or temporarily restricted net assets are to be classified according to explicit donor stipulations. The Foundation has interpreted New York State law to allow the use of gains (losses) on investments of permanently or temporarily restricted net assets for specific operating purposes absent explicit donor stipulations that all or a portion of such gains (losses) be restricted. Accordingly, such gains (losses) on restricted net assets are reported as unrestricted net assets unless there is a presence of donor stipulation as to their use. The Foundation's investments consisted of the following at August 31, 2018.

	<u>Fair Value</u>
Cash and Cash Equivalents	\$ 813,373
Corporate Bond Obligations	227,396
Government Bond Obligations	529,633
Equity Mutual Funds	1,478,621
Exchange Traded Funds	8,401,799
Common Stock	<u>3,449,044</u>
<b>Total</b>	<b><u>\$ 14,899,866</u></b>

#### Fair Value Measurement

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under generally accepted accounting principles are as follows:

- Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that the Consortium has the ability to access.
- Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, directly, or indirectly.
- Level 3 - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

### Note 2 Cash and Investments - Continued

#### Fair Value Measurement

The following table sets forth by level, within the fair value hierarchy, the Consortium's assets at fair value as of December 31, 2018.

<u>Government Obligations</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificate of Deposit 11/15/19	\$	\$ 5,232,311	\$	\$ 5,232,311
<b>Total</b>	<u>\$ -</u>	<u>\$ 5,232,311</u>	<u>\$ -</u>	<u>\$ 5,232,311</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2018.

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity Mutual Funds	\$ 1,478,621	\$	\$	\$ 1,478,621
Exchange Traded Funds	8,401,799			8,401,799
Common Stock	3,449,044			3,449,044
Government Bond Obligations		529,633		529,633
Corporate Bond Obligations		227,396		227,396
<b>Total</b>	<u>\$ 13,329,464</u>	<u>\$ 757,029</u>	<u>\$ -</u>	<u>\$ 14,086,493</u>

### Note 3 Property Taxes

At December 31, 2018, the County had total real property tax assets of \$8,869,825 net of an allowance for doubtful accounts of \$221,792. Current year returned village and school taxes are offset by liabilities of \$4,095,000 to the villages and school districts which were paid no later than April 15, 2019. The remaining portion of tax assets is offset by deferred inflow of resources of \$4,214,040 in the fund financial statements (which represents an estimate of the taxes which will not be collected within the first sixty (60) days of the subsequent year).

The amount that may be raised by the County-wide tax levy on real estate in any fiscal year (for purposes other than debt service on County indebtedness) is limited to one and one-half per centum (subject to increase up to two per centum by resolution of the County Legislature) of the five-year average full valuation of taxable real estate of the County, per New York State statutes.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

### **Note 3 Property Taxes - Continued**

The County constitutional tax limit (per New York State statutes) for the fiscal year ended December 31, 2018 is computed as follows:

Five-Year Average Full Valuation of Taxable Real Estate	<u><u>\$ 4,611,656,475</u></u>
Tax Limit @2.0%	<u>\$ 92,233,130</u>
Tax Levy	<u>40,268,775</u>
Less Exclusions	<u>(1,433,778)</u>
Tax Levy Subject to Tax Limit	<u>38,834,997</u>
 <b>Tax Margin</b>	 <u><u>\$ 53,398,133</u></u>

### **Note 4 Due from State and Federal Governments**

Due from state and federal governments at December 31, 2018 consisted of the following, which are stated at net realizable value. The County has deemed the amounts to be fully collectible.

<u>Description</u>	<u>Amount</u>
Social Services	\$ 7,267,640
Sales Tax	4,093,099
Consolidated Local Street and Highway Improvement Program	2,597,559
Other	<u>3,519,140</u>
 <b>Total</b>	 <u><u>\$ 17,477,438</u></u>

### **Note 5 Loans and Notes Receivable**

The balance in loans and notes receivable of the primary government at December 31, 2018 was as follows:

CCC Capital Lease	<u>\$ 980,483</u>
 <b>Total</b>	 <u><u>\$ 980,483</u></u>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 6 Sales Tax**

A 4% sales tax is levied in and for the County under general authority of Article 29 of the Tax Law and specific authority of local law. This tax is administered and collected by the State Sales Tax Commission in the same manner as the state imposed 4.25% sales and compensating use tax. Net collections, meaning monies collected after deducting therefrom expenses of administration and collection and amounts refunded or to be refunded, but inclusive of any applicable penalties and interest, are paid by the state to the County on a monthly basis. Of the \$46,224,335 total sales tax received by the County, \$23,112,173 was retained by the County, \$23,112,162 was distributed to the City of Auburn and the towns based upon assessed value as determined annually. The towns' share is divided and allocated between incorporated villages and the area of the towns outside said villages on the basis of population. All the villages and townships are paid their share in cash.

**Note 7 Capital Assets**

Capital asset activity for the year ended December 31, 2018, was as follows:

Governmental Activities	Balance at 12/31/2017	Additions	Deletions/ Reclassifications	Balance at 12/31/2018
Non-depreciable Capital Assets:				
Land	\$ 2,866,463	\$	\$	\$ 2,866,463
Construction in Progress	7,887,109	2,228,311	(10,000)	10,105,420
Total Non-depreciable Capital Assets	<u>10,753,572</u>	<u>2,228,311</u>	<u>(10,000)</u>	<u>12,971,883</u>
Depreciable Capital Assets:				
Land Improvements	788,708			788,708
Buildings	72,000,665	24,459	10,000	72,035,124
Machinery and Equipment	18,301,234	1,202,706	(432,205)	19,071,735
Infrastructure	24,034,763			24,034,763
Total Depreciable Capital Assets	<u>115,125,370</u>	<u>1,227,165</u>	<u>(422,205)</u>	<u>115,930,330</u>
Total Historical Cost	<u>125,878,942</u>	<u>3,455,476</u>	<u>(432,205)</u>	<u>128,902,213</u>
Less Accumulated Depreciation:				
Land Improvement	(751,229)	(8,205)		(759,434)
Buildings	(29,826,062)	(2,163,959)		(31,990,021)
Machinery and Equipment	(15,261,250)	(921,312)	432,205	(15,750,357)
Infrastructure	(19,195,685)	(458,500)		(19,654,185)
Total Accumulated Depreciation	<u>(65,034,226)</u>	<u>(3,551,976)</u>	<u>432,205</u>	<u>(68,153,997)</u>
<b>Governmental Activities Capital Assets, Net</b>	<b><u>\$ 60,844,716</u></b>	<b><u>\$ (96,500)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 60,748,216</u></b>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 7 Capital Assets - Continued**

Depreciation expense was charged to functions as follows:

**Governmental Activities**

General Governmental Support	\$ 2,287,550
Public Safety	296,656
Public Health	13,497
Transportation	848,440
Economic Assistance and Opportunity	91,891
Home and Community Services	<u>13,942</u>

**Total** **\$ 3,551,976**

Capital asset activity for the CCC for year ended August 31, 2018 was as follows:

	<b>Balance at 8/31/2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 8/31/2018</b>
Non-depreciable Capital Assets:				
Land	\$ 1,283,163	\$ -	\$ -	1,283,163
Depreciable Capital Assets:				
Buildings	48,511,405	55,636		48,567,041
Machinery and Equipment	4,641,711	354,774		4,996,485
Vehicles	131,375	5,400		136,775
Total Depreciable Capital Assets	<u>53,284,491</u>	<u>415,810</u>	<u>-</u>	<u>53,700,301</u>
Total Historical Cost	<u>54,567,654</u>	<u>415,810</u>	<u>-</u>	<u>54,983,464</u>
Less Accumulated Depreciation:				
Buildings	(24,795,871)	(851,427)		(25,647,298)
Machinery and Equipment	(3,873,823)	(155,343)		(4,029,166)
Infrastructure	(97,427)	(11,871)		(109,298)
Total Accumulated Depreciation	<u>(28,767,121)</u>	<u>(1,018,641)</u>	<u>-</u>	<u>(29,785,762)</u>
<b>Governmental Activities Capital Assets, Net</b>	<b><u><u>\$ 25,800,533</u></u></b>	<b><u><u>\$ (602,831)</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ 25,197,702</u></u></b>

Capital assets, net for the Faculty Student Association of Cayuga Community College, Inc. and Subsidiaries totaled \$489,492. Consolidated capital assets, net totaled \$25,687,194 for CCC.

