



# COUNTY OF CAYUGA

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## INDEPENDENT AUDITORS' REPORT

Honorable Aileen M. McNabb-Coleman, 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, 2019, 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:

	<b>Total Assets</b>	<b>Total Net Position</b>	<b>Total Revenues</b>
Governmental Activities	4%	7%	1%
Aggregate Remaining Fund Information	2%	5%	1%
Aggregate Discretely Presented Business-type Component Units	73%	15%	97%

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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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 64-69 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 October 19, 2020, 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  
October 19, 2020

# ***COUNTY OF CAYUGA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2019**

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, 2019. Please read this information in conjunction with the County's financial statements, which begin on page 5.

### **FINANCIAL HIGHLIGHTS**

- 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 \$65,611,145 (net deficit). The deficit is primarily attributable to the County's net liabilities for other post-employment benefits (OPEB) of \$114,593,975.
- The County's net position of governmental activities increased by \$1,053,108, or 1.58%, due to revenues exceeding expenses.
- 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 \$9,515,887 at December 31, 2019, a decrease of \$1,649,186. Net position consisted of \$1,806,410 in unrestricted reserves and \$7,709,447 in remaining unrestricted net position.
- The General Fund recorded an increase of \$2,521,501 in 2019 and ended the year with a fund balance of \$32,973,817, which is within the County's fund balance policy described on page 26. Of this fund balance, \$18,164,825 was unassigned. This increase was primarily due to an increase in real property and sales taxes.
- The County's short-term and long-term debt at year end totaled \$53,401,532, a decrease of \$1,007,796 from 2018. This decrease is primarily due to principal payments in accordance with debt amortization schedules. \$27,464,524 of the County's debt is held by the Cayuga Tobacco Asset Securitization Corporation.

# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2019

### 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 DECEMBER 31, 2019

- **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 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, and 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 DECEMBER 31, 2019**

**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 \$39,131,220 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 \$11,635,717 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 \$116,378,082 largely due to the net liabilities for other postemployment benefits and County's proportionate share of the NYSLRS net pension liability of \$114,593,975 and \$5,721,217, respectively.

# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2019

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>2018</i>	<i>2019</i>	<i>2018 - 2019</i>	<i>2018 - 2019</i>
<i>Current Assets</i>	\$ 42,317,099	\$ 42,703,781	\$ 386,682	0.91%
<i>Capital Assets, Net</i>	60,748,216	64,894,668	4,146,452	6.83%
<i>Other Noncurrent Assets</i>	14,909,901	16,900,307	1,990,406	13.35%
<b><i>Total Assets</i></b>	<b>117,975,216</b>	<b>124,498,756</b>	<b>6,523,540</b>	<b>5.53%</b>
<i>Pensions</i>	13,780,741	7,716,728	(6,064,013)	(44.00)%
<i>OPEB</i>	16,673,705	14,177,715	(2,495,990)	(14.97)%
<i>Deferred Charges on Defeased Debt</i>	210,632	173,560	(37,072)	(17.60)%
<b><i>Total Deferred Outflows of Resources</i></b>	<b>30,665,078</b>	<b>22,068,003</b>	<b>(8,597,075)</b>	<b>(28.04)%</b>
<i>Current Liabilities</i>	18,204,887	20,347,585	2,142,698	11.77%
<i>Noncurrent Liabilities</i>	182,416,739	175,073,105	(7,343,634)	(4.03)%
<b><i>Total Liabilities</i></b>	<b>200,621,626</b>	<b>195,420,690</b>	<b>(5,200,936)</b>	<b>(2.59)%</b>
<i>Pensions</i>	14,682,921	4,226,352	(10,456,569)	(71.22)%
<i>OPEB</i>	12,530,862	12,530,862	12,530,862	100.00%
<b><i>Total Deferred Inflows of Resources</i></b>	<b>14,682,921</b>	<b>16,757,214</b>	<b>2,074,293</b>	<b>14.13%</b>
<i>Net Investment in Capital Assets</i>	34,174,917	39,131,220	4,956,303	14.50%
<i>Restricted</i>	6,572,326	11,635,717	5,063,391	77.04%
<i>Unrestricted</i>	(107,411,496)	(116,378,082)	(8,966,586)	(8.35)%
<b><i>Total Net Position (Deficit)</i></b>	<b>\$ (66,664,253)</b>	<b>\$ (65,611,145)</b>	<b>\$ 1,053,108</b>	<b>1.58%</b>

Total assets increased 5.53%. This stems from the change in capital assets, net, as capital outlay exceeded depreciation expense.

The decrease in deferred outflows of resources and increase in 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 changes in actuarial assumptions related to the County's other postemployment benefits plan (OPEB).

Total liabilities decreased 2.59% due to a decrease in the County's OPEB liability, partially offset by increases in accounts payable and accrued liabilities.

# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2019

Net investment in capital assets increased due to an increase in net capital assets and 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>2018</i>	<i>2019</i>	<i>2018 - 2019</i>	<i>2018 - 2019</i>
<b>REVENUES</b>				
<i>Program Revenues:</i>				
<i>Charges for Services</i>	\$ 14,682,308	\$ 16,472,371	\$ 1,790,063	12.19%
<i>Operating Grants</i>	37,201,193	35,409,926	(1,791,267)	(4.82)%
<i>Capital Grants</i>	764,658	4,979,341	4,214,683	551.19%
<i>General Revenues:</i>				
<i>Property Taxes and Tax Items</i>	41,766,220	42,803,728	1,037,508	2.48%
<i>Sales and Other Taxes</i>	46,798,350	48,348,490	1,550,140	3.31%
<i>Tobacco Settlement Payments</i>	1,027,510	1,034,809	7,299	0.71%
<i>Sale of Property and Compensation for Loss</i>	129,472	122,428	(7,044)	(5.44)%
<i>Use of Money and Property</i>	253,427	1,197,330	943,903	372.46%
<i>Other</i>	1,798,274	207,227	(1,591,047)	(88.48)%
<b>Total Revenues</b>	<b>\$ 144,421,412</b>	<b>\$ 150,575,650</b>	<b>\$ 6,154,238</b>	<b>4.26%</b>
<b>PROGRAM EXPENSES</b>				
<i>General Government</i>	\$ 38,862,817	\$ 41,122,330	\$ 2,259,513	5.81%
<i>Education</i>	5,831,648	6,131,729	300,081	5.15%
<i>Public Safety</i>	18,174,727	21,573,577	3,398,850	18.70%
<i>Public Health</i>	11,174,566	13,052,169	1,877,603	16.80%
<i>Transportation</i>	15,361,100	16,191,122	830,022	5.40%
<i>Economic Assistance and Opportunity</i>	41,921,229	45,439,096	3,517,867	8.39%
<i>Culture and Recreation</i>	1,160,518	1,315,359	154,841	13.34%
<i>Home and Community Services</i>	3,844,424	2,209,991	(1,634,433)	(42.51)%
<i>Interest on Debt</i>	2,596,270	2,487,169	(109,101)	(4.20)%
<b>Total Expenses</b>	<b>\$ 138,927,299</b>	<b>\$ 149,522,542</b>	<b>\$ 10,595,243</b>	<b>7.63%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 5,494,113</b>	<b>\$ 1,053,108</b>	<b>\$ (4,441,005)</b>	<b>(80.83)%</b>

Total revenue increased 4.26%. This change primarily stems from increases in capital grants due to reimbursable road and bridge project, as well as property and sales tax. This increase was offset by a decrease in operating grants primarily related to mental health and transportation related state aid.

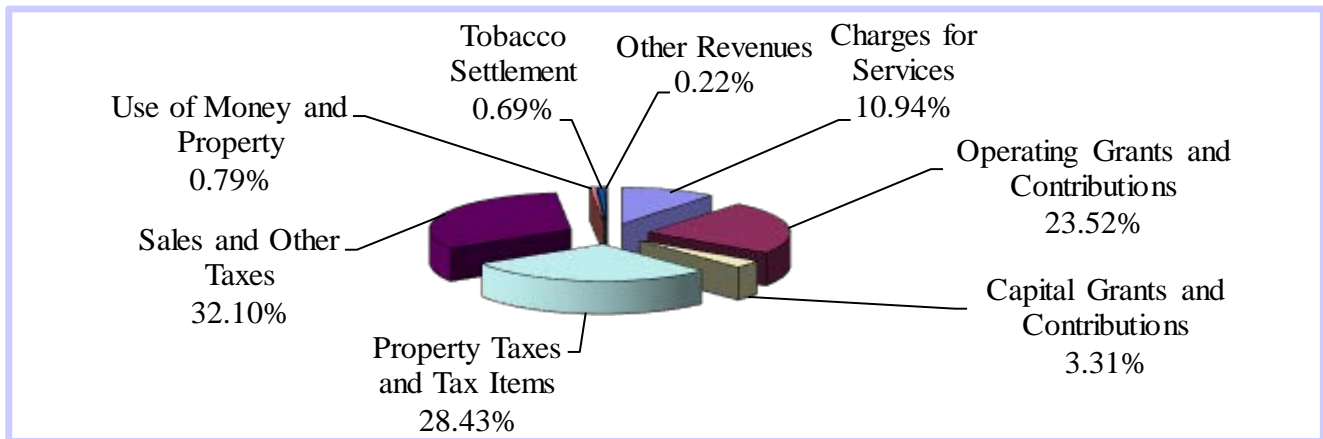
Expenses overall changes due to an increase in net OPEB obligations of \$6,799,168 applied to the functions above. Further, the County saw a 3% increase in total payroll expense as well as a 10% increase in health insurance premiums, offset by a one time grant to Cayuga County Development Corporation expensed in Home and Community Services.

# COUNTY OF CAYUGA

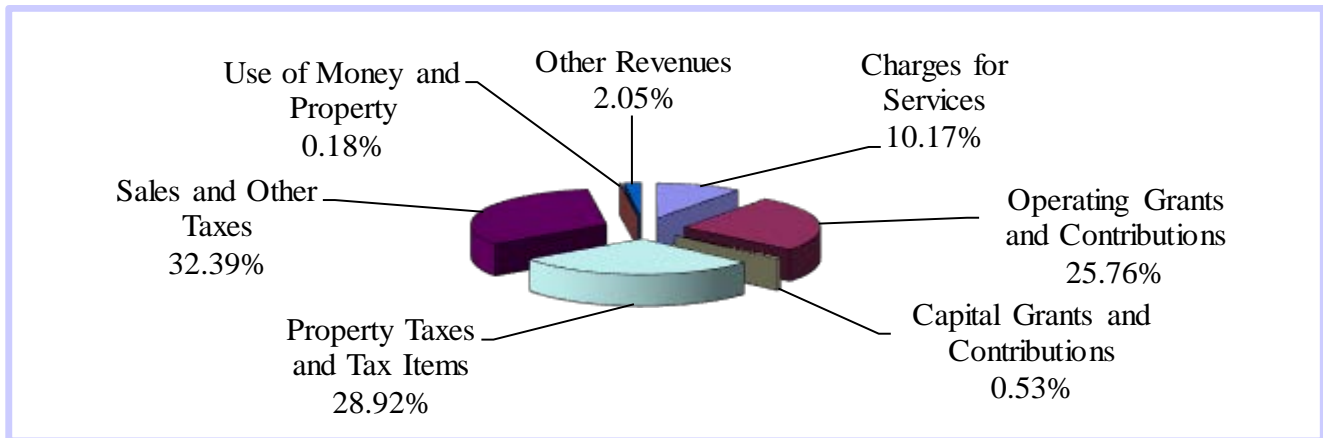
## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2019

Figures 3 and 4 show in percentages the sources of revenue for 2019 and 2018.