The cost of capital assets, under the terms of capital lease agreements included buildings and related components, net of accumulated amortization, at August 31, 2018, was \$980,177.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

### **Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS)**

#### **Employees' Retirement System (ERS)**

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

ERS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

#### **Summary of Significant Accounting Policies**

The System's financial statements from which the System's fiduciary net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions.

Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the System's annual report.

#### **Contributions**

Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required under the program, and were as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
ERS	\$ 4,637,550	\$ 4,684,506	\$ 4,382,451

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

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

At December 31, 2018, the County reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The County's proportionate share of the net pension liability was based on a projection of the County's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was derived from report provided to the County by the ERS System.

	<b>ERS</b>
Actuarial Valuation Date	April 1, 2017
Net Pension Liability	\$ 3,227,444,946
County's Proportionate Share of the Plan's Total Net Pension Liability	4,131,688
County's Share of the Net Pension Liability	0.1503256%

For the year ended December 31, 2018, the County recognized pension expense of \$4,304,316 for ERS in the financial statements. At December 31, 2018 the County reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	<b>ERS</b>
<b>Deferred Outflows of Resources</b>	
Differences Between Expected and Actual Experience	\$ 1,473,639
Changes of Assumptions	2,739,651
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	6,000,950
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	100,479
County's Contributions Subsequent to the Measurement Date	3,466,022
<b>Total</b>	<b>\$ 13,780,741</b>
<b>Deferred Inflows of Resources</b>	
Differences Between Expected and Actual Experience	\$ (1,217,760)
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	(11,845,273)
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	(1,619,888)
<b>Total</b>	<b>\$ (14,682,921)</b>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

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

County contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>ERS</u>
2019	\$ 193,787
2020	161,807
2021	(3,209,205)
2022	(1,514,591)
2023	
Thereafter	

**Actuarial Assumptions**

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date.

Significant actuarial assumptions used in the valuations were as follows:

Measurement Date	<u>ERS</u> March 31, 2018
Actuarial Valuation Date	April 1, 2017
Interest Rate of Return	7.0%
Salary Increases	3.8%
Cost of Living Adjustments	1.3%
Inflation Rate	2.5%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System experience with adjustments for mortality improvements based the Society of Actuaries' Scale on MP-2014.

The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

### *Note 8* Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued

#### Actuarial Assumptions - Continued

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

Measurement Date	<u>ERS</u> March 31, 2018
Asset Type:	
Domestic Equities	4.6%
International Equities	6.4%
Real Estate	5.6%
Private Equity/Alternative Investments	7.5%
Absolute Return Strategies	3.8%
Opportunistic Portfolio	5.7%
Real Assets	5.3%
Cash	(0.3)%
Inflation-indexed Bonds	1.3%
Mortgages and Bonds	1.3%

#### Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and contributions from employers will be made at statutorily required rates, actuarially. Based on the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

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

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

ERS	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
County's Proportionate Share of the Net Pension Liability	\$ 31,261,467	\$ 4,131,688	\$ (18,819,020)

**Pension Plan Fiduciary Net Position**

The components of the current-year net pension liability of the employers as of the respective valuation date is as follows:

	Dollars in Thousands ERS
Valuation Date	March 31, 2018
Employers' Total Pension Liability	\$ 183,400,590
Plan Net Position	(180,173,145)
<b>Employers' Net Pension Liability</b>	<b>\$ 3,227,445</b>
Ratio of Plan Net Position to the Employers' Total Pension Liability	98.2%

**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of December 31, 2018 represent the projected employer contribution for the period of April 1, 2018 through December 31, 2018 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2018 amounted to \$-0-.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

**Effect on Net Position**

Changes in the net pension liability and deferred outflows and inflows of resources for the year ended December 31, 2018 resulted in the following effect on net position:

	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
Net Pension Liability	\$ (12,502,938)	\$ 8,371,250	\$ (4,131,688)
Deferred Outflows of Resources	10,695,350	3,085,391	13,780,741
Deferred Inflows of Resources	(3,638,055)	(11,044,866)	(14,682,921)
<b>Total</b>	<b>\$ (5,445,643)</b>	<b>\$ 411,775</b>	<b>\$ (5,033,868)</b>

Expenditures associated with GASB Statement Number 68 are liquidated in the General, County Road, Road Machinery, and Special Grant Funds.

**CCC**

CCC participates in the SUNY Optional Retirement Plan (ORP), ERS and the Teacher's Retirement System (TRS). CCC's contributions to these plans were as follows:

	<b>2018</b>	<b>2017</b>	<b>2016</b>
ORP	\$ 615,220	\$ 606,363	\$ 652,970
ERS	825,702	815,487	762,984
TRS	347,108	515,660	733,987

CCC had a pension (asset) (TRS) of \$(392,854), a pension liability (ERS) of \$763,578, deferred outflows of resources related to pensions of \$4,355,073, and deferred inflows of resources related to pensions of \$3,202,831 at August 31, 2018.

**Note 9 Other Postemployment Benefits**

During the year ended December 31, 2018 the County implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions," effective for the year ended December 31, 2018. This statement replaces the requirements of Statement No. 45, "Accounting and Financial reporting by Employers for Postemployment Benefits Other than Pensions," as amended, and No. 57, "OPEB Measurements by Agent Employers and Agent Multi-Employer Plans, for OPEB."

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

### *Note 9* **Other Postemployment Benefits**

#### **General Information About the OPEB Plan**

Plan Description - The County provides medical, prescription drug, and life insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. The County's plan is a single-employer postemployment benefit plan (the Plan). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements because there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided - Health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The County offers the benefit, with related premiums funded partially by participating retirees. Each retiree also pays a portion of any premium covering his or her spouse.

Employees Covered by Benefit Terms - At December 31, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	456
Active Employees Fully	
Eligible for Benefits	484

#### **Total OPEB Liability**

The County's total OPEB liability of \$126,891,231 was measured as of January 1, 2018 and was determined by an actuarial valuation as of January 1, 2018.

#### **Actuarial Assumptions and Other Inputs**

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Single Discount Rate	3.44%
Rate of Compensation Increase	3.00%
Inflation Rate	2.20%
Health Care Trend Rate	10% in 2019, decreasing to an ultimate rate of 3.84% in 2088.
Cost Method	Entry Age Normal

The long-term bond rate is based on the Bond Buyer Weekly 20-Year Bond GO Index rate as of the measurement date (or the nearest business day thereto).

The salary scale reflects the rate at which payroll amounts are expected to increase over time for purposes of attributing liabilities under the Entry Age Normal, Level Percent of Pay actuarial cost method.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### **Note 9 Other Postemployment Benefits - Continued**

#### **Actuarial Assumptions and Other Inputs - Continued**

- Mortality rates were based on RHP-2014 combined mortality, and then adjusted for mortality improvements with Scale MP-2018 mortality improvement scale on a fully generational basis.
- Termination and retirement rates are based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation.
- Healthcare Cost Trend Rates were based on the SOA Long-Run Medical Cost Trend Model. The SOA Long-Run Medical Cost Trend Model and its baseline projections are based on an econometric analysis of historical US medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group. The above schedule represents a reasonable medical trend projection for the current plan provisions and demographics of the Retiree Healthcare Plan, and no changes to these baseline assumptions are necessary.
- The actuarial assumptions used in the December 31, 2018 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).
- Changes of assumptions and other inputs reflect a change in the discount rate from 3.78% percent in 2017 to 3.44% in 2018.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 9 Other Postemployment Benefits - Continued**

**Changes in the Total OPEB Liability**

<b>Balance at December 31, 2017</b>	<b>\$ 116,366,179</b>
 <b>Changes for the Year</b>	
Service Cost	2,789,460
Interest Cost	4,433,664
Changes of Benefit Terms	(8,568,605)
Differences Between Expected and Actual Experience	857,173
Changes in Assumptions or Other Inputs	14,739,294
Benefit Payments	(3,725,934)
	<b>10,525,052</b>
 <b>Balance at December 31, 2018</b>	 <b>\$ 126,891,231</b>

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 (2.44%) or 1-percentage-point higher (4.44%) than the current discount rate:

	<b>1% Decrease (1.44%)</b>	<b>Discount Rate (2.44%)</b>	<b>1% Increase (3.44%)</b>
Total OPEB Liability	\$ 148,097,963	\$ 126,891,231	\$ 109,851,526

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend 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 healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	<b>1% Decrease (9%)</b>	<b>Healthcare Cost Trend Rate (10%)</b>	<b>1% Increase (11%)</b>
Total OPEB Liability	\$ 108,985,064	\$ 126,891,231	\$ 149,780,611

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 9 Postemployment Benefits Other Than Pensions (OPEB) - Continued**

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

For the year ended December 31, 2018, the County recognized OPEB expense of \$1,479,966.

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 701,888	\$ -
Changes in Assumptions or Other Inputs	12,069,132	-
Contributions Subsequent to Measurement Date	3,902,685	-
<b>Total</b>	<b>\$ 16,673,705</b>	<b>\$ -</b>

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

<b>Fiscal Year Ending December 31,</b>	<b>Amount</b>
2019	\$ 2,825,447
2020	2,825,447
2021	2,825,447
2022	2,825,447
2023 and Thereafter	1,469,232

**Current Year Activity**

The following is a summary of current year activity:

	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
Other Postemployment Benefits Liability	\$ 116,366,179	\$ 10,525,052	\$ 126,891,231
Deferred Outflows of Resources	(3,725,934)	(12,947,771)	(16,673,705)
<b>Total Effect on Net Position</b>	<b>\$ 112,640,245</b>	<b>\$ (2,422,719)</b>	<b>\$ 110,217,526</b>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

### *Note 9* Postemployment Benefits Other Than Pensions (OPEB) - Continued

#### **Cayuga Community College**

The College administers a single- employer defined benefit post-employment healthcare plan (the Plan). The Plan provided benefits in the form of insurance premium payments for coverage of eligible retirees and their spouses. The College and participant contribution rates, as well as the Plan provisions, are determined through negotiations between the College and its employees or the collective bargaining units that represent its employees. The Plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

#### **Total OPEB Liability**

The College recognized a total OPEB liability of \$41,611,776 and \$45,116,131 as of August 31, 2018 and 2017, respectively. The total OPEB liability at August 31, 2018 and 2017 was measured as of September 1, 2017 and September 1, 2016 respectively, and was determined by an actuarial valuation as of September 1, 2016 and September 1, 2015 respectively, with update procedures used to roll-forward the total OPEB liability to August 31, 2018 and 2017.

#### **Actuarial Assumptions and Other Inputs**

The total OPEB liability in the September 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.20%
Discount Rate	3.79% as of September 1, 2015 and 3.51% as of September 1, 2016
Healthcare Cost Trend Rate	8.00% Rate Decreasing to 3.88% in 2077
Cost Method	Entry Age Normal

The discount rate is based on an analysis of returns on the Bond Buyer Weekly 20-Bond GO Index.

Mortality rates are based on the sex-distinct RPH-2014 Mortality Tables for employees and health annuitants, adjusted backwards to 2006 with Scale MP-2014, and then adjusted for mortality improvements with Scale MP-2017 mortality scale on a fully general basis.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 10 Compensated Absences**

Represents the value of the earned and unused portion of the liability for sick and vacation time, and is liquidated by the General and Special Revenue funds.

	<b>Balance at 12/31/17</b>	<b>Additions</b>	<b>Decreases</b>	<b>Balance at 12/31/18</b>	<b>Amount Due Within One Year</b>
Governmental Activities	\$ 2,422,539	\$ 25,788	\$ -	\$ 2,448,327	\$ 244,833

**Note 11 Liabilities - Unpaid Claims**

Accrued liabilities of the business-type activities of the primary government consist of incurred but not reported claims (unpaid claims). The BlueCross/BlueShield premiums include claims paid for the year ended December 31, 2018 and an adjustment to account for the BlueCross/BlueShield (BC/BS) financing arrangement of billing the actual claims paid one week in arrears at December 31, 2018. This one week delay requires the Consortium to fund approximated costs, as actual claim payments are charged one week later. No significant differences have been experienced or are expected between weekly adjusted premium billings and actual weekly settlements in succeeding billings. The advance deposit amount required by BlueCross/BlueShield amounted to \$1,095,000 at December 31, 2018.

The Consortium establishes a liability for both reported and unreported insured events which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities:

	<b>2018</b>	<b>2017</b>
<b>Liability for Unpaid Claims - Beginning of Year</b>	\$ 1,050,000	\$ 1,175,000
Incurred Claims and Claim Adjustment:		
Claims Expense	21,989,817	18,857,407
Claims Paid	(20,682,530)	(18,982,407)
Claims Payable	(1,212,287)	
<b>Liability for Unpaid Claims - End of Year</b>	<b>\$ 1,145,000</b>	<b>\$ 1,050,000</b>

**Note 12 Deferred Compensation Plan**

The County offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code §457. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. Nationwide Retirement Solutions is the administrator of the Plan. During 2018, the Plan was dissolved and remaining funds were transferred out of the Plan.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 13 Long-term Debt**

At December 31, 2018, the total outstanding indebtedness of the County aggregated \$44,093,702, of which \$26,315,000 is subject to the constitutional debt limit and represents approximately 8.15% of its debt limit.

**Serial Bonds**

The County borrows money in order to acquire land or 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, which are full faith and credit debt of the local government, are recorded in the Statement of Net Position. 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.

<u>Governmental Activities</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	
Serial Bonds - Excluding CTASC:				
Public Improvement Serial Bonds	2013	2029	2.25-3.00%	\$ 15,430,000
Public Improvement Serial Bonds	2013	2033	3.00-4.50%	1,170,000
Public Improvement Serial Bonds	2015	2023	2.00%	2,265,000
Refunding Bonds	2016	2028	2.00%	<u>7,450,000</u>
Subtotal				26,315,000
Add: Premium				<u>468,931</u>
<b>Total</b>				<b><u>\$ 26,783,931</u></b>

On June 2, 2016 the County issued \$8,100,000 general obligation bonds, with an interest rate of 2.00%. The County issued the bonds to advance refund \$8,420,000 outstanding general obligation bonds with interest rates ranging between 2.00% and 3.37%. The County used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the \$8,420,000 in bonds is considered defeased and the liability has been removed from the financial statements. The outstanding principal of the defeased bonds was \$7,765,000 at December 31, 2018.

Unamortized deferred charges on defeased debt related to the 2016 bond refunding are amortized over the life of the bonds. Balances and activity for the year are summarized below:

<u>Governmental Activities</u>	<u>Balance at 12/31/17</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance at 12/31/18</u>	<u>Amount Due Within One Year</u>
Unamortized Deferred Charges on Defeased Debt	\$ 250,079	\$ -	\$ (39,447)	\$ 210,632	\$ 37,072
<b>Total</b>	<b><u>\$ 250,079</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (39,447)</u></b>	<b><u>\$ 210,632</u></b>	<b><u>\$ 37,072</u></b>

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### **Note 13 Long-term Debt - Continued**

#### **Serial Bonds - CTASC**

The original purchase price for the County's future rights, title and interest in the Tobacco Settlement Revenues (TSR) was financed through the issuance of Series 2000 bonds in the amount of \$16,740,000. The bonds were sold at a discount of \$241,282, for a net issue price of \$16,498,718. The discount is being amortized over the maturity period of the bonds using the straight-line method. Interest rates on the bonds range from 5.0% to 6.25%. 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 are the Liquidity Reserve Account and the Debt Service Account. CTASC retains TSRs in an amount sufficient to service its debt and pay its operating expenses.

CTASC issued \$37,338,337 in capital appreciation bonds for proceeds of \$7,334,797 on November 29, 2005. The Series 2005 bonds are payable solely from and secured solely by the future right, title and interest of the Corporation in the collection of TSRs previously purchased by CTASC 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 CTASC. This series consists of subordinate turbo capital appreciation bonds (CAB) that provide long-dated financing for CTASC 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. CTASC is required by covenant not to issue additional bonds or refunding bonds that would extend the term of the capital appreciation bonds or other outstanding bonds.