**Figure 3 - Revenue by Source  
Governmental Activities - 2019**



**Figure 4 - Revenue by Source  
Governmental Activities - 2018**



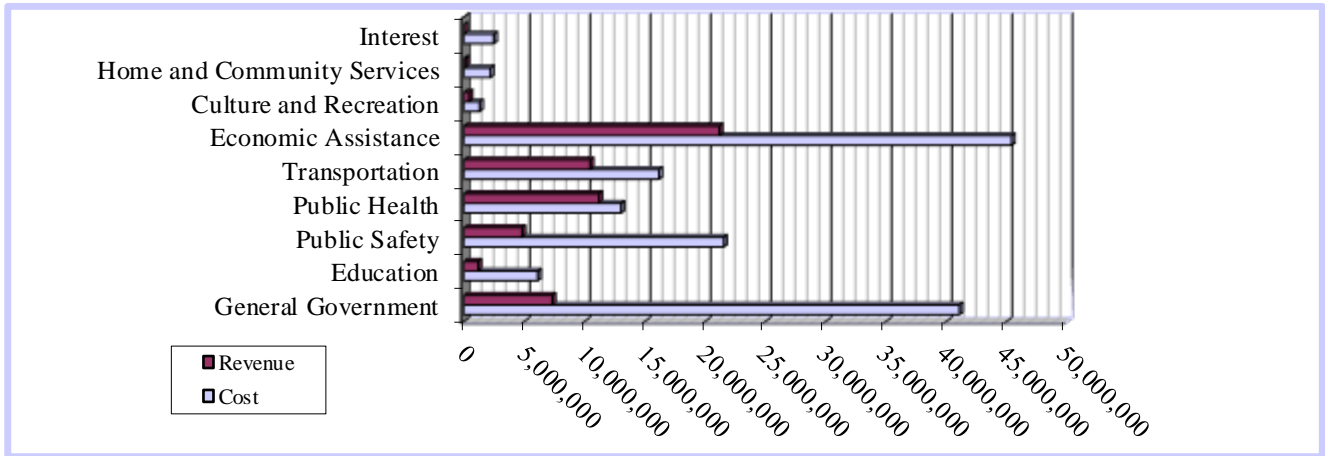
The cost of all Governmental Activities this year was \$149,522,542. As shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through County property and other tax revenues was \$92,660,904, because some of the cost was paid by those who directly 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 \$56,861,638.

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.

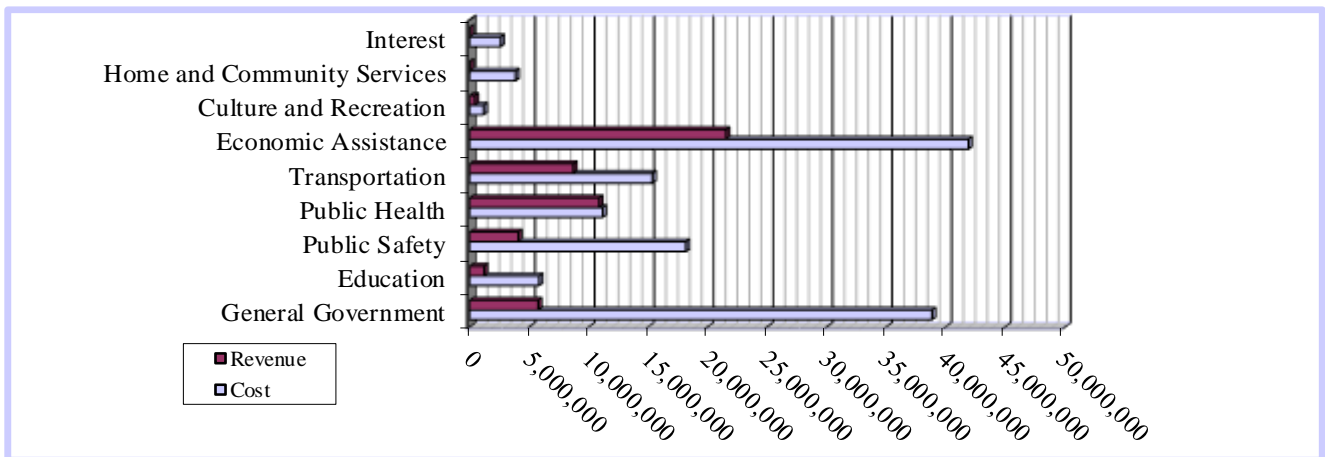
# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2019

*Figure 5 - Net Program Cost  
Governmental Activities - 2019*



*Figure 6 - Net Program Cost  
Governmental Activities - 2018*



# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2019

### Business-Type Activities

Business-type activities consist of the Health Consortium and the Cayuga County Development Corporation (CCDC). During the current fiscal year, the Consortium's total assets and net position decreased based on an excess of premiums and claims paid and other operating expenses in excess of premiums contributed and other revenues for the Consortium.

*Figure 7 - Business-Type Activities Net Position*

	2018	2019	<i>Dollar Change</i>	<i>Percent Change</i>
<i>Current Assets</i>	\$ 8,209,581	\$ 7,506,454	\$ (703,127)	(8.56)%
<i>Noncurrent Assets</i>	5,842,001	3,841,795	(2,000,206)	(34.24)%
<b><i>Total Assets</i></b>	<b>14,051,582</b>	<b>11,348,249</b>	<b>(2,703,333)</b>	<b>(19.24)%</b>
<b><i>Total Liabilities</i></b>	<b>2,886,509</b>	<b>1,832,362</b>	<b>(1,054,147)</b>	<b>(36.52)%</b>
<b><i>Net Position</i></b>	<b>\$ 11,165,073</b>	<b>\$ 9,515,887</b>	<b>\$ (1,649,186)</b>	<b>(14.77)%</b>

Total revenues decreased (2.19)% mainly due to a reduction in grant revenue reported by the CCDC partially offset by increased premiums received by the Health Consortium. Operating expense increased 1.88% 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*

	2018	2019	<i>Dollar Change</i>	<i>Percent Change</i>
<i>Operating Revenues</i>	\$ 22,632,461	\$ 22,038,881	\$ (593,580)	(2.62)%
<i>Nonoperating Revenues</i>	67,415	164,508	97,093	144.02%
<b><i>Total Revenues</i></b>	<b>22,699,876</b>	<b>22,203,389</b>	<b>(496,487)</b>	<b>(2.19)%</b>
<i>Operating Expenses</i>	23,412,510	23,852,575	440,065	1.88%
<b><i>(Decrease) in Net Position (Deficit)</i></b>	<b>\$ (712,634)</b>	<b>\$ (1,649,186)</b>	<b>\$ (936,552)</b>	<b>131.42%</b>

# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2019

### THE COUNTY'S FUNDS

The County's Governmental Funds at December 31, 2019 are presented in the Balance Sheets on page 7.

Of the amounts below, \$2,198,563 was non-spendable, \$11,635,717 was restricted, \$324,162 was committed, and \$7,557,218 was assigned, leaving \$17,874,774 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*

	2018	2019	Dollar Change	Percent Change
<b>Major Funds:</b>				
<i>General Fund</i>	\$ 30,452,316	\$ 32,973,817	\$ 2,521,501	8.28%
<b>Non-Major Funds:</b>				
<i>County Road Fund</i>	2,452,336	1,789,776	(662,560)	(27.02)%
<i>Road Machinery Fund</i>	1,232,898	1,269,362	36,464	2.96%
<i>Special Grant Fund</i>	39,872	16,887	(22,985)	(57.65)%
<i>Miscellaneous Special Revenue Fund</i>	1,265,952	1,226,020	(39,932)	(3.15)%
<i>Capital Fund</i>	384,652	(290,051)	(674,703)	(175.41)%
<i>CTASC Debt Service Fund</i>	2,590,409	2,604,623	14,214	0.55%
<b>Totals</b>	<b>\$ 38,418,435</b>	<b>\$ 39,590,434</b>	<b>\$ 1,171,999</b>	<b>3.05%</b>

Fund balances of the County increased primarily due to an increase in General Fund balance offset by a decrease in County Road and Capital Funds. The change in County Road Fund stemmed from a reduction in state aid received. The decrease in Capital Fund was the result of an interfund borrowing for capital projects. The resulting deficit in the Capital Fund will be eliminated when permanent financing is in place. The change in General Fund balance was the result of revenues exceeding expenditures. 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 DECEMBER 31, 2019

**Figure 10 - Budgetary Comparison Schedule - General Fund  
December 31, 2019**

	<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>	\$ 42,468,928	\$ 42,468,928	\$ 42,803,728	\$ 334,800
<i>Nonproperty Tax Items</i>	46,834,975	46,834,975	48,609,858	1,774,883
<i>Departmental Income</i>	11,224,684	12,738,819	12,861,319	122,500
<i>Intergovernmental Charges</i>	2,364,113	2,369,799	705,338	(1,664,461)
<i>Use of Money and Property</i>	457,468	457,468	1,127,122	669,654
<i>Licenses and Permits</i>	22,500	22,500	14,196	(8,304)
<i>Fines and Forfeitures</i>	196,599	196,599	170,578	(26,021)
<i>Sale of Property and Compensation for Loss</i>	95,000	95,000	99,565	4,565
<i>Miscellaneous Local Sources</i>	106,000	146,000	146,659	659
<i>State Sources</i>	17,778,868	20,022,559	18,199,668	(1,822,891)
<i>Federal Sources</i>	12,000,906	14,111,985	11,666,698	(2,445,287)
<i>Interfund Transfers In</i>	220,000	220,000	220,000	-
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 133,770,041</b>	<b>\$ 139,684,632</b>	<b>\$ 136,624,729</b>	<b>\$ (3,059,903)</b>
<b>Appropriated Fund Balances</b>	<b>\$ 838,475</b>	<b>\$ 1,662,097</b>		
<b>EXPENDITURES</b>				
<i>General Government</i>	\$ 38,180,262	\$ 38,702,997	\$ 37,931,449	\$ 771,548
<i>Education</i>	6,050,391	6,131,729	6,131,729	-
<i>Public Safety</i>	19,467,818	21,394,422	20,235,189	1,159,233
<i>Public Health</i>	11,722,883	14,135,748	12,521,416	1,614,332
<i>Transportation</i>	162,400	162,400	162,396	4
<i>Economic Assistance and Opportunity</i>	43,050,642	44,056,024	43,292,753	763,271
<i>Culture and Recreation</i>	1,057,910	1,290,175	1,290,175	-
<i>Home and Community Services</i>	1,778,380	2,335,404	2,107,552	227,852
<i>Employee Benefits</i>	813,141	813,141	800,425	12,716
<i>Debt Service</i>	4,924,689	4,924,689	3,193,049	1,731,640
<i>Interfund Transfers Out</i>	7,400,000	7,400,000	7,400,000	-
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 134,608,516</b>	<b>\$ 141,346,729</b>	<b>\$ 135,066,133</b>	<b>\$ 6,280,596</b>
<i>Excess of Revenues and Other Financing Uses</i>	\$ -	\$ -	\$ 1,558,596	\$ 3,220,693

# COUNTY OF CAYUGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2019

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of December 31, 2019, the County had \$135,926,579, net of accumulated depreciation of \$(71,031,911), 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>2018</i>	<i>2019</i>	<i>2018 - 2019</i>	<i>2018 - 2019</i>
<i>Land</i>	\$ 2,866,463	\$ 2,866,463	\$ -	0.00%
<i>Construction in Progress</i>	10,105,420	10,561,366	455,946	4.51%
<i>Buildings and Improvements</i>	40,074,377	38,156,042	(1,918,335)	(4.79)%
<i>Equipment</i>	3,321,378	3,702,856	381,478	11.49%
<i>Infrastructure</i>	4,380,578	9,607,941	5,227,363	119.33%
<b><i>Totals</i></b>	<b>\$ 60,748,216</b>	<b>\$ 64,894,668</b>	<b>\$ 4,146,452</b>	<b>6.83%</b>

Construction in Progress	\$ 6,121,923
Buildings and Building Improvements	255,469
Machinery and Equipment	<u>1,537,914</u>
Total Additions	7,915,306
Less Depreciation Expense	<u>(3,768,854)</u>
<b>Change in Capital Assets, Net of Accumulated Depreciation</b>	<b><u><u>\$ 4,146,452</u></u></b>

#### Debt Administration

The County's outstanding debt obligations are shown in Figure 12. Of the total indebtedness of the County, \$25,616,426 was subject to the constitutional debt limit and represented approximately 7.64% 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 DECEMBER 31, 2019

*Figure 12 - Outstanding Debt at Years Ended*

	<i>Governmental Activities</i>		<i>Dollar Change</i>	<i>Percent Change</i>
	<i>2018</i>	<i>2019</i>	<i>2018 - 2019</i>	<i>2018 - 2019</i>
<i>Serial Bonds</i>	\$ 26,783,931	\$ 24,346,398	\$ (2,437,533)	(9.10)%
<i>Tobacco Settlement Pass- Through Bonds</i>	26,644,914	27,464,524	819,610	3.08%
<i>Installment Purchase</i>	980,483	1,590,610	610,127	62.23%
<b><i>Totals</i></b>	<b>\$ 54,409,328</b>	<b>\$ 53,401,532</b>	<b>\$ (1,007,796)</b>	<b>(1.85)%</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**

Due to the current COVID-19 pandemic, the County of Cayuga has experienced some reductions in year to date 2020 revenue. The County has experienced a decrease in sales tax revenue of 1.3%, or approximately \$147,000, in comparison with 2019. It is anticipated that state aid in certain areas will be cut; however, there is not definitive information on the amount of the cuts to funding. The County is currently monitoring the budget very closely and has taken precautionary measures, including furlough of staff, in an effort to address the anticipated revenue shortfall. In addition, the current unemployment rate for Cayuga County is at 15.3% compared to 3.6% in June of 2019 and 4.7% in December of 2019.