The Series 2000 bonds are composed of the bonds which mature through June 1, 2042, without flexible amortization, and through June 1, 2026 under a flexible amortization payment schedule. Interest on the bond's ranges from 5.00% to 6.25%. Payments on the term bonds are through 2026. The balance at December 31, 2018 is net of unamortized bond discount of \$74,243.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### **Note 13 Long-term Debt - Continued**

#### **Serial Bonds - CTASC - Continued**

The Series 2005 bonds are composed of the following:

- \$2,043,971 Tobacco Settlement Asset-Backed Bonds, Series 2005 S1 (Tax Exempt Turbo Capital Appreciation Bonds), maturity date: June 1, 2023, with an accreted value at maturity of \$16,470,000.
- \$1,207,315 Tobacco Settlement Asset-Backed Bonds, Series 2005 S2 (Tax Exempt Turbo Capital Appreciation Bonds), maturity date: June 1, 2026, with an accreted value at maturity of \$17,510,000.
- \$1,163,141 Tobacco Settlement Asset-Backed Bonds, Series 2005 S3 (Tax Exempt Turbo Capital Appreciation Bonds), maturity date: June 1, 2029, with an accreted value at maturity of \$32,645,000.
- \$2,553,792 Tobacco Settlement Asset-Backed Bonds, Series 2005 S4B (Tax Exempt Turbo Capital Appreciation Bonds), maturity date: June 1, 2039, with an accreted value at maturity of \$169,800,000.

#### **Conduit Debt**

In 1994, the County issued certificates of participation (COPs) to provide financial assistance to the Hospital for the costs associated with the improvement of certain facilities. The COPs are secured by the property financed and are payable solely from payments received from the Hospital to the County based on a sublease agreement between the County and Cayuga County Hospital Improvement Corporation, a not-for-profit corporation created by the Hospital. Under terms of the agreements, the County is only liable for the amount it has appropriated. The County did appropriate funds in its 2008-2010 budgets for this purpose, offset by an equal amount of estimated revenues from the Hospital. In 2018, the Hospital refinanced the debt releasing the County from any future liability. During the year, the County received \$1,383,333 in principal payments and the remaining debt of \$3,351,667 was removed from the County's liabilities. At December 31, 2018, the COPs outstanding aggregated \$-0-. Interest paid in connection with this agreement was \$116,403.

#### **Capital Lease**

In 2015, the County entered into a capital lease on behalf of CCC at an interest rate of 3.39% for the purchase of equipment. At December 31, 2018, the outstanding balance totaled \$980,483.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

### Note 13 Long-term Debt - Continued

#### Summary of Long-Term Debt

The following is a summary of the County's long-term debt for the year ended December 31, 2018:

<u>Governmental Activities</u>	<u>Balance at 12/31/17</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance at 12/31/18</u>	<u>Amount Due Within One Year</u>
Serial Bonds and Premium	\$ 29,171,753	\$	\$ (2,387,822)	\$ 26,783,931	\$ 2,437,533
Serial Bonds - CTASC and Discount	17,079,696	9,280	(365,000)	16,723,976	2,715,720
Accreted Interest - CTASC	8,809,990	1,110,948		9,920,938	
Certificates of Participation - Hospital	4,735,000		(4,735,000)	-	
Capital Lease - CCC	1,044,116		(63,633)	980,483	65,749
<b>Total Governmental Activities</b>	<b><u>\$ 60,840,555</u></b>	<b><u>\$ 1,120,228</u></b>	<b><u>\$ (7,551,455)</u></b>	<b><u>\$ 54,409,328</u></b>	<b><u>\$ 5,219,002</u></b>

Interest on long-term debt interest amounted to \$2,596,270 for Governmental Activities, of which \$1,774,637 was related to CTASC bonds for the year ended December 31, 2018.

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

<u>Year</u>	<u>Serial Bonds</u>		<u>Capital Lease</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2019	\$ 2,355,000	\$ 679,294	\$ 65,749	\$ 32,390	\$ 3,132,433
2020	2,415,000	627,925	68,005	30,134	3,141,064
2021	2,480,000	571,650	70,338	27,801	3,149,789
2022	2,555,000	509,309	72,751	25,388	3,162,448
2023	2,625,000	438,638	75,247	22,892	3,161,777
2024-2028	11,795,000	1,239,891	416,777	73,916	13,525,584
2029-2033	2,090,000	55,519	211,616	9,068	2,366,203
<b>Total</b>	<b><u>\$ 26,315,000</u></b>	<b><u>\$ 4,122,226</u></b>	<b><u>\$ 980,483</u></b>	<b><u>\$ 221,589</u></b>	<b><u>\$ 31,639,298</u></b>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 13 Long-term Debt - Continued**

**Summary of Long-Term Debt - Continued**

The following is a summary of maturing debt service requirements, including accreted interest, for CTASC. Principal payments (including discount and accretion on capital appreciation bonds) based on the required maturities are as follows for the years ended December 31:

Year	CTASC Series 2000		CTASC Series 2005
	Principal	Interest	Principal and Accreted Interest
2019	\$ 2,725,000	\$ 556,633	\$ 704,101
2020	1,005,000	435,788	733,189
2021	1,070,000	368,181	765,024
2022	1,125,000	295,972	807,726
2023	3,905,000	413,897	2,265,546
2024-2028			8,650,863
2029-2033			10,155,018
2034-2038			10,778,627
2039			2,123,843
<b>Total</b>	<b>\$ 9,830,000</b>	<b>\$ 2,070,471</b>	<b>\$ 36,983,937</b>

**Note 14 Long-term Debt - Discretely Presented Component Units**

**CCWSA**

Long-term debt reported by CCWSA consists of notes payable to the New York State Environmental Facilities Corporation (NYSEFC) and bonds payable to the United States Department of Agriculture Rural Development Agency (RDA). Proceeds of the notes and bonds were used for water and sewer infrastructure construction and improvements. The notes and bonds are due in varying principal amounts through 2051 and carry interest rates varying from 1.88% to 4.75%.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

### Note 14 Long-term Debt - Discretely Presented Component Units - Continued

#### CCWSA - Continued

The following is a summary of maturing debt service requirements for the year ending December 31,:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 95,174	\$ 82,823	\$ 177,997
2020	96,432	80,818	177,250
2021	96,702	78,750	175,452
2022	106,987	76,480	183,467
2023	97,285	74,172	171,457
2024-2027	513,449	336,511	849,960
2028-2032	583,489	272,311	855,800
2033-2037	657,379	197,856	855,235
2038-2042	616,971	116,689	733,660
2043-2047	539,000	55,796	594,796
2048-2052	<u>237,000</u>	<u>6,373</u>	<u>243,373</u>
<b>Total</b>	<b><u>\$ 3,639,868</u></b>	<b><u>\$ 1,378,579</u></b>	<b><u>\$ 5,018,447</u></b>

#### CCC - Lease Agreements

River Glen had noncancelable agreements in place that expired through fiscal 2031 to lease space in Fulton, New York to the College and an unrelated party. The terms of the agreements were as follows:

River Glen leased space to the College through 2031, unless extended or terminated by either party. Per the terms of the agreement, the College is required to make monthly base rental amounts of \$13,170. In addition, the College is required to pay additional rental fees equal to amounts required by River Glen's mortgage agreement. Additionally, upon termination of the lease agreement between River Glen and an unrelated party, the College is required to pay base rent to River Glen equal to or greater than the base rent of the unrelated third party. In accordance with the lease agreement, the College is responsible for all common area maintenance costs. River Glen remits common area maintenance fees paid by other tenants to the College.

River Glen leased space to an unrelated party (the Tenant). Per the terms of the lease agreement, the minimum annual rent was \$545,202. In addition, the Tenant was required to pay its pro rata share of real estate taxes and common area maintenance based on square footage. The property was foreclosed on, therefore, River Glen no longer receives rental receipts. Prior to the foreclosure date, all tenant rental payments, including common area maintenance and additional rental fees, are being collected directly by the receiver of rents. Therefore, River Glen has not recognized rental income and fees from amounts paid to the receiver of rents in fiscal 2018 and 2017. In 2017, River Glen recognized \$32,925 in rental income from the College for rental fees paid in advance.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 14 Long-term Debt - Discretely Presented Component Units - Continued**

**CCC - Lease Agreements - Continued**

In December 2018, the bank foreclosed on the mortgage payable that River Glen did not make a scheduled balloon payment of principal on in April 2016, triggering an act of default per the terms of the mortgage agreement. The 5.75% note, which had been accruing interest on outstanding principal at 10.75% during the period of default, had an outstanding balance of \$6,757,678 and accrued interest of \$1,083,379 as of August 31, 2017. As of the date of the foreclosure, River Glen was released of all obligations and no longer held the assets related to the property. Accordingly, River Glen recognized a loss on the foreclosure of property of \$965,051 related to the disposition of assets and release of liabilities. As of the date of financial statements, the property has not been put up for foreclosure auction, until such time, it is reasonably possible that the act of foreclosure could be reversed, and accordingly, no amounts have been recorded as a contingent payable in the consolidated statement of financial position. No interest was paid for the years ended August 31, 2018 and 2017.