### **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, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Governmental	Business-Type
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 9,429,045	\$ 4,125,287	\$ 13,554,332	\$ 188,873	\$ 8,663,772
Restricted Cash and Cash Equivalents			-	2,082,270	
Investments - Unrestricted	2,013,564	3,215,465	5,229,029		
Taxes Receivable, Net	8,170,408		8,170,408		
Other Receivables, Net	1,507,824	19,762	1,527,586	106,696	2,531,954
Due from State and Federal Governments	18,572,751		18,572,751	55,281	1,144,326
Due from Other Governments	279,384		279,384		467,075
Loans and Notes Receivable, Current Portion	68,005	151,311	219,316		
Internal Balances	12,474	(12,474)	-	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	60,000		60,000		(60,000)
Prepaid Expenses	2,198,563	7,103	2,205,666		169,657
<b>Total Current Assets</b>	<b>42,703,781</b>	<b>7,506,454</b>	<b>50,210,235</b>	<b>2,775,918</b>	<b>12,182,223</b>
<b>Noncurrent Assets</b>					
Restricted Cash and Cash Equivalents	1,554,623		1,554,623		426,831
Investments - Unrestricted	4,412,928	1,806,410	6,219,338		14,539,111
Investments - Restricted	9,031,094		9,031,094		
Loans and Notes Receivable, Long-Term Portion	846,662	843,486	1,690,148		
Due from Cayuga County Soil and Water Conservation District	1,055,000		1,055,000		(1,055,000)
Other Assets		1,191,899	1,191,899		
Net Pension Asset			-		614,534
Land Lease Receivable			-		2,265,821
Land and Construction in Progress	13,427,829		13,427,829		
Capital Assets, Net of Accumulated Depreciation	51,466,839		51,466,839	310,548	40,878,422
<b>Total Noncurrent Assets</b>	<b>81,794,975</b>	<b>3,841,795</b>	<b>85,636,770</b>	<b>310,548</b>	<b>57,669,719</b>
<b>Total Assets</b>	<b>124,498,756</b>	<b>11,348,249</b>	<b>135,847,005</b>	<b>3,086,466</b>	<b>69,851,942</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pensions	7,716,728		7,716,728	178,563	3,159,618
Other Post-Employment Benefit Obligations	14,177,715		14,177,715	124,326	1,222,589
Deferred Charges on Defeased Debt	173,560		173,560		
<b>Total Deferred Outflows of Resources</b>	<b>22,068,003</b>	<b>-</b>	<b>22,068,003</b>	<b>302,889</b>	<b>4,382,207</b>

*See Notes to Financial Statements*

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Governmental	Business-Type
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	\$ 2,246,484	\$ 255,961	\$ 2,502,445	\$ 10,428	\$ 1,976,519
Accrued Liabilities	3,612,714	1,008,000	4,620,714	20,028	1,127,902
Accrued Interest Payable	278,804		278,804		9,471
Due to Other Governments	7,567,351		7,567,351		588,483
Due to Employees' Retirement System			-	77,329	
Unearned Revenue	327,088	568,401	895,489	1,798,000	1,054,715
Long-Term Obligations Due Within One Year	6,315,144		6,315,144	56,319	173,162
<b>Total Current Liabilities</b>	<b>20,347,585</b>	<b>1,832,362</b>	<b>22,179,947</b>	<b>1,962,104</b>	<b>4,930,252</b>
<b>Long-Term Obligations Due in More than One Year</b>	<b>175,073,105</b>		<b>175,073,105</b>	<b>4,566,243</b>	<b>42,056,774</b>
<b>Total Liabilities</b>	<b>195,420,690</b>	<b>1,832,362</b>	<b>197,253,052</b>	<b>6,528,347</b>	<b>46,987,026</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pensions	4,226,352		4,226,352	84,826	1,741,505
Other Post-Employment Benefit Obligations	12,530,862		12,530,862	865,128	8,852,051
Deferred Tuition Assistance Program			-		463,262
<b>Total Deferred Inflows of Resources</b>	<b>16,757,214</b>	<b>-</b>	<b>16,757,214</b>	<b>949,954</b>	<b>11,056,818</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	39,131,220		39,131,220	310,548	35,903,811
Restricted:					
Capital Projects	8,821,824		8,821,824		
Debt Service	2,604,623		2,604,623		
Public Safety	209,270		209,270	441,205	11,112,972
Unrestricted	(116,378,082)	9,515,887	(106,862,195)	(4,840,699)	(30,826,478)
<b>Total Net (Deficit) Position</b>	<b>\$(65,611,145)</b>	<b>\$ 9,515,887</b>	<b>\$(56,095,258)</b>	<b>\$ (4,088,946)</b>	<b>\$ 16,190,305</b>

# COUNTY OF CAYUGA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2019

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities:				
General Government	\$ 41,122,330	\$ 3,526,195	\$ 2,212,662	\$ 1,607,117
Education	6,131,729		1,193,377	
Public Safety	21,573,577	3,841,507	995,138	
Public Health	13,052,169	5,453,822	5,756,704	
Transportation	16,191,122	2,512,292	4,609,322	3,372,224
Economic Assistance and Opportunity	45,439,096	894,882	20,306,987	
Culture and Recreation	1,315,359	243,673	204,315	
Home and Community Services	2,209,991		131,421	
Interest on Long-Term Debt	2,487,169			
Total Governmental Activities	149,522,542	16,472,371	35,409,926	4,979,341
Business-Type Activities:				
Cayuga County Development Corporation	47,251			
Cayuga County Health Insurance Consortium	23,805,324	20,849,423	1,130,646	
Total Business-Type Activities	23,852,575	20,849,423	1,130,646	
<b>Total Primary Government</b>	<b>\$ 173,375,117</b>	<b>\$ 37,321,794</b>	<b>\$ 36,540,572</b>	<b>\$ 4,979,341</b>
<b>Component Units</b>				
Governmental:				
CC Soil and Water Conservation District	\$ 1,984,732	\$ 302,014	\$ 1,491,999	\$
Business-Type:				
CC Soil and Water Conservation District	55,621	30		
CC Water and Sewer Authority	1,756,828	1,239,502		
Cayuga Community College	38,288,486	8,538,667	3,783,456	
CC Industrial Development Agency	58,456	86,926		
<b>Total Component Units</b>	<b>\$ 42,144,123</b>	<b>\$ 10,167,139</b>	<b>\$ 5,275,455</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

**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>
\$ (33,776,356)	\$	\$ (33,776,356)	\$	\$
(4,938,352)		(4,938,352)		
(16,736,932)		(16,736,932)		
(1,841,643)		(1,841,643)		
(5,697,284)		(5,697,284)		
(24,237,227)		(24,237,227)		
(867,371)		(867,371)		
(2,078,570)		(2,078,570)		
(2,487,169)		(2,487,169)		
(92,660,904)	-	(92,660,904)	-	-
	(47,251)	(47,251)		
	(1,825,255)	(1,825,255)		
	(1,872,506)	(1,872,506)		
(92,660,904)	(1,872,506)	(94,533,410)	-	-
		-	(190,719)	
		-		(55,591)
		-		(517,326)
		-		(25,966,363)
		-		28,470
-	-	-	(190,719)	(26,510,810)
-	-	-	(190,719)	(26,510,810)
40,550,231		40,550,231		200,530
2,253,497		2,253,497		
48,348,490		48,348,490		
1,034,809		1,034,809		
165,262		165,262		25,820,102
1,197,330	220,487	1,417,817	96,116	122,398
41,965	2,833	44,798	7,359	420,209
122,428		122,428	101,861	
		-	65,600	(65,600)
93,714,012	223,320	93,937,332	270,936	26,497,639
1,053,108	(1,649,186)	(596,078)	80,217	(13,171)
(66,664,253)	11,165,073	(55,499,180)	(4,169,163)	16,203,476
<b>\$ (65,611,145)</b>	<b>\$ 9,515,887</b>	<b>\$ (56,095,258)</b>	<b>\$ (4,088,946)</b>	<b>\$ 16,190,305</b>

# COUNTY OF CAYUGA

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2019

	<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	\$ 4,180,441	\$ 5,248,604	\$ 9,429,045
Cash and Cash Equivalents - Restricted		1,554,623	1,554,623
Investments - Unrestricted	6,426,492		6,426,492
Investments - Restricted	9,031,094		9,031,094
Taxes Receivable, Net	8,170,408		8,170,408
Other Receivables, Net	312,124	1,195,700	1,507,824
Due from State and Federal Governments	16,935,970	1,636,781	18,572,751
Due from Other Governments	671,147		671,147
Due from Other Funds	1,533,941		1,533,941
Due from Proprietary Fund	12,474		12,474
Due from Soil and Water Conservation District	1,115,000		1,115,000
Prepaid Expenses	2,098,455	100,108	2,198,563
Loans and Notes Receivable	914,667		914,667
<b>Total Assets</b>	<b><u>\$51,402,213</u></b>	<b><u>\$ 9,735,816</u></b>	<b><u>\$ 61,138,029</u></b>
<b>LIABILITIES</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 1,500,043	\$ 746,441	\$ 2,246,484
Accrued Liabilities	2,775,272	837,442	3,612,714
Due to Other Funds		1,533,941	1,533,941
Due to Other Governments	7,565,976	1,375	7,567,351
Unearned Revenues	327,088		327,088
<b>Total Liabilities</b>	<b><u>12,168,379</u></b>	<b><u>3,119,199</u></b>	<b><u>15,287,578</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	6,260,017		6,260,017
<b>FUND BALANCES</b>			
Nonspendable	2,098,455	100,108	2,198,563
Restricted	9,031,094	2,604,623	11,635,717
Committed	324,162		324,162
Assigned	3,355,281	4,201,937	7,557,218
Unassigned	18,164,825	(290,051)	17,874,774
<b>Total Fund Balances</b>	<b><u>32,973,817</u></b>	<b><u>6,616,617</u></b>	<b><u>39,590,434</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$51,402,213</u></b>	<b><u>\$ 9,735,816</u></b>	<b><u>\$ 61,138,029</u></b>

*See Notes to Financial Statements*



# COUNTY OF CAYUGA

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2019

**Total Governmental Fund Balances** \$ 39,590,434

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

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

Historical Cost	\$135,926,579	
Accumulated Depreciation	<u>(71,031,911)</u>	<u>64,894,668</u>

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

6,260,017

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

Deferred Outflows of Resources - Pensions	\$ 7,716,728	
Deferred Outflows of Resources - OPEB	14,177,715	
Deferred Inflows of Resources - Pensions	(4,226,352)	
Deferred Inflows of Resources - OPEB	(12,530,862)	
Deferred Outflows of Resources - Amortized Deferred Charges	<u>173,560</u>	<u>5,310,789</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	\$ (23,960,000)	
Unamortized Bond Premium	(386,398)	
Bonds Payable - CTASC	(27,464,524)	
Capital Leases	(1,590,610)	
Other Postemployment Benefits	(116,240,828)	
Pension Liability - Employer's Proportionate Share	(9,211,593)	
Compensated Absences	<u>(2,534,296)</u>	<u>(181,388,249)</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>(278,804)</u>
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**Net Position (Deficit) of Governmental Activities** \$ (65,611,145)

*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, 2019

	<u>Major Funds</u>	<u>Total</u>	<u>Total</u>
	<u>General</u>	<u>Non-Major</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Funds</u>	<u>Funds</u>
<b>REVENUES</b>			
Real Property Taxes	\$ 40,550,231	\$	\$ 40,550,231
Real Property Tax Items	2,253,497		2,253,497
Nonproperty Tax Items	48,609,858		48,609,858
Departmental Income	12,861,319	102,752	12,964,071
Intergovernmental Charges	705,338	872,974	1,578,312
Use of Money and Property	1,156,477	42,814	1,199,291
Licenses and Permits	14,196	880	15,076
Fines and Forfeitures	170,578		170,578
Sale of Property and Compensation for Loss	117,300	1,039,937	1,157,237
Miscellaneous Local Sources	146,659	166,198	312,857
Interfund Revenues		1,640,317	1,640,317
State Sources	18,199,668	6,216,439	24,416,107
Federal Sources	11,666,698	4,147,150	15,813,848
<b>Total Revenues</b>	<b>136,451,819</b>	<b>14,229,461</b>	<b>150,681,280</b>
<b>EXPENDITURES</b>			
General Governmental Support	37,676,380	186,322	37,862,702
Education	6,131,729		6,131,729
Public Safety	19,897,200	1,147	19,898,347
Public Health	12,499,922		12,499,922
Transportation	162,396	14,445,453	14,607,849
Economic Assistance and Opportunity	43,286,095	798,805	44,084,900
Culture and Recreation	1,197,084		1,197,084
Home and Community Services	2,106,038		2,106,038
Employee Benefits	800,425		800,425
Debt Service Principal and Interest	3,193,049	1,012,845	4,205,894
Capital Outlay		6,843,062	6,843,062
<b>Total Expenditures</b>	<b>126,950,318</b>	<b>23,287,634</b>	<b>150,237,952</b>
Excess of Revenues (Expenditures)	9,501,501	(9,058,173)	443,328
<b>OTHER FINANCING (USES) SOURCES</b>			
Interfund Transfers In	420,000	7,708,526	8,128,526
Interfund Transfers (Out)	(7,400,000)	(728,526)	(8,128,526)
Proceeds of Obligations		728,671	728,671
<b>Total Other Financing (Uses) Sources</b>	<b>(6,980,000)</b>	<b>7,708,671</b>	<b>728,671</b>
Excess of Revenues (Expenditures) over Other Financing Sources (Uses)	2,521,501	(1,349,502)	1,171,999
Fund Balances, Beginning of Year	30,452,316	7,966,119	38,418,435
<b>Fund Balances, End of Year</b>	<b>\$ 32,973,817</b>	<b>\$ 6,616,617</b>	<b>\$ 39,590,434</b>

*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, 2019

**Net Change in Fund Balances - Total Governmental Funds** **\$ 1,171,999**

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	\$ 7,915,306	
Depreciation Expense	<u>(3,768,854)</u>	<u>4,146,452</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	\$ 15,185	
Changes in Other Loans and Notes Receivable	<u>(120,815)</u>	<u>(105,630)</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	\$ 2,853,544	
Proceeds from Installment Purchase Debt	<u>(728,671)</u>	<u>2,124,873</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	\$ 19,330	
Amortization of Bond Discount	(9,280)	
Amortization of Bond Premium	82,533	
Amortization of Deferred Charges on Defeased Debt	(37,072)	
Increase in Accreted Interest on Capital Appreciation Bonds	(1,190,330)	
Change in Compensated Absences	(85,969)	
Changes in the Proportionate Share of Pension Liabilities and Associated Deferred Outflows and Inflows of Resources	(687,349)	
Changes in the Proportionate Share of OPEB Liabilities and Associated Deferred Outflows and Inflows of Resources	<u>(4,376,449)</u>	<u>(6,284,586)</u>

**Change in Net Position of Governmental Activities** **\$ 1,053,108**

*See Notes to Financial Statements*

# COUNTY OF CAYUGA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2019

	<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	\$ 2,409,002	\$ 1,716,285	\$ 4,125,287
Investments	3,215,465		3,215,465
Accounts Receivable, Net	18,502		18,502
Loans and Notes Receivable, Current Portion		151,311	151,311
Prepaid Expenses	7,103		7,103
Interest Receivable		1,260	1,260
Internal Balances	(12,474)		(12,474)
<b>Total Current Assets</b>	<u>5,637,598</u>	<u>1,868,856</u>	<u>7,506,454</u>
<b>Noncurrent Assets</b>			
Other Assets - Premium Claims Deposit	1,191,899		1,191,899
Restricted Investments	1,806,410		1,806,410
Loans Receivable, Net, Long-Term Portion		843,486	843,486
<b>Total Noncurrent Assets</b>	<u>2,998,309</u>	<u>843,486</u>	<u>3,841,795</u>
<b>Total Assets</b>	<u>8,635,907</u>	<u>2,712,342</u>	<u>11,348,249</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable		255,961	255,961
Accrued Liabilities	1,008,000		1,008,000
Unearned Revenues	568,401		568,401
<b>Total Liabilities</b>	<u>1,576,401</u>	<u>255,961</u>	<u>1,832,362</u>
<b>NET POSITION</b>			
<b>Unrestricted</b>			
Rate Stabilization Reserve	973,410		973,410
Catastrophic Claims Reserve	833,000		833,000
Remaining Net Position	5,253,096	2,456,381	7,709,477
<b>Total Net Position</b>	<u>\$ 7,059,506</u>	<u>\$ 2,456,381</u>	<u>\$ 9,515,887</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, 2019

	Cayuga County Health Insurance Consortium	Cayuga County Development Corporation	Total Business-Type Activities
<b>OPERATING REVENUES</b>			
<b>Charges for Services - Premiums</b>			
County	\$ 8,885,210	\$	\$ 8,885,210
Other Governments	9,628,737		9,628,737
Participants	2,335,476		2,335,476
<b>Total Charges for Services</b>	<b>20,849,423</b>	<b>-</b>	<b>20,849,423</b>
Interest Revenue		56,004	56,004
Other Operating Revenues	1,130,646	2,808	1,133,454
<b>Total Operating Revenues</b>	<b>21,980,069</b>	<b>58,812</b>	<b>22,038,881</b>
<b>OPERATING EXPENSES</b>			
<b>Benefit Costs</b>			
Health Claims Expense	22,071,546		22,071,546
Dental Claims Expense	450,287		450,287
<b>Total Benefit Costs</b>	<b>22,521,833</b>	<b>-</b>	<b>22,521,833</b>
Health Claims Administrative Expense	888,090		888,090
Dental Claims Administrative Expense	34,624		34,624
Operations	360,777		360,777
Other Contractual		47,251	47,251
<b>Total Operating Expenses</b>	<b>23,805,324</b>	<b>47,251</b>	<b>23,852,575</b>
Loss on Operations	(1,825,255)	11,561	(1,813,694)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	164,483		164,483
Other Unclassified Revenue	25		25
<b>Total Nonoperating Revenues</b>	<b>164,508</b>	<b>-</b>	<b>164,508</b>
Change in Net Position	(1,660,747)	11,561	(1,649,186)
Total Net Position, Beginning of Year	8,720,253	2,444,820	11,165,073
<b>Total Net Position, End of Year</b>	<b>\$ 7,059,506</b>	<b>\$ 2,456,381</b>	<b>\$ 9,515,887</b>

*See Notes to Financial Statements*

# COUNTY OF CAYUGA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Cayuga County Health Insurance Consortium	Cayuga County Development Corporation	Total Business-Type Activities
<b>Cash Flows From Operating Activities</b>			
Premiums Collected from:			
County	\$ 8,885,210	\$	\$ 8,885,210
Other Governments	9,628,737		9,628,737
Participants	2,381,161		2,381,161
Rebates Received	1,130,646		1,130,646
Premiums Claims Deposit	(96,899)		(96,899)
Health Claims Paid	(23,420,833)		(23,420,833)
Dental Claims Paid	(450,287)		(450,287)
Other Operating Expenses Paid	(1,338,716)		(1,338,716)
Cash Received from Application Fees		2,790	2,790
Cash Received from Loan Interest Income		31,936	31,936
Cash Received from Interest Income		22,808	22,808
Cash Received from Principal Due On Notes Receivable		208,953	208,953
Cash Paid To Borrowers		(152,693)	(152,693)
Cash Paid For Contract Services		(30,000)	(30,000)
Cash Paid For Professional Services		(8,688)	(8,688)
Cash Paid For Programmatic Expenses		(7,331)	(7,331)
Cash Paid for Registration Fees		(214)	(214)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(3,280,981)</b>	<b>67,561</b>	<b>(3,213,420)</b>
<b>Cash Flows From Nonoperating Investing Activities</b>			
Interest Income Received	164,483		164,483
Other (Expense)	25		25
Purchase of Investments	(5,021,875)		(5,021,875)
Proceeds from Sale of Investments	5,232,311		5,232,311
<b>Net Cash Provided (Used) by Nonoperating Investing Activities</b>	<b>374,944</b>	<b>-</b>	<b>374,944</b>
Change in Cash and Cash Equivalents	(2,906,037)	67,561	(2,838,476)
Cash and Cash Equivalents, January 1,	5,315,039	1,648,724	6,963,763
<b>Cash and Cash Equivalents, December 31,</b>	<b>\$ 2,409,002</b>	<b>\$ 1,716,285</b>	<b>\$ 4,125,287</b>
<b>Reconciliation of (Deficit) of Operating Revenues Under (Expenses) to Net Cash from Operating Activities</b>			
(Deficit) Operating Revenues Under Expenses	\$ (1,825,255)	\$ 11,561	\$ (1,813,694)
(Increase) Decrease in Accounts Receivable	(5,027)		(5,027)
(Increase) Decrease in Loan Receivable		(180,065)	(180,065)
(Increase) Decrease in Interest Receivable		(1,260)	(1,260)
(Increase) Decrease in Premium Claims Deposit	(96,899)		(96,899)
(Increase) Decrease in Prepaid Expenses	(7,103)		(7,103)
Increase (Decrease) in Accounts Payable	(55,225)	237,325	182,100
Increase (Decrease) in Claims Payable	(1,212,287)		(1,212,287)
Increase (Decrease) in Incurred but not Reported Health Claims	(137,000)		(137,000)
Increase (Decrease) in Unearned Revenue	57,815		57,815
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (3,280,981)</b>	<b>\$ 67,561</b>	<b>\$ (3,213,420)</b>