**Mortgage Payable**

CCC reports debt of its component unit, the Cayuga College Community Foundation, Inc. (the Foundation). The Foundation's debt consists of a mortgage payable to a bank. The mortgage payable balance was \$-0- and \$6,757,678 at August 31, 2018 and 2017, respectively and was collateralized by property held.

**Note 15 Interfund Transactions**

During the course of normal operations, the County has numerous transactions between funds. This includes expenditures and transfers of resources; primarily to provide services. The Governmental Funds' financial statements generally reflect such transactions as transfers whereas the Proprietary Fund records such transactions as non-operating revenues or expenses.

Interfund transactions for the year ended December 31, 2018 were as follows:

	<u>Interfund Receivable</u>	<u>Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:				
General Fund	\$ 1,024,021	\$ 233,393	\$ 420,000	\$ 7,965,210
Non-Major Funds	<u>233,393</u>	<u>1,024,021</u>	<u>8,670,576</u>	<u>1,125,366</u>
Proprietary Fund	<u>67,700</u>	<u>67,700</u>		
<b>Totals</b>	<b><u>\$ 1,325,114</u></b>	<b><u>\$ 1,325,114</u></b>	<b><u>\$ 9,090,576</u></b>	<b><u>\$ 9,090,576</u></b>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 16 Equity Detail**

At December 31, 2018, fund balance in the governmental funds was comprised of the following:

	<b>General Fund</b>	<b>Non-Major Governmental Funds</b>
<u>Nonspendable</u>		
Reserve for Retirement	\$ 1,059,753	\$
Prepaid Expenses	1,299,335	103,843
<b>Total Nonspendable Fund Balance</b>	<b>\$ 2,359,088</b>	<b>\$ 103,843</b>
<u>Restricted</u>		
Public Safety	\$ 223,586	\$
Debt - CTASC		2,590,409
Capital Projects	3,758,331	
<b>Total Restricted Fund Balance</b>	<b>\$ 3,981,917</b>	<b>\$ 2,590,409</b>
<u>Committed</u>		
Capital Projects	\$ 609,783	\$
<b>Total Committed Fund Balance</b>	<b>\$ 609,783</b>	<b>\$ -</b>
Appropriated for Next Year's Budget	\$ 838,475	\$
Encumbered for:		
General Government Support	421,825	
Public Safety	40,007	
Public Health	8,956	
Economic Assistance and Opportunity	1,649	
Home and Community and Culture and Recreation	50,796	
Claims and Liabilities	846,812	
Unemployment	563,371	
Transportation		3,593,568
Community Development		27,695
Capital Projects		384,652
Miscellaneous		1,265,952
<b>Total Assigned Fund Balance</b>	<b>\$ 2,771,891</b>	<b>\$ 5,271,867</b>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

### *Note 16* **Equity Detail - Continued**

#### **Board Designated Net Position**

Board designated net position consists of cash asset reserves held by the Consortium assigned to cover a direct liability or assist the Consortium with cash flow and provide protection during times when paid claim projections are exceeded. These cash assets have also been a source of revenue to the Consortium, allowing management to contain premium increases. Included in unrestricted net position are:

- Rate Stabilization Reserve - This reserve was established to protect the Consortium from the ill effects associated with times when actual paid claims exceed projections. The current Rate Stabilization Reserve has been established at 10% of budgeted premiums. The balance at December 31, 2018 was \$1,999,740.
- Catastrophic Claims Reserve - The Catastrophic Claims reserve was established in lieu of purchasing aggregate and stop-loss insurance. The Catastrophic Claims Reserve has been set at an amount equal to 15% of budgeted paid claims. The balance at December 31, 2018 was \$2,053,589.

### *Note 17* **Commitments and Contingent Liabilities**

The County or its agencies are named in several lawsuits arising in the ordinary course of County operations. These claims and lawsuits, in the opinion of management, are either adequately covered by insurance or will not result in a material impact on the financial position of the County and, therefore, are not reflected in the accompanying financial statements. In the past three years, no settlements exceeded insurance coverage.

The County participates in a number of federally and state assisted programs which are subject to periodic program compliance audits by the grantors or their representatives. Accordingly, any noncompliance by the County with the applicable programs could be established at some future date and have a material effect on the financial condition of the County. There were no material questioned or disallowed costs which have been communicated by grantors as a result of audits for the year ended December 31, 2018.

### *Note 18* **New Accounting Standards**

The County adopted and implemented the following current Statements of the Governmental Accounting Standards Board (GASB) effective for the year ended December 31, 2018:

- GASB has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions," effective for the year ended December 31, 2018. This Statement replaces the requirements of Statements No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions," as amended, and No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB."

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018**

### **Note 18 New Accounting Standards - Continued**

- GASB has issued Statement No. 85, “Omnibus 2017,” effective for the year ended December 31, 2018.
- GASB has issued Statement No. 86, “Certain Debt Extinguishment Issues,” effective for the year ended December 31, 2018.

### **Note 19 Future Changes in Accounting Standards**

- GASB has issued Statement No. 83, “Certain Asset Retirement Obligations,” effective for the year ending December 31, 2019.
- GASB has issued Statement No. 84, “Fiduciary Activities,” effective for the year ending December 31, 2019. This statement improves guidance regarding identification of fiduciary activities for accounting and reporting purposes.
- GASB has issued Statement No. 87, “Leases,” effective for the year ending December 31, 2020.
- GASB has issued Statement No. 88, “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements,” effective for the year ending December 31, 2019. This statement improves the information disclosed in the notes to the governmental financial statements related to debt, including direct borrowings and direct placements.
- GASB has issued Statement No. 89, “Accounting for Interest Cost Incurred Before the End of a Construction Period,” effective for the year ending December 31, 2020.

The County will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

### **Note 20 Tax Abatements**

For the year ended December 31, 2018, the County was subject to tax abatements negotiated by the Cayuga County Industrial Development Agency (CCIDA), a discretely presented component unit, the Town of Mentz, and the Town of Brutus (the Towns).

Through CCIDA, companies from outside the County can apply for sales tax exemptions for eligible spending related to relocating to the County. Companies accepted into the program document the sales tax paid on eligible spending and receive a rebate up to a maximum of 100%. Through this program, companies promise to expand or maintain facilities or employment in the County, to establish new business in the County, or to relocate an existing business to the County. Economic development agreements entered into by CCIDA can include the abatement of county, local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which CCIDA administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100%.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

**Note 20 Tax Abatements - Continued**

Information relevant to disclosure of the program for the year ended December 31, 2018 is as follows:

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated</b>
Economic Development:	
Real Property Tax	\$ 350,632
Sales Tax	196,465
<b>Total</b>	<b>\$ 547,097</b>

The Towns entered into a property tax abatement agreements with a local business under Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth. Under the Act, localities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Towns. Under these programs, the Towns abated taxes by 89% and 57% to apartment complexes within their respective Towns.

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated</b>
Economic Development:	
Real Property Tax	\$ 9,696
<b>Total</b>	<b>\$ 9,696</b>

**Note 21 Reclassification of Prior Year Presentation**

Certain prior year amounts have been reclassified for consistency with the current year presentation. The Cayuga County Development Corporation, which had been reported as a discretely presented component unit, is reported as a proprietary fund in the current year.

**Note 22 Restatement**

During the year, the County corrected an error related to deferred inflows of resources for related party receivables. Additionally, the County adopted GASB Statement No. 75.