*See Notes to Financial Statements*

# COUNTY OF CAYUGA

## COMBINING STATEMENT OF NET POSITION PROPRIETARY COMPONENT UNITS DECEMBER 31, 2019

	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	\$ 378,878	\$ 1,971,186	\$ 5,552,846	\$ 760,862	\$ 8,663,772
Other Receivables, Net	161,789	245,026	2,081,738	43,401	2,531,954
Due from State and Federal Governments			1,144,326		1,144,326
Due from Other Governments			467,075		467,075
Prepaid Expenses		23,452	146,205		169,657
<b>Total Current Assets</b>	<b>540,667</b>	<b>2,239,664</b>	<b>9,392,190</b>	<b>804,263</b>	<b>12,976,784</b>
<b>Noncurrent Assets</b>					
Cash and Cash Equivalents - Restricted		426,831			426,831
Investments - Restricted			14,388,540	150,571	14,539,111
Pension Asset			614,534		614,534
Land Lease Receivable	2,265,821				2,265,821
Capital Assets, Net of Accumulated Depreciation		13,714,052	26,549,619	614,751	40,878,422
<b>Total Noncurrent Assets</b>	<b>2,265,821</b>	<b>14,140,883</b>	<b>41,552,693</b>	<b>765,322</b>	<b>58,724,719</b>
<b>Total Assets</b>	<b>2,806,488</b>	<b>16,380,547</b>	<b>50,944,883</b>	<b>1,569,585</b>	<b>71,701,503</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pensions		42,725	3,116,893		3,159,618
Other Post-Employment Benefit Obligations			1,222,589		1,222,589
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>42,725</b>	<b>4,339,482</b>	<b>-</b>	<b>4,382,207</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	290,226	80,086	1,538,851	67,356	1,976,519
Accrued Liabilities		10,168	1,117,734		1,127,902
Accrued Interest Payable	9,471				9,471
Due to Other Funds	342,798				342,798
Due to Other Governments			588,483		588,483
Due to Cayuga County	60,000		391,763		451,763
Unearned Revenues			1,054,715		1,054,715
Long-Term Liabilities Due Within One Year		103,930	69,232		173,162
<b>Total Current Liabilities</b>	<b>702,495</b>	<b>194,184</b>	<b>4,760,778</b>	<b>67,356</b>	<b>5,724,813</b>
<b>Long-Term Liabilities</b>					
Due to Cayuga County	1,055,000				1,055,000
Due in More than One Year		3,484,157	38,572,617		42,056,774
<b>Total Noncurrent Liabilities</b>	<b>1,055,000</b>	<b>3,484,157</b>	<b>38,572,617</b>		<b>43,111,774</b>
<b>Total Liabilities</b>	<b>1,757,495</b>	<b>3,678,341</b>	<b>43,333,395</b>	<b>67,356</b>	<b>48,836,587</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pensions		23,420	1,718,085		1,741,505
Other Post-Employment Benefit Obligations			8,852,051		8,852,051
Deferred Tuition Assistance Program			463,262		463,262
<b>Total Deferred Inflows of Resources</b>		<b>23,420</b>	<b>11,033,398</b>	<b>-</b>	<b>11,056,818</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets		10,169,358	25,119,702	614,751	35,903,811
Restricted			11,112,972		11,112,972
Unrestricted	1,048,993	2,552,153	(35,315,102)	887,478	(30,826,478)
<b>Total Net Position</b>	<b>\$ 1,048,993</b>	<b>\$ 12,721,511</b>	<b>\$ 917,572</b>	<b>\$1,502,229</b>	<b>\$ 16,190,305</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, 2019

	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	\$ 30	\$ 1,239,502	\$ 8,538,667	\$ 86,926	\$ 9,865,125
Use of Money and Property	115,692				115,692
State Sources			1,417,048		1,417,048
Federal Sources			156,793		156,793
Other Grants			500,409		500,409
Other Operating Revenue			1,709,206		1,709,206
<b>Total Revenues</b>	<b>115,722</b>	<b>1,239,502</b>	<b>12,322,123</b>	<b>86,926</b>	<b>13,764,273</b>
<b>EXPENSES</b>					
Instruction			11,842,685		11,842,685
Public Service			171,294		171,294
Academic Support			4,359,215		4,359,215
Student Services			3,652,329		3,652,329
Operation and Maintenance			4,483,961		4,483,961
Administration		61,178	6,906,287	45,086	7,012,551
Student Aid Payments			3,727,834		3,727,834
Auxiliary Enterprises			2,030,910		2,030,910
Water and Sewer		642,474			642,474
Salaries and Employee Benefits		268,430			268,430
Utilities		31,439			31,439
Other Contractual	8,677	26,058		13,370	48,105
Depreciation		644,303	1,113,971		1,758,274
<b>Total Expenses</b>	<b>8,677</b>	<b>1,673,882</b>	<b>38,288,486</b>	<b>58,456</b>	<b>40,029,501</b>
Excess of Revenues (Expenses)	107,045	(434,380)	(25,966,363)	28,470	(26,265,228)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest Income		7,028	(12,648)	12,326	6,706
Federal and State Financial Aid			7,610,331		7,610,331
State Appropriations			7,573,677		7,573,677
Local Appropriations			8,311,416		8,311,416
Private Contributions			725,731		725,731
Property Taxes		200,530			200,530
Interest Expense	(46,944)	(82,946)			(129,890)
Transfers	(65,600)				(65,600)
Other Non-Operating Revenues (Expenses)		224,434	192,902	2,873	420,209
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(112,544)</b>	<b>349,046</b>	<b>24,401,409</b>	<b>15,199</b>	<b>24,653,110</b>
Net Gain (Loss) Before Contributions	(5,499)	(85,334)	(1,564,954)	43,669	(1,612,118)
Capital Contributions			1,598,947		1,598,947
Change in Net Position	(5,499)	(85,334)	33,993	43,669	(13,171)
Net Position Beginning of Year	1,054,492	12,806,845	883,579	1,458,560	16,203,476
<b>Net Position, End of Year</b>	<b>\$ 1,048,993</b>	<b>\$12,721,511</b>	<b>\$ 917,572</b>	<b>\$ 1,502,229</b>	<b>\$ 16,190,305</b>

*See Notes to Financial Statements*



# COUNTY OF CAYUGA

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS DECEMBER 31, 2019

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents - Unrestricted	\$ 2,068,463
<b>Total Assets</b>	<b><u>\$ 2,068,463</u></b>
<b>LIABILITIES</b>	
Agency Liabilities	\$ 2,068,463
<b>Total Liabilities</b>	<b><u>\$ 2,068,463</u></b>

*See Notes to Financial Statements*

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019**

### **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 (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing U.S. 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 New York State, 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 Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," as amended.

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, 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, 2019**

### ***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 New York State. 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, Cayuga Community College (CCC), and the Cayuga County Soil and Water District (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, 2019

### *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 31st 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, 2019, remaining balance due was \$1,115,000. SWCD total interest expense during the fiscal year ending December 31, 2019 was \$46,944. At December 31, 2019, total accrued interest was \$9,471. SWCD recorded revenue from the County in the amount of \$675,000 for the year ended December 31, 2019.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019**

### **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 New York State. 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, 2019, 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 31st. Balances for CCC in the County's December 31, 2019 financial statements reflect balances at August 31, 2019. Separate audited financial statements for CCC may be obtained by contacting CCC directly.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019**

### **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 and CCDC 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, 2019**

### **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 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, 2019**

### ***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 - Accounts 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, 2019**

### **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 vest or accumulate, are charged as an expenditure when paid.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019**

### **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, 2019**

### **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, 2019

### *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 \$1,771,443.

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

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, 2019**

### **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 2 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, 2019 to be \$2,534,296. This represents vacation and compensatory time earned but not usable until 2020. 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.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019**

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

#### **Postemployment Benefits - Continued**

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.

#### **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 12.

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, 2019 is based on the report of the actuary. See Note 11 for the amount of incurred but not reported health claims at December 31, 2019.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019**

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

#### **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.

#### **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.

# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019**

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

#### **Property Taxes - Continued**

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 \$217,330 and deferred tax revenue of \$4,229,225 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”).

#### **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.



# **COUNTY OF CAYUGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019**

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

#### **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. Excess of premiums and claims paid and other operating expenses in excess of premiums contributed and other revenues for the Consortium.

#### **New Accounting Standards**

The County adopted and implemented the following current Statements of GASB effective for the year ended December 31, 2019:

- GASB has issued Statement No. 83, "Certain Asset Retirement Obligations," effective for the year ended December 31, 2019.

#### **Future Changes in Accounting Standards**

- GASB has issued Statement No. 84, "Fiduciary Activities," effective for the year ended December 31, 2020. 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, 2022.
- GASB has issued Statement No. 91, "Conduit Debt Obligations," effective for the year ending December 31, 2022.
- GASB has issued Statement No. 92, "Omnibus 2020," effective for the year ending December 31, 2022.

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

### **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, 2019**

### **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 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 yearend 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, 2019 per the bank were \$19,989,663, of which \$6,262,869 are certificates of deposit.

The Consortium's and Cayuga County Development Corporation's aggregate bank balances of \$2,355,619 and \$1,716,285, respectively, at December 31, 2019 and 2018, respectively, were either insured or collateralized with securities held by the pledging financial institution in the County of Cayuga's name.

### **Restricted Cash and Investments**

Restricted cash and investments consists of \$10,585,717, which represents funds restricted for debt of \$1,554,623, restricted for capital of \$8,821,824 and restricted for other of \$209,270.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

**Note 2 Cash and Investments - Continued**

**Investments**

Investments of the County's governmental activities consist of the following at December 31, 2019.

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized (Depreciation) Appreciation</u>
Certificates of Deposit, Short-term 1.5%- 2.0%, Maturing 01/02/2020- 11/02/2020	\$ 1,311,528	\$ 1,311,528	\$ -
Certificates of Deposit, Long-term 1.8%- 3.5%, Maturing 02/16/2021- 12/08/2032	4,951,341	4,951,341	-
ICS Promissory	702,036	702,036	-
U.S. Treasury Bills, 0.0%, Maturing 01/30/2020- 05/28/2020	1,724,770	1,748,786	24,016
U.S. Treasury Notes, 1.1%-1.6%, Maturing 02/29/2020- 11/30/2020	\$ 6,735,815	\$ 6,743,895	\$ 8,080
<b>Total</b>	<b><u>\$15,425,490</u></b>	<b><u>\$ 15,457,586</u></b>	<b><u>\$ 32,096</u></b>

**Consortium**

The Consortium's investments consist of the following at December 31, 2019.

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized (Depreciation) Appreciation</u>
Certificates of Deposit	<u>\$ 5,021,875</u>	<u>\$ 5,021,875</u>	<u>\$ -</u>

The Consortium has restricted investments of \$1,806,410; \$973,410 is restricted for a rate stabilization reserve and \$833,000 is restricted for a catastrophic claims reserve.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### *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 U.S. GAAP, gains (losses) on investments of net assets with donor restrictions 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 net assets with donor restrictions 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 net assets without donor restrictions unless there is a presence of donor stipulation as to their use. The Foundation's investments consisted of the following at August 31, 2019.

	<u><b>Fair Value</b></u>
Cash Equivalents	\$ 1,234,721
Corporate Bond Obligations	203,089
Government Bond Obligations	540,599
Equity Mutual Funds	1,428,165
Exchange Traded Funds	7,699,913
Common Stock	<u>3,282,053</u>
<b>Total</b>	<u><b>\$14,388,540</b></u>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### Note 2 Cash and Investments - Continued

#### 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 County and 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.

The following table sets forth by level, within the fair value hierarchy, the County's Consortium's assets at fair value as of December 31, 2019.

<u>Government Obligations</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>County</b>				
Certificates of Deposit	\$	\$ 6,262,869	\$	\$ 6,262,869
ICS Promissory		702,036		702,036
U.S. Treasury Bills	1,748,786			1,748,786
U.S. Treasury Notes	6,743,895			6,743,895
Subtotal County Investments	8,492,681	6,964,905	-	15,457,586
<b>Consortium</b>				
Certificates of Deposit		5,021,875		5,021,875
<b>Total</b>	<b>\$ 8,492,681</b>	<b>\$11,986,780</b>	<b>\$ -</b>	<b>\$20,479,461</b>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

**Note 2 Cash and Investments - Continued**

**Fair Value Measurement - Continued**

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of August 31, 2019.