The County's December 31, 2017 net position has been restated to reflect the following:

	<b>Governmental Activities</b>
<b>Net Position (Deficit) Beginning of Year</b>	<b>\$ (33,770,166)</b>
Correction of an Error	(1,225,000)
<b>GASB Statement No. 75 Implementation</b>	
Change in Beginning OPEB Plan Liability	(40,889,134)
Change in Beginning Deferred Outflows OPEB	3,725,934
<b>Net Position (Deficit) Beginning of Year, as Restated</b>	<b>\$ (72,158,366)</b>

# COUNTY OF CAYUGA

## BUDGETARY COMPARISON SCHEDULE (NON-GAAP) GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>
<b>REVENUES</b>		
Real Property Taxes	\$ 39,792,235	\$ 39,792,235
Real Property Tax Items	1,853,991	1,853,991
Nonproperty Tax Items	45,829,000	45,829,000
Departmental Income	10,625,689	12,253,437
Intergovernmental Charges	2,382,151	2,382,151
Use of Money and Property	399,039	399,039
Licenses and Permits	20,000	20,000
Fines and Forfeitures	192,458	192,458
Sale of Property and Compensation for Loss	80,000	80,000
Miscellaneous Local Sources	125,000	151,125
State Sources	17,069,109	19,065,816
Federal Sources	12,121,129	14,072,130
<b>Total Revenues</b>	<b>130,489,801</b>	<b>136,091,382</b>
<b>EXPENDITURES</b>		
General Governmental Support	36,841,828	37,285,400
Education	5,905,902	5,905,902
Public Safety	18,759,287	20,491,983
Public Health	11,184,194	13,133,859
Transportation	162,400	162,400
Economic Assistance and Opportunity	42,690,823	43,780,323
Culture and Recreation	1,145,694	1,300,121
Home and Community Services	1,732,277	2,341,357
Employee Benefits	703,068	789,468
Debt Service (Principal and Interest)	4,916,920	4,662,790
<b>Total Expenditures</b>	<b>124,042,393</b>	<b>129,853,603</b>
Excess of Revenues (Expenditures)	6,447,408	6,237,779
<b>OTHER FINANCING SOURCES (USES)</b>		
Interfund Transfers In	220,000	220,000
Interfund Transfers (Out)	(7,250,000)	(7,965,210)
<b>Total Other Financing (Uses)</b>	<b>(7,030,000)</b>	<b>(7,745,210)</b>
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	(582,592)	(1,507,431)
Appropriated Fund Balance	582,592	1,507,431
Net Increase	\$ -	\$ -
Fund Balance, Beginning of Year		
<b>Fund Balance, End of Year</b>		

*See Notes to Required Supplementary Information*

<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 39,506,346		\$ (285,889)
1,897,949		43,958
47,093,021		1,264,021
10,973,261		(1,280,176)
2,136,912		(245,239)
228,210		(170,829)
23,426		3,426
178,198		(14,260)
110,725		30,725
115,962		(35,163)
18,382,991		(682,825)
11,812,847		(2,259,283)
132,459,848		(3,631,534)
36,421,310	421,825	442,265
5,831,648		74,254
18,917,819	40,007	1,534,157
11,446,788	8,956	1,678,115
162,396		4
41,598,969	1,649	2,179,705
1,210,255	44,383	45,483
1,679,153	6,413	655,791
737,083		52,385
4,616,974		45,816
122,622,395	523,233	6,707,975
9,837,453	(523,233)	3,076,441
220,000		
(7,965,210)		-
(7,745,210)		-
2,092,243	<b>\$ (523,233)</b>	<b>\$ 3,076,441</b>
2,092,243		
27,499,950		
<b>\$ 29,592,193</b>		

# COUNTY OF CAYUGA

## SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2018	2017	2016
<b>Total OPEB Liability</b>			
Service Cost	\$ 2,789,460	\$ *	\$ *
Interest Cost	4,433,664	*	*
Changes of Benefit Terms	(8,568,605)	*	*
Differences Between Expected and Actual Experience	857,173	*	*
Changes in Assumptions or Other Inputs Benefit Payments	14,739,294	*	*
Benefit Payments	(3,725,934)	*	*
	10,525,052	*	*
Total OPEB Liability - Beginning	116,366,179	*	*
<b>Total OPEB Liability - Ending</b>	<b>\$ 126,891,231</b>	<b>\$ 116,366,179</b>	<b>\$ *</b>
<b>Covered Employee Payroll</b>	\$ 25,747,275	\$ *	\$ *
<b>Liability as a Percentage of Covered Payroll</b>	493%		

\* Information is unavailable and will be present as it becomes available.

*See Notes to Required Supplementary Information*



# ***COUNTY OF CAYUGA***

## **SCHEDULE OF THE COUNTY'S CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS**

	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Contractually Required Contribution	<b>\$ 4,637,550</b>	\$ 4,684,506	\$ 4,382,451
Contributions in Relation to the Contractually Required Contribution	<b>(4,637,550)</b>	(4,684,506)	(4,382,451)
Contribution Deficiency (Excess)	-	-	-
County's Covered - Employee Payroll	<b>29,104,893</b>	28,806,439	27,023,417
Contributions as a Percentage of Covered - Employee Payroll	<b>15.9%</b>	16.3%	16.2%

Note: Covered Payroll for 2013 Through 2008 is Not Available

*See Notes to Required Supplementary Information*

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 6,078,507	\$ 6,114,554	\$ 5,604,588	\$ 5,210,874	\$ 4,620,561	\$ 3,869,513	\$ 2,469,740
(6,078,507)	(6,114,554)	(5,604,588)	(5,210,874)	(4,620,561)	(3,869,513)	(2,469,740)
-	-	-	-	-	-	-
30,573,891	30,564,765					
19.9%	20.0%					

# *COUNTY OF CAYUGA*

## SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED DECEMBER 31,

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's Proportion of the Net Pension Liability	<b>0.1503256%</b>	0.1330634%	0.1292610%	0.1442153%
County's Proportionate Share of the Net Pension Liability	<b>\$ 4,131,688</b>	\$ 12,502,938	\$ 20,746,753	\$ 4,871,946
County's Covered-employee Payroll During the Measurement Period	<b>28,913,246</b>	28,770,837	27,023,417	30,449,443
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-employee Payroll	<b>14.3%</b>	43.5%	76.8%	16.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<b>98.2%</b>	94.7%	90.7%	97.9%

*See Notes to Required Supplementary Information*

# COUNTY OF CAYUGA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2018

### *Note 1* **Budget Basis of Accounting**

#### **Budgeting Policies**

The budget policies are as follows:

- No later than November 15, the budget officer submits a tentative budget to the Clerk of the Board of Representatives for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds except the Capital Projects and Self-Insurance Funds.
- After public hearings are conducted to obtain taxpayer comments, no later than December 20, the Board of Representatives adopts the budget.
- Budget modifications are authorized by resolution of the Board of Representatives.
- Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects and remain in effect for the life of the project. Budget controls for the Self-Insurance Fund are established through separate annual resolutions.

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Encumbrances are not considered a disbursement in the financial plan or an expenditure in GAAP based financial statements. Encumbrances reserve a portion of the applicable appropriation for purchase orders, contracts, and other commitments not expended at year end, thereby ensuring that appropriations are not exceeded.

An annual legal budget is not adopted for the Special Grant Fund, which is a Special Revenue Fund. Budgetary controls for the Special Grant Fund are established in accordance with the applicable grant agreements.

### *Note 2* **Reconciliation of the Budget Basis to GAAP**

The General Fund budget does not include the activities of the self-insurance fund, which have been eliminated from the actual amounts reported in the Budgetary Comparison Schedule.

	<u>Budgetary Basis</u>	<u>GAAP Basis</u>
Revenue and Other Financing Sources	\$ 132,679,848	\$ 132,990,867
Expenditures and Other Financing Uses	(130,587,605)	(130,922,945)
Changes in Fund Balances	2,092,243	2,067,922
Beginning Fund Balance	27,499,950	28,384,394
<b>Ending Fund Balance</b>	<b><u>\$ 29,592,193</u></b>	<b><u>\$ 30,452,316</u></b>

# COUNTY OF CAYUGA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2018

**Note 3 Schedule of Changes in the County's Total OPEB Liability and Related Ratios**  
Changes in assumptions and other inputs reflected the effect of changes in the discount rate each period. The following are the discount rates in each period.

2018 - 3.44%  
2017 - 3.78%

**Note 4 Schedule of the County's Proportionate Share of the Net Pension Liability**  
The Schedule of the County's Proportionate Share of the Net Pension Liability, presented as required supplementary information, presents four years of information. This schedule will present ten years of information as it becomes available.

**Note 5 Schedules of County Contributions - NYSLRS Pension Plan and Schedule of the County's Proportionate Share of the Net Pension Liability**

### **NYSLRS**

#### **Changes in Benefit Terms**

There were no significant legislative changes in benefits.

#### **Changes of Assumptions**

There were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2017 actuarial valuation.