Assets	Level 1	Level 2	Level 3	Total
Cash Equivalents	\$ 1,234,721	\$	\$	\$ 1,234,721
Equity Mutual Funds	1,428,165			1,428,165
Exchange Traded Funds	7,699,913			7,699,913
Common Stock	3,282,053			3,282,053
Government Bond Obligations	540,599			540,599
Corporate Bond Obligations		203,089		203,089
<b>Total</b>	<b><u>\$14,185,451</u></b>	<b><u>\$ 203,089</u></b>	<b><u>\$ -</u></b>	<b><u>\$14,388,540</u></b>

**Note 3 Property Taxes**

At December 31, 2019, the County had total real property tax assets of \$8,170,408 net of an allowance for doubtful accounts of \$217,330. Current year returned village and school taxes are offset by liabilities of \$3,758,811 to the villages and school districts which were paid no later than April 15, 2020. The remaining portion of tax assets is offset by deferred inflow of resources of \$4,229,225 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.

The County constitutional tax limit (per New York State statutes) for the fiscal year ended December 31, 2019 is computed as follows:

Five-Year Average Full Valuation of Taxable Real Estate	<b><u>\$4,788,086,450</u></b>
Tax Limit @2.0%	<u>\$ 95,761,729</u>
Tax Levy	42,137,666
Less Exclusions	<u>(5,113,476)</u>
Tax Levy Subject to Tax Limit	<u>37,024,190</u>
<b>Tax Margin</b>	<b><u>\$ 58,737,539</u></b>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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

Due from state and federal governments at December 31, 2019 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	\$ 8,016,493
Sales Tax	4,519,778
Consolidated Local Street and Highway Improvement Program	744,296
Health Services	2,455,656
Other	2,836,528
<b>Total</b>	<b><u><u>\$ 18,572,751</u></u></b>

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

The balance in loans and notes receivable of the primary government at December 31, 2019 was as follows:

CCC Capital Lease	<u>\$ 914,667</u>
<b>Total</b>	<b><u><u>\$ 914,667</u></u></b>

### *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 New York 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 New York State to the County on a monthly basis. Of the \$47,700,492 total sales tax received by the County, \$23,850,246 was retained by the County, and \$23,850,246 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.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

**Note 7 Capital Assets**

Capital asset activity for the year ended December 31, 2019, was as follows:

	<b>Balance at 12/31/2018</b>	<b>Additions</b>	<b>Deletions/ Reclassifications</b>	<b>Balance at 12/31/2019</b>
<b>Governmental Activities</b>				
Non-Depreciable Capital Assets:				
Land	\$ 2,866,463	\$	\$	\$ 2,866,463
Construction in Progress	10,105,420	6,121,923	(5,665,977)	10,561,366
Total Non-Depreciable Capital Assets	12,971,883	6,121,923	(5,665,977)	13,427,829
Depreciable Capital Assets:				
Land Improvements	788,708			788,708
Buildings	72,035,124	255,469		72,290,593
Machinery and Equipment	19,071,735	1,537,914	(890,940)	19,718,709
Infrastructure	24,034,763		5,665,977	29,700,740
Total Depreciable Capital Assets	115,930,330	1,793,383	4,775,037	122,498,750
Total Historical Cost	128,902,213	7,915,306	(890,940)	135,926,579
Less Accumulated Depreciation:				
Land Improvement	(759,434)	(8,077)		(767,511)
Buildings	(31,990,021)	(2,165,727)		(34,155,748)
Machinery and Equipment	(15,750,357)	(1,156,436)	890,940	(16,015,853)
Infrastructure	(19,654,185)	(438,614)		(20,092,799)
Total Accumulated Depreciation	(68,153,997)	(3,768,854)	890,940	(71,031,911)
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 60,748,216</b>	<b>\$4,146,452</b>	<b>\$ -</b>	<b>\$64,894,668</b>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General Governmental Support	\$2,274,705
Public Safety	579,031
Public Health	20,642
Transportation	780,791
Economic Assistance and Opportunity	102,671
Culture and Recreation	11,014
<b>Total</b>	<b>\$3,768,854</b>



# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

**Note 7 Capital Assets - Continued**

Capital asset activity for the CCC for year ended August 31, 2019 was as follows:

	<u>Balance at 8/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 8/31/2019</u>
Non-Depreciable Capital Assets:				
Land	\$ 1,283,163	\$	\$	\$ 1,283,163
Construction in Progress	-	1,114,384		1,114,384
Total Non-Depreciable Assets	<u>1,283,163</u>	<u>1,114,384</u>	<u>-</u>	<u>2,397,547</u>
Depreciable Capital Assets:				
Buildings	48,567,041	44,586		48,611,627
Machinery and Equipment	4,996,485	795,605		5,792,090
Vehicles	136,775			136,775
Total Depreciable Capital Assets	<u>53,700,301</u>	<u>840,191</u>	<u>-</u>	<u>54,540,492</u>
Total Historical Cost	<u>54,983,464</u>	<u>1,954,575</u>	<u>-</u>	<u>56,938,039</u>
Less Accumulated Depreciation:				
Buildings	(25,647,298)	(853,333)		(26,500,631)
Machinery and Equipment	(4,029,166)	(227,543)		(4,256,709)
Infrastructure	(109,298)	(12,411)		(121,709)
Total Accumulated Depreciation	<u>(29,785,762)</u>	<u>(1,093,287)</u>	<u>-</u>	<u>(30,879,049)</u>
<b>Governmental Activities Capital Assets, Net</b>	<b><u>\$ 25,197,702</u></b>	<b><u>\$ 861,288</u></b>	<b><u>\$ -</u></b>	<b><u>\$26,058,990</u></b>

Capital assets, net, for the Faculty Student Association of Cayuga Community College, Inc. and Subsidiaries totaled \$490,629. Consolidated capital assets, net, totaled \$26,549,619 for CCC.

The cost of capital assets, under the terms of capital lease agreements included buildings and related components, net of accumulated amortization, was \$905,996 at August 31, 2019.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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

**Employees' Retirement System (ERS)**

The County participates in the New York State and Local Employees' Retirement System. 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>2019</u>	<u>2018</u>	<u>2017</u>
ERS	\$ 4,629,618	\$4,637,550	\$4,684,506

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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

At December 31, 2019, 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, 2019. 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 System.

	<b>ERS</b>
Actuarial Valuation Date	April 1, 2018
Net Pension Liability	\$7,085,304,242
County's Proportionate Share of the Plan's Total Net Pension Liability	9,211,593
County's Share of the Net Pension Liability	0.1300098%

For the year ended December 31, 2019, the County recognized pension expense of \$5,265,128 for ERS in the financial statements. At December 31, 2019 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	\$ 1,813,956
Changes of Assumptions	2,315,418
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	118,270
County's Contributions Subsequent to the Measurement Date	3,469,084
<b>Total</b>	<b>\$ 7,716,728</b>
<b>Deferred Inflows of Resources</b>	
Differences Between Expected and Actual Experience	\$ 618,357
Net Differences Between Projected and Actual Earnings on Pension Plan	2,364,204
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	1,243,791
<b>Total</b>	<b>\$ 4,226,352</b>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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

#### **Pension Liabilities, Pension Expense, 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 ending December 31, 2020. 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>
2020	\$ 1,330,567
2021	(2,095,613)
2022	(375,346)
2023	1,161,684
2024	-
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:

	<u>ERS</u>
Measurement Date	March 31, 2019
Actuarial Valuation Date	April 1, 2018
Interest Rate of Return	7.0%
Salary Increases	4.2%
Inflation Rate	2.5%
Cost of Living	1.3%

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, 2018 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, 2019

### *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, 2019
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, 2019

**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.

<b>ERS</b>	<b>1% Decrease (6.0%)</b>	<b>Current Assumption (7.0%)</b>	<b>1% Increase (8.0%)</b>
County's Proportionate Share of the Net Pension Liability	\$ 40,274,555	\$ 9,211,593	\$(16,883,498)

**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:

	<b>Dollars in Thousands</b>
Valuation Date	March 31, 2019
Employers' Total Pension Liability	\$ 189,803,429
Plan Net Position	(182,718,124)
<b>Employers' Net Pension Liability</b>	<b>\$ 7,085,305</b>
Ratio of Plan Net Position to the Employers' Total Pension Liability	96.3%

**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of December 31, 2019 represent the projected employer contribution for the period of April 1, 2019 through December 31, 2019 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2019 amounted to \$-0-.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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

**Current Year Activity**

The following is a summary of current year activity:

	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
Net Pension Liability	\$ (4,131,688)	\$ (5,079,905)	\$ (9,211,593)
Deferred Outflows of Resources	13,780,741	(6,064,013)	7,716,728
Deferred Inflows of Resources	(14,682,921)	10,456,569	(4,226,352)
<b>Total</b>	<b>\$ (5,033,868)</b>	<b>\$ (687,349)</b>	<b>\$ (5,721,217)</b>

Expenditures associated with GASB Statement No. 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>2019</b>	<b>2018</b>	<b>2017</b>
ORP	\$538,368	\$615,220	\$606,363
ERS	771,616	825,702	815,487
TRS	421,553	347,108	515,660

CCC had a pension (asset) (TRS) of \$(614,534), a pension liability (ERS) of \$1,692,906, deferred outflows of resources related to pensions of \$3,116,893, and deferred inflows of resources related to pensions of \$1,718,085 at August 31, 2019.

**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.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### Note 9 Other Postemployment Benefits

#### General Information About the OPEB Plan - Continued

Employees Covered by Benefit Terms - At December 31, 2019, the following employees were covered by the following 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 \$116,240,828 was measured as of January 1, 2019 and 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	4.10%
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.

- Mortality rates were based on RHP-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2018.
- 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."



# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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

#### Actuarial Assumptions and Other Inputs - Continued

- 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 judgments 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 actuarial assumptions used in the December 31, 2019 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 3.44% percent in 2018 to 4.1% in 2019.

#### Changes in the Total OPEB Liability

<b>Balance at December 31, 2018</b>	<u>\$ 126,891,231</u>
<b>Changes for the Year</b>	
Service Cost	4,115,938
Interest Cost	4,439,520
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	(15,303,176)
Benefit Payments	<u>(3,902,685)</u>
	<u>(10,650,403)</u>
<b>Balance at December 31, 2019</b>	<u><b>\$ 116,240,828</b></u>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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

**Changes in the Total OPEB Liability - Continued**

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 (3.10%) or 1 percentage-point higher (5.10%) than the current discount rate.

	<b>1% Decrease (3.10%)</b>	<b>Discount Rate (4.10%)</b>	<b>1% Increase (5.10%)</b>
Total OPEB Liability	\$134,037,413	\$ 116,240,828	\$ 101,770,298

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 (2.84% - 9%)</b>	<b>Healthcare Cost Trend Rate (3.84% - 10%)</b>	<b>1% Increase (4.84% - 11%)</b>
Total OPEB Liability	\$100,154,178	\$ 116,240,828	\$ 136,609,284

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

For the year ended December 31, 2019, the County recognized OPEB expense of \$8,608,591.

At December 31, 2019, 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	\$ 546,603	\$ -
Changes in Assumptions or Other Inputs	9,398,970	12,530,862
Contributions Subsequent to Measurement Date	4,232,142	-
<b>Total</b>	<b>\$ 14,177,715</b>	<b>\$ 12,530,862</b>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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

County contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	Amount
2020	\$ 53,133
2021	53,133
2022	53,133
2023	(1,303,082)
2024	(1,441,606)
Thereafter	-

**Current Year Activity**

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
Other Postemployment Benefits Liability	\$126,891,231	\$(10,650,403)	\$116,240,828
Deferred Inflows of Resources	-	12,530,862	12,530,862
Deferred Outflows of Resources	(16,673,705)	2,495,990	(14,177,715)
<b>Total</b>	<b>\$110,217,526</b>	<b>\$ 4,376,449</b>	<b>\$114,593,975</b>

**Cayuga Community College**

CCC 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. CCC and participant contribution rates, as well as the Plan provisions, are determined through negotiations between CCC and its employees or the collective bargaining unites 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 No. 75, paragraph 4, to pay related benefits.

**Total OPEB Liability**

The College recognized a total OPEB liability of \$36,009,655 and deferred inflows and outflows of resources of \$3,116,893 and \$8,852,051, respectively, as of August 31, 2019. The total OPEB liability at August 31, 2019 was measured as of September 1, 2018 and was determined by an actuarial valuation as of September 1, 2018 with update procedures used to roll forward the total OPEB liability to August 31, 2019.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the September 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:

Inflation Rate	2.20%
Discount Rate	3.96%
Healthcare Cost Trend Rate	7.00% Rate Decreasing to 3.94% in 2079
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.

**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</b>	<b>Additions</b>	<b>Decreases</b>	<b>Balance at</b>	<b>Amount Due</b>
	<b>12/31/18</b>	<b>12/31/19</b>	<b>12/31/19</b>	<b>12/31/19</b>	<b>Within One</b>
	<b>12/31/18</b>	<b>12/31/19</b>	<b>12/31/19</b>	<b>12/31/19</b>	<b>Year</b>
Governmental Activities	\$ 2,448,327	\$ 85,969	\$ -	\$ 2,534,296	\$ 253,430

**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 (BC/BS) premiums include claims paid for the year ended December 31, 2019 and an adjustment to account for the BC/BS financing arrangement of billing the actual claims paid one week in arrears at December 31, 2019. 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 \$1,191,899 at December 31, 2019.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

**Note 11 Liabilities - Unpaid Claims - Continued**

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>2019</b>
<b>Liability for Unpaid Claims - Beginning of Year</b>	<b>\$ 1,145,000</b>
Incurred Claims and Claim Adjustment:	
Claims Expense	22,521,833
Claims Paid	(23,871,120)
Claims Payable	1,212,287
<b>Liability for Unpaid Claims - End of Year</b>	<b>\$ 1,008,000</b>

**Note 12 Long-Term Debt**

At December 31, 2019, the total outstanding indebtedness of the County aggregated \$42,290,264, of which \$25,616,426 is subject to the constitutional debt limit and represents approximately 7.64% 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.

<b>Governmental Activities</b>	<b>Issue Date</b>	<b>Final Maturity</b>	<b>Interest Rate</b>	<b>Balance Outstanding</b>
Serial Bonds - Excluding CTASC:				
Public Improvement Serial Bonds	2013	2029	2.25-3.00%	\$ 14,225,000
Public Improvement Serial Bonds	2013	2033	3.00-4.50%	1,115,000
Public Improvement Serial Bonds	2015	2023	2.00%	1,830,000
Refunding Bonds	2016	2028	2.00%	6,790,000
Subtotal				23,960,000
Add: Premium				386,398
<b>Total</b>				<b>\$ 24,346,398</b>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### Note 12 Long-Term Debt - Continued

#### Serial Bonds - Continued

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 \$7,100,000 at December 31, 2019.

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 12/31/18</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance at 12/31/19</u>	<u>Amount Due Within One Year</u>
Unamortized Deferred Charges on Defeased Debt	\$ 210,632	\$ -	\$ (37,072)	\$ 173,560	\$ 34,650
<b>Total</b>	<b>\$ 210,632</b>	<b>\$ -</b>	<b>\$ (37,072)</b>	<b>\$ 173,560</b>	<b>\$ 34,650</b>

#### 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.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### *Note 12* Long-Term Debt - Continued

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

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 bonds range from 5.00% to 6.25%. Payments on the term bonds are through 2026. The balance at December 31, 2019 is net of unamortized bond discount of \$64,963.

The Series 2005 bonds are composed of the following:

- \$4,699,242 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.
- \$2,815,044 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.
- \$3,005,593 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.
- \$7,559,607 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.

#### **Capital Lease - CCC**

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, 2019, the outstanding balance totaled \$914,667, with a final maturity date of March, 2031.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

**Note 12 Long-Term Debt - Continued**

**Capital Lease - County**

The County entered into multiple capital lease agreements to purchase public safety vehicles totaling \$728,671. At December 31, 2019, the outstanding balance totaled \$675,943.

The cost and net book value of assets purchased under capital leases at December 31, 2019 totaled \$819,619 and \$709,657, respectively.

<u>Governmental Activities</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Outstanding</u>
Leases:				
Vehicle Lease	2019	2024	7.11%	\$ 35,491
Vehicle Lease	2019	2024	6.24%	39,236
Vehicle Lease	2019	2023	2.05%	34,523
Vehicle Lease	2019	2023	2.43%	32,406
Vehicle Lease	2019	2023	4.85%	34,631
Vehicle Lease	2019	2023	5.00%	32,654
Vehicle Lease	2019	2023	5.97%	36,728
Vehicle Lease	2019	2023	7.74%	33,683
Vehicle Lease	2019	2023	3.87%	35,514
Vehicle Lease	2019	2023	4.03%	34,065
Vehicle Lease	2019	2023	4.63%	36,271
Vehicle Lease	2019	2023	4.63%	36,271
Vehicle Lease	2019	2023	5.87%	37,020
Vehicle Lease	2019	2023	6.43%	34,947
Vehicle Lease	2019	2023	6.35%	36,563
Vehicle Lease	2019	2023	6.15%	36,110
Vehicle Lease	2019	2023	6.27%	36,118
Vehicle Lease	2019	2023	6.45%	36,854
Vehicle Lease	2019	2023	6.53%	36,858
<b>Total</b>				<b>\$ 675,943</b>



# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### Note 12 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, 2019:

Governmental Activities	Balance at 12/31/18	Additions	Decreases	Balance at 12/31/19	Amount Due Within One Year
Serial Bonds and Premium	\$ 26,783,931	\$	\$ (2,437,533)	\$ 24,346,398	\$ 2,492,142
Serial Bonds - CTASC and Discount	16,723,976	9,280	(380,000)	16,353,256	3,340,720
Accreted Interest - CTASC	9,920,938	1,190,330		11,111,268	
Capital Lease	980,483	728,671	(118,544)	1,590,610	228,852
<b>Total Governmental Activities</b>	<b><u>\$ 54,409,328</u></b>	<b><u>\$ 1,928,281</u></b>	<b><u>\$ (2,936,077)</u></b>	<b><u>\$ 53,401,532</u></b>	<b><u>\$ 6,061,714</u></b>

Interest on long-term debt interest amounted to \$2,487,169 for Governmental Activities, of which \$1,830,461 was related to CTASC bonds for the year ended December 31, 2019.

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

Year	Serial Bonds		Capital Lease		Total
	Principal	Interest	Principal	Interest	
2020	\$ 2,415,000	\$ 627,925	\$ 228,852	\$ 63,154	\$ 3,334,931
2021	2,480,000	571,650	240,029	51,990	3,343,669
2022	2,555,000	509,309	251,811	40,223	3,356,343
2023	2,625,000	438,638	225,308	27,907	3,316,853
2024	2,225,000	379,244	94,113	20,783	2,719,140
2025-2029	11,270,000	879,997	431,076	59,617	12,640,690
2030-2033	390,000	36,169	119,421	3,057	548,647
<b>Total</b>	<b><u>\$23,960,000</u></b>	<b><u>\$3,442,932</u></b>	<b><u>\$1,590,610</u></b>	<b><u>\$ 266,731</u></b>	<b><u>\$29,260,273</u></b>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### Note 12 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
	Principal	Interest	Series 2005 Principal and Accreted Interest
2020	\$ 3,350,000	\$ 512,000	\$ 733,189
2021	1,070,000	368,181	765,024
2022	1,125,000	295,972	807,726
2023	1,195,000	219,122	3,158,350
2024	1,275,000	137,303	627,902
2025-2029	1,435,000	57,472	9,999,045
2030-2034			10,285,870
2035-2039			10,795,534
<b>Total</b>	<b>\$ 9,450,000</b>	<b>\$ 1,590,050</b>	<b>\$ 37,172,640</b>

### Note 13 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, 2019

### Note 13 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>
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	98,598	71,972	170,570
2025-2028	524,267	324,470	848,737
2029-2033	598,806	258,268	857,074
2034-2038	674,307	181,522	855,829
2039-2043	579,310	102,960	682,270
2044-2048	550,000	43,941	593,941
2049-2051	122,000	2,404	124,404
<b>Total</b>	<b><u>\$ 3,544,694</u></b>	<b><u>\$ 1,295,757</u></b>	<b><u>\$ 4,840,451</u></b>

#### CCC - Lease Agreements

The financial statements of the Foundation include the accounts of River Glen and CFRG Newco, LLC (Newco). River Glen was organized to acquire, hold title to, and collect income from real property for the benefit of the Foundation and CCC. Newco was organized in 2018 to acquire real property incurred by its member for the benefit of the Foundation and CCC.

During fiscal 2018, the Bank foreclosed on the mortgage payable that River Glen did not make a scheduled balloon payment of principal in April 2016, triggering an act of default per the terms of the mortgage agreement. 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 the release of liabilities in fiscal 2018. The property was put up for foreclosure auction during 2019 and sold subsequent to year end. River Glen expects to be legally dissolved during fiscal 2020.

During the fiscal year 2019, Newco entered into a lease agreement with CCC. The agreement called for CCC to lease property in Fulton, NY from Newco. The lease became effective subsequent to year end upon Newco's purchase of the property. The lease agreement has a term of ten years with the option to extend for two additional years. In accordance with the terms of the lease agreement, CCC made a prepayment of rent of \$300,000 in October 2019. There was no rental income recorded for the year ended August 31, 2019.

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### *Note 14* **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, 2019 were as follows:

	<u>Interfund Receivable</u>	<u>Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:				
General Fund	\$ 1,546,415	\$	\$ 420,000	\$ 7,400,000
Non-Major Funds	<u>                    </u>	<u>1,533,941</u>	<u>7,708,526</u>	<u>728,526</u>
Proprietary Fund	<u>                    </u>	<u>12,474</u>	<u>                    </u>	<u>                    </u>
<b>Totals</b>	<u><b>\$ 1,546,415</b></u>	<u><b>\$ 1,546,415</b></u>	<u><b>\$ 8,128,526</b></u>	<u><b>\$ 8,128,526</b></u>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

**Note 15 Equity Detail**

At December 31, 2019, fund balance in the governmental funds was comprised of the following:

	<b>General Fund</b>	<b>Non-Major Governmental Funds</b>
<u>Nonspendable</u>		
Prepaid Expenses	\$ 2,098,455	\$ 100,108
<b>Total Nonspendable Fund Balance</b>	<b>\$ 2,098,455</b>	<b>\$ 100,108</b>
<u>Restricted</u>		
Public Safety	\$ 209,270	\$
Debt - CTASC		2,604,623
Capital Projects	8,821,824	
<b>Total Restricted Fund Balance</b>	<b>\$ 9,031,094</b>	<b>\$ 2,604,623</b>
<u>Committed</u>		
Capital Projects	\$ 324,162	\$
<b>Total Committed Fund Balance</b>	<b>\$ 324,162</b>	<b>\$ -</b>
Appropriated for Next Year's Budget	\$ 954,961	\$
Encumbered for:		
General Government Support	378,931	
Public Safety	337,989	
Public Health	21,494	
Economic Assistance and Opportunity	6,658	
Home and Community and Culture and Recreation	94,605	
Claims and Liabilities	983,350	
Unemployment	577,293	
Transportation		2,971,430
Community Development		4,487
Miscellaneous		1,226,020
<b>Total Assigned Fund Balance</b>	<b>\$ 3,355,281</b>	<b>\$ 4,201,937</b>

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### *Note 15* **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 5% of budgeted premiums. The balance at December 31, 2019 was \$973,410.
- **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 by the actuary. The balance at December 31, 2019 was \$833,000.

### *Note 16* **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, 2019.

### *Note 17* **Tax Abatements**

For the year ended December 31, 2019, the County was subject to tax abatements negotiated by the Cayuga County Industrial Development Agency and Auburn Industrial Development Agency, the Town of Mentz, and the Town of Brutus (the Towns).