#### **Methods and Assumptions Used in Calculations of Actuarially Determined Contributions**

The April 1, 2017 actuarial valuation determines the employer rates for contributions payable in fiscal year 2018. The following actuarial methods and assumptions were used:

Actuarial Cost Method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset Valuation Period	Five-year phase in deferred recognition of each year's net investment income/loss in excess of (or less than) 7.5% at a rate of 20% per year, until fully recognized after five years. For fiscal years ending prior to June 30, 2015, realized and unrealized appreciation in excess of (or less than) the assumed inflationary rate of 4.0% is subject to the five-year phase in.
Inflation	2.5%
Salary Scale	3.8% in ERS, indexed by service.
Investment Rate of Return	7.0% compounded annually, net of investment expenses, including inflation.
Cost of Living Adjustments	1.3% annually.

# COUNTY OF CAYUGA

## COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2018

	Special Revenue Funds				Capital Fund	CTASC Debt Service Fund	Total Non-Major Governmental Funds
	County Road Fund	Road Machinery Fund	Special Grant Fund	Miscellaneous Special Revenue Fund			
<b>ASSETS</b>							
<b>Assets</b>							
Cash and Cash Equivalents - Unrestricted	\$ 29,914	\$ 1,181,269	\$ 36,328	\$ 901,460	\$ 1,459,912	\$	\$ 3,608,883
Cash and Cash Equivalents - Restricted						1,556,668	1,556,668
Other Receivables, Net		94,579		131,156	78,729	1,038,000	1,342,464
Due from State and Federal Governments	2,597,559		107,300		35,625		2,740,484
Due from other funds				233,393			233,393
Prepaid Expenses	76,564	15,102	12,177				103,843
<b>Total Assets</b>	<b>\$ 2,704,037</b>	<b>\$ 1,290,950</b>	<b>\$ 155,805</b>	<b>\$ 1,266,009</b>	<b>\$ 1,574,266</b>	<b>\$ 2,594,668</b>	<b>\$ 9,585,735</b>
<b>LIABILITIES</b>							
<b>Liabilities</b>							
Accounts Payable	\$ 48,413	\$ 36,789	\$ 191	\$ 57	\$	\$ 4,259	\$ 89,709
Accrued Liabilities	103,288	21,263	16,224		345,593		486,368
Due to Other Funds	100,000		80,000		844,021		1,024,021
Due to Other Governments			19,518				19,518
<b>Total Liabilities</b>	<b>251,701</b>	<b>58,052</b>	<b>115,933</b>	<b>57</b>	<b>1,189,614</b>	<b>4,259</b>	<b>1,619,616</b>
<b>FUND BALANCES</b>							
<b>Fund Balances</b>							
Nonspendable	76,564	15,102	12,177				103,843
Restricted						2,590,409	2,590,409
Assigned	2,375,772	1,217,796	27,695	1,265,952	384,652		5,271,867
<b>Total Fund Balances</b>	<b>2,452,336</b>	<b>1,232,898</b>	<b>39,872</b>	<b>1,265,952</b>	<b>384,652</b>	<b>2,590,409</b>	<b>7,966,119</b>
<b>Total Deferred Inflows of Resources, Liabilities and Fund Balances</b>	<b>\$ 2,704,037</b>	<b>\$ 1,290,950</b>	<b>\$ 155,805</b>	<b>\$ 1,266,009</b>	<b>\$ 1,574,266</b>	<b>\$ 2,594,668</b>	<b>\$ 9,585,735</b>

# COUNTY OF CAYUGA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Special Revenue Funds				Capital Fund	CTASC Debt Service Fund	Total Non-Major Governmental Funds
	County Road Fund	Road Machinery Fund	Special Grant Fund	Miscellaneous Special Revenue Fund			
<b>REVENUES</b>							
Departmental Income	\$	\$	\$ 6,725	\$ 212,218	\$	\$	\$ 218,943
Intergovernmental Charges	8,606	963,438		681			972,725
Use of Money and Property			576		4,198	24,586	29,360
Licenses and Permits	1,010						1,010
Sale of Property and Compensation for Loss	4,479	14,268				1,027,510	1,046,257
Miscellaneous Local Sources				643	457,775		458,418
Interfund Revenues		1,529,632					1,529,632
State Sources	6,020,622				576,881		6,597,503
Federal Sources			814,243		187,777		1,002,020
<b>Total Revenues</b>	<b>6,034,717</b>	<b>2,507,338</b>	<b>821,544</b>	<b>213,542</b>	<b>1,226,631</b>	<b>1,052,096</b>	<b>11,855,868</b>
<b>EXPENDITURES</b>							
General Governmental Support				174,737		40,140	214,877
Public Safety				4,220			4,220
Transportation	12,379,653	2,866,608					15,246,261
Economic Assistance and Opportunity			801,708	5,000			806,708
Home and Community Services			2,202,096				2,202,096
Debt Service Principal and Interest						1,021,328	1,021,328
Capital Outlay					2,228,312		2,228,312
<b>Total Expenditures</b>	<b>12,379,653</b>	<b>2,866,608</b>	<b>3,003,804</b>	<b>183,957</b>	<b>2,228,312</b>	<b>1,061,468</b>	<b>21,723,802</b>
Excess of Revenues (Expenditures)	(6,344,936)	(359,270)	(2,182,260)	29,585	(1,001,681)	(9,372)	(9,867,934)
<b>OTHER FINANCING SOURCES</b>							
Interfund Transfers In	6,900,000			404,130	1,366,446		8,670,576
Interfund Transfers (Out)	(883,750)			(21,616)	(220,000)		(1,125,366)
<b>Total Other Financing Sources</b>	<b>6,016,250</b>	<b>-</b>	<b>-</b>	<b>382,514</b>	<b>1,146,446</b>	<b>-</b>	<b>7,545,210</b>
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	(328,686)	(359,270)	(2,182,260)	412,099	144,765	(9,372)	(2,322,724)
Fund Balances, Beginning of Year	2,781,022	1,592,168	2,222,132	853,853	239,887	2,599,781	10,288,843
<b>Fund Balances, End of Year</b>	<b>\$ 2,452,336</b>	<b>\$ 1,232,898</b>	<b>\$ 39,872</b>	<b>\$ 1,265,952</b>	<b>\$ 384,652</b>	<b>\$ 2,590,409</b>	<b>\$ 7,966,119</b>

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

Honorable Tucker Whitman, Chairman  
and Honorable Members of the County Legislature  
County of Cayuga  
Auburn, 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 Cayuga (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 9, 2019. Our report includes a reference to the other auditors who audited the financial statements of the Cayuga Tobacco Asset Securitization Corporation (aggregate remaining fund information), Cayuga Community College, Cayuga County Industrial Development Agency or Cayuga County Development Corporation, as described in our report on the County's financial statements. The financial statements of the Cayuga County Development Corporation were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully Submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
September 9, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY UNIFORM GUIDANCE**

Honorable Tucker Whitman, Chairman  
and Honorable Members of the County Legislature  
County of Cayuga  
Auburn, New York

**Report on Compliance for Each Major Federal Program**

We have audited the County of Cayuga's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2018. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the County of Cayuga complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

**Report on Internal Control Over Compliance**

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

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

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

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

Respectfully Submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
September 9, 2019

# COUNTY OF CAYUGA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal Catalog #	Pass-Through Grantor #	Pass-Through to Subrecipients	Expenditures
<b>U.S. Department of Agriculture</b>				
Passed Through NYS Department of Health:				
SNAP Cluster:				
State Administrative Matching Grants for SNAP	10.561	(1)	\$	\$ 840,342
Total SNAP Cluster				<u>840,342</u>
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C30446		547,080
WIC Special Supplemental Nutrition Program for Women, Infants, and Children -				
WIC Food Instruments	10.557	(1)		831,055
Total WIC				<u>1,378,135</u>
WIC Farmers' Market Nutrition Program (FMNP)	10.572	(1)		<u>8,944</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>				<u>2,227,421</u>
<b>U.S. Department of Housing and Urban Development</b>				
Passed Through the NYS Homes and Community Renewal:				
Community Development Block Grants/Entitlement Grants	14.218	C-021832	2,193,897	<u>2,193,897</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				<u>2,193,897</u>
<b>U.S. Department of Labor</b>				
Passed Through NYS Department of Labor:				
WIA/WIOA Cluster:				
WIA/WIOA Adult Program	17.258	(1)		174,933
WIA/WIOA Youth Activities	17.259	(1)		160,800
WIA/WIOA Dislocated Worker Formula Grants	17.278	(1)		145,413
Total WIA/WIOA Cluster				<u>481,146</u>
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>				<u>481,146</u>
<b>U.S. Department of Transportation</b>				
Passed Through NYS Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	D034603		147,407
Highway Planning and Construction	20.205	D034208		39,264
Highway Planning and Construction	20.205	D034823		57,024
Total Highway Planning and Construction Cluster				<u>243,695</u>
Passed Through NYS Office of Emergency Management:				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	(1)		<u>9,074</u>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>				<u>252,769</u>
<b>U.S. Department of Education</b>				
Passed through NYS Department of Health:				
Special Education - Grants for Infants and Families with Disabilities	84.181	C027468		<u>21,536</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>				<u>21,536</u>
<b>U.S. Environmental Protection Agency</b>				
Passed Through New York State Department of Health				
State Indoor Radon Grants	66.032	T-027069		<u>3,915</u>
<b>TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY</b>				<u>3,915</u>
Subtotal Expenditures of Federal Awards			<u>2,193,897</u>	<u>5,180,684</u>

N/A - Denotes Not Applicable (Direct Program)  
(1) - Denotes Unable to Obtain from Pass-Through Entity  
No Amounts Were Provided to Subrecipients

*See Notes to Schedule of Expenditures of Federal Awards*

# COUNTY OF CAYUGA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal Catalog #	Pass-Through Grantor #	Pass-Through to Subrecipients	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			\$ 2,193,897	\$ 5,180,684
<b>U.S. Department of Health and Human Services</b>				
Passed Through NYS Office for the Aging:				
Title III-D, Disease Prevention and Health Promotion Services	93.043	(1)		3,969
Aging Cluster:				
Special Programs for the Aging, Title III-B, Grants for Supportive Services and Senior Centers	93.044	(1)		74,830
Special Programs for the Aging, Title III-C, Nutrition Services	93.045	C1		66,292
Special Programs for the Aging, Title III-C, Nutrition Services	93.045	C2		101,458
Total Special Programs for the Aging, Title III-C, Nutrition Services				167,750
Nutrition Services Incentive Program	93.053	(1)		47,485
Total Aging Cluster				290,065
National Family Caregiver Support, Title III-E	93.052	(1)		32,882
Medicare Enrollment Assistance Program	93.071	(1)		10,017
Centers for Medicare and Medical Services Research, Hospital Preparedness Program and Public Health Emergency	93.074	1585-11		81,081
Total Hospital Preparedness Program and Public Health Emergency Demonstrations and Evaluations	93.779	(1)		18,866
Passed Through Substance Abuse and Mental Health Services Administration				
Opioid STR	93.788	5H79T1080223-02		49,563
Passed Through NYS Department of Health:				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	1H79SM063409-01		1,139,313
Immunization Cluster:				
Immunization Cooperative Agreements	93.268	C-028280		5,948
Maternal and Child Health Services Block Grant to the States:				
Maternal and Child Health Services Block Grant to the States	93.994	C-32651		16,824
Maternal and Child Health Services Block Grant to the States	93.994	C-030881		16,410
Total Maternal and Child Health Services Block Grant to the States				33,234
Medicaid Cluster:				
Medical Assistance Program	93.778	(1)		1,024,563
Total Medicaid Cluster				1,024,563
Passed Through NYS Office of Temporary and Disability Assistance:				
Child Support Enforcement	93.563	(1)		395,957
Low-Income Home Energy Assistance	93.568	(1)		3,275,879
Passed Through NYS Office of Children and Family Services:				
CCDF Cluster:				
Child Care and Development Block Grant	93.575	(1)		1,478,871
Total CCDF Cluster				1,478,871
Stephanie Tubbs Jones Child Welfare Services Program	93.645	(1)		
Foster Care - Title IV-E	93.658	(1)		919,572
Adoption Assistance	93.659	62402		632,256
Social Services Block Grant	93.667	(1)		596,145
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(1)	259,632	259,632
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	(1)		6,268,123
Passed Through Cortland County:				
Temporary Assistance for Needy Families	93.558	(1)		162,445
Total TANF Cluster				6,430,568
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			259,632	16,678,381
Subtotal Expenditures of Federal Awards			\$ 2,453,529	\$ 21,859,065

N/A - Denotes Not Applicable (Direct Program)

(1) - Denotes Unable to Obtain from Pass-Through Entity

No Amounts Were Provided to Subrecipients

*See Notes to Schedule of Expenditures of Federal Awards*

# COUNTY OF CAYUGA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal Catalog #	Pass-Through Grantor #	Pass-Through to Subrecipients	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			\$ 2,453,529	\$ 21,859,065
<b>U.S. Department of Homeland Security</b>				
Passed Through NYS Division of Homeland Security and Emergency Services:				
Emergency Management Performance Grant	97.042	T-182025		3,930
Disaster Grants - Public Assistance	97.036	(1)		30,916
Homeland Security Grant Program	97.067	C-182329		39,993
Homeland Security Grant Program	97.067	WM15969452		94,991
Homeland Security Grant Program	97.067	C-969460		41,264
Homeland Security Grant Program	97.067	C-182059		11,709
Homeland Security Grant Program	97.067	C-182069		64,743
Homeland Security Grant Program	97.067	C-182329		23,159
Homeland Security Grant Program	97.067	WM16182369		4,491
Homeland Security Grant Program	97.067	WM15969462		4,600
Total Homeland Security Grant Program			<u>                    </u>	<u>284,950</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>                    </u>	<u>319,796</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 2,453,529</u>	<u>\$ 22,178,861</u>

N/A - Denotes Not Applicable (Direct Program)

(1) - Denotes Unable to Obtain from Pass-Through Entity

No Amounts were Provided to Subrecipients

*See Notes to Schedule of Expenditures of Federal Awards*

# COUNTY OF CAYUGA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS DECEMBER 31, 2018

**Note 1 Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the County, an entity as defined in Note 1 to the County's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

**Note 2 Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger which is the source of the financial statements.

**Note 3 Indirect Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The County has elected not to use the 10% de minimis indirect cost rate.

**Note 4 Matching Costs**

Matching costs, i.e., the County's share of certain program costs, are not included in the reported expenditures.

**Note 5 Department of Social Services - Administrative Costs**

Differences between the amounts reflected in the Schedule of Expenditures of Federal Awards and the Department of Social Services' federal financial reports (RF-2 claims) are due to the allocation of administrative costs to the individual programs.

**Note 6 Department of Social Services - Direct Payments**

Differences between the amounts reflected in the Schedule of Expenditures of Federal Awards and the Department of Social Services' federal financial reports (RF-2 claims) are due to payments distributed by the State of New York directly to recipients totaling \$3,304,952.

**Note 7 Expenditures of Federal Revenue**

The County operates a revolving loan program utilizing federal financial assistance received under current and prior Community Development Block Grants (CDBG). During the year, the County transferred \$2,193,897 of program income to the Cayuga County Development Corporation.

# COUNTY OF CAYUGA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2018

**Section I - Summary of Auditor's Results:**

Financial Statements

Type of Auditor's Report Issued Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) Identified? \_\_\_ yes    X no

Significant Deficiency(ies) Identified that  
are Not Considered to be Material Weakness(es)? \_\_\_ yes    X none reported

Noncompliance Material to Financial Statements  
Noted? \_\_\_ yes    X no

Federal Awards

Internal Control Over Major Programs:

Material Weakness(es) Identified? \_\_\_ yes    X no

Significant Deficiency(ies) Identified that  
are Not Considered to be Material Weakness(es)? \_\_\_ yes    X none reported

Type of Auditors' Report Issued on Compliance  
for Major Programs: Unmodified

Any Audit Findings Disclosed That are Required  
to be Reported in Accordance with  
2 CFR 200.516(a)? \_\_\_ yes    X no

Identification of Major Programs:

CFDA Numbers	Name of Federal Program or Cluster
10.561	State Administrative Matching Grants for SNAP
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
14.218	Community Development Block Grants/Entitlement Grants
93.575	Child Care and Development Block Grant
93.667	Social Services Block Grant
93.658	Foster Care Title IV-E

Dollar Threshold Used to Distinguish Between  
Type A and Type B Programs \$750,000

Auditee Qualified as Low-risk Auditee X yes    \_\_\_ no

**Section II - Financial Statement Findings - None noted.**

**Section III - Federal Award Findings and Questioned Costs - None noted.**