# COUNTY OF CAYUGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

**Note 17 Tax Abatements - Continued**

Through the IDAs, 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 the IDAs can include the abatement of county, local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which the IDAs 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%.

Information relevant to disclosure of the program for the year ended December 31, 2019 is as follows:

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated</b>
Economic Development:	
Real Property Tax	\$ 956,864
Sales Tax	170,822
<b>Total</b>	<b>\$ 1,127,686</b>

The Towns entered into a property tax abatement agreement 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	\$ 9,546
<b>Total</b>	<b>\$ 9,546</b>

# ***COUNTY OF CAYUGA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019**

### ***Note 18* Subsequent Event**

In March 2020, the COVID-19 coronavirus outbreak was declared a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the area in which the County exists. While it is unknown how long these conditions will last and what the complete financial effect will be, the County expects disruptions to businesses and residents, which could negatively impact operating results in future periods.

On February 25, 2020, the County Legislature approved the payment of \$1,400,000 to settle litigation related matters through a settlement agreement.



# COUNTY OF CAYUGA

## BUDGETARY COMPARISON SCHEDULE (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget
<b>REVENUES</b>		
Real Property Taxes	\$ 40,613,330	\$ 40,613,330
Real Property Tax Items	1,855,598	1,855,598
Nonproperty Tax Items	46,834,975	46,834,975
Departmental Income	11,224,684	12,738,819
Intergovernmental Charges	2,364,113	2,369,799
Use of Money and Property	457,468	457,468
Licenses and Permits	22,500	22,500
Fines and Forfeitures	196,599	196,599
Sale of Property and Compensation for Loss	95,000	95,000
Miscellaneous Local Sources	106,000	146,000
State Sources	17,778,868	20,022,559
Federal Sources	12,000,906	14,111,985
<b>Total Revenues</b>	133,550,041	139,464,632
<b>EXPENDITURES</b>		
General Governmental Support	38,180,262	38,702,997
Education	6,050,391	6,131,729
Public Safety	19,467,818	21,394,422
Public Health	11,722,883	14,135,748
Transportation	162,400	162,400
Economic Assistance and Opportunity	43,050,642	44,056,024
Culture and Recreation	1,057,910	1,290,175
Home and Community Services	1,778,380	2,335,404
Employee Benefits	813,141	813,141
Debt Service (Principal and Interest)	4,924,689	4,924,689
<b>Total Expenditures</b>	127,208,516	133,946,729
Excess of Revenues (Expenditures)	6,341,525	5,517,903
<b>OTHER FINANCING SOURCES (USES)</b>		
Interfund Transfers In	220,000	220,000
Interfund Transfers (Out)	(7,400,000)	(7,400,000)
<b>Total Other Financing (Uses)</b>	(7,180,000)	(7,180,000)
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	(838,475)	(1,662,097)
Appropriated Fund Balance	838,475	1,662,097
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>
\$ 40,550,231		\$ (63,099)
2,253,497		397,899
48,609,858		1,774,883
12,861,319		122,500
705,338		(1,664,461)
1,127,122		669,654
14,196		(8,304)
170,578		(26,021)
99,565		4,565
146,659		659
18,199,668		(1,822,891)
11,666,698		(2,445,287)
136,404,729		(3,059,903)
37,552,518	378,931	771,548
6,131,729		-
19,897,200	337,989	1,159,233
12,499,922	21,494	1,614,332
162,396		4
43,286,095	6,658	763,271
1,197,084	93,091	-
2,106,038	1,514	227,852
800,425		12,716
3,193,049		1,731,640
126,826,456	839,677	6,280,596
9,578,273	(839,677)	3,220,693
220,000		
(7,400,000)		-
(7,180,000)		-
2,398,273	<b>\$ (839,677)</b>	<b>\$ 3,220,693</b>
2,398,273		
29,592,194		
<b>\$ 31,990,467</b>		

# COUNTY OF CAYUGA

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

	2019	2018	2017
<b>Total OPEB Liability</b>			
Service Cost	\$ 4,115,938	\$ 2,789,460	\$ *
Interest Cost	4,439,520	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	(15,303,176)	14,739,294	*
Benefit Payments	(3,902,685)	(3,725,934)	*
	<b>(10,650,403)</b>	10,525,052	*
 Total OPEB Liability - Beginning	 <b>126,891,231</b>	 116,366,179	 *
 <b>Total OPEB Liability - Ending</b>	 <b>\$ 116,240,828</b>	 \$ 126,891,231	 \$ 116,366,179
 Covered Employee Payroll	 \$ 29,421,322	 \$ 25,747,275	 \$ *
Liability as a Percentage of Covered Payroll	395%	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**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	<b>\$4,629,618</b>	\$4,637,550	\$4,684,506
Contributions in Relation to the Contractually Required Contribution	<b>(4,629,618)</b>	(4,637,550)	(4,684,506)
Contribution Deficiency (Excess)	-	-	-
County's Covered - Employee Payroll	<b>29,751,475</b>	29,104,893	28,806,439
Contributions as a Percentage of Covered - Employee Payroll	<b>15.6%</b>	15.9%	16.3%

Note: Covered Payroll for 2013 Through 2010 is Not Available

*See Notes to Required Supplementary Information*

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$4,382,451	\$6,078,507	\$6,114,554	\$5,604,588	\$5,210,874	\$4,620,561	\$3,869,513
(4,382,451)	(6,078,507)	(6,114,554)	(5,604,588)	(5,210,874)	(4,620,561)	(3,869,513)
-	-	-	-	-	-	-
27,023,417	30,573,891	30,564,765	*	*	*	*
16.2%	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>2019</u>	<u>2018</u>	<u>2017</u>
County's Proportion of the Net Pension Liability	<b>0.1300098%</b>	0.1503256%	0.1330634%
County's Proportionate Share of the Net Pension Liability	<b>\$ 9,211,593</b>	\$ 4,131,688	\$ 12,502,938
County's Covered-Employee Payroll During the Measurement Period	<b>29,679,835</b>	28,913,246	28,770,837
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	<b>31.0%</b>	14.3%	43.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<b>96.3%</b>	98.2%	94.7%

*See Notes to Required Supplementary Information*

<u>2016</u>	<u>2015</u>
0.1292610%	0.1442153%
\$ 20,746,753	\$ 4,871,946
27,023,417	30,449,443
76.8%	16.0%
90.7%	97.9%



# COUNTY OF CAYUGA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2019

### *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 County Legislature 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 County Legislature adopts the budget.
- Budget modifications are authorized by resolution of the County Legislature.
- 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 U.S. 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 U.S. 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>U.S. GAAP Basis</u>
Revenue and Other Financing Sources	\$ 136,624,729	\$ 136,871,819
Expenditures and Other Financing Uses	<u>(134,226,456)</u>	<u>(134,350,318)</u>
Changes in Fund Balances	2,398,273	2,521,501
Beginning Fund Balance	<u>29,592,194</u>	<u>30,452,316</u>
<b>Ending Fund Balance</b>	<b><u>\$ 31,990,467</u></b>	<b><u>\$ 32,973,817</u></b>

# COUNTY OF CAYUGA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2019

**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.

2019 - 4.10%  
2018 - 3.44%

**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 five 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, 2018 actuarial valuation.

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

The April 1, 2018 actuarial valuation determines the employer rates for contributions payable in fiscal year 2019. 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 level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
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, 2019

	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>							
Cash and Cash Equivalents - Unrestricted	\$ 1,805,896	\$ 1,251,549	\$ 68,497	\$ 1,205,277	\$ 917,385	\$	\$ 5,248,604
Cash and Cash Equivalents - Restricted						1,554,623	1,554,623
Other Receivables, Net		88,228		20,743	36,729	1,050,000	1,195,700
Due from State and Federal Governments	744,296		42,800		849,685		1,636,781
Prepaid Expenses	71,983	15,725	12,400				100,108
<b>Total Assets</b>	<b>\$ 2,622,175</b>	<b>\$ 1,355,502</b>	<b>\$ 123,697</b>	<b>\$ 1,226,020</b>	<b>\$ 1,803,799</b>	<b>\$ 2,604,623</b>	<b>\$ 9,735,816</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 689,214	\$ 57,012	\$ 215	\$	\$	\$	\$ 746,441
Accrued Liabilities	143,185	29,128	25,220		639,909		837,442
Due to Other Funds			80,000		1,453,941		1,533,941
Due to Other Governments			1,375				1,375
<b>Total Liabilities</b>	<b>832,399</b>	<b>86,140</b>	<b>106,810</b>	<b>-</b>	<b>2,093,850</b>	<b>-</b>	<b>3,119,199</b>
<b>FUND BALANCES</b>							
Nonspendable	71,983	15,725	12,400				100,108
Restricted						2,604,623	2,604,623
Assigned	1,717,793	1,253,637	4,487	1,226,020			4,201,937
Unassigned					(290,051)		(290,051)
<b>Total Fund Balances</b>	<b>1,789,776</b>	<b>1,269,362</b>	<b>16,887</b>	<b>1,226,020</b>	<b>(290,051)</b>	<b>2,604,623</b>	<b>6,616,617</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,622,175</b>	<b>\$ 1,355,502</b>	<b>\$ 123,697</b>	<b>\$ 1,226,020</b>	<b>\$ 1,803,799</b>	<b>\$ 2,604,623</b>	<b>\$ 9,735,816</b>

# COUNTY OF CAYUGA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	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	\$	\$	\$	\$ 102,752	\$	\$	\$ 102,752
Intergovernmental Charges	4,620	867,355		999			872,974
Use of Money and Property					6,559	36,255	42,814
Licenses and Permits	880						880
Sale of Property and Compensation for Loss	1,178	3,950				1,034,809	1,039,937
Miscellaneous Local Sources	261			675	165,262		166,198
Interfund Revenues		1,640,317					1,640,317
State Sources	4,609,322				1,607,117		6,216,439
Federal Sources			774,926		3,372,224		4,147,150
<b>Total Revenues</b>	<u>4,616,261</u>	<u>2,511,622</u>	<u>774,926</u>	<u>104,426</u>	<u>5,151,162</u>	<u>1,071,064</u>	<u>14,229,461</u>
<b>EXPENDITURES</b>							
General Governmental Support				142,317		44,005	186,322
Public Safety				1,147			1,147
Transportation	11,970,295	2,475,158					14,445,453
Economic Assistance and Opportunity			797,911	894			798,805
Debt Service Principal and Interest						1,012,845	1,012,845
Capital Outlay					6,843,062		6,843,062
<b>Total Expenditures</b>	<u>11,970,295</u>	<u>2,475,158</u>	<u>797,911</u>	<u>144,358</u>	<u>6,843,062</u>	<u>1,056,850</u>	<u>23,287,634</u>
Excess of Revenues (Expenditures)	<u>(7,354,034)</u>	<u>36,464</u>	<u>(22,985)</u>	<u>(39,932)</u>	<u>(1,691,900)</u>	<u>14,214</u>	<u>(9,058,173)</u>
<b>OTHER FINANCING SOURCES</b>							
Interfund Transfers In	7,200,000				508,526		7,708,526
Interfund Transfers (Out)	(508,526)				(220,000)		(728,526)
Proceeds of Obligations					728,671		728,671
<b>Total Other Financing Sources</b>	<u>6,691,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,017,197</u>	<u>-</u>	<u>7,708,671</u>
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	<u>(662,560)</u>	<u>36,464</u>	<u>(22,985)</u>	<u>(39,932)</u>	<u>(674,703)</u>	<u>14,214</u>	<u>(1,349,502)</u>
Fund Balances, Beginning of Year	2,452,336	1,232,898	39,872	1,265,952	384,652	2,590,409	7,966,119
<b>Fund Balances, End of Year</b>	<u><b>\$ 1,789,776</b></u>	<u><b>\$ 1,269,362</b></u>	<u><b>\$ 16,887</b></u>	<u><b>\$ 1,226,020</b></u>	<u><b>\$ (290,051)</b></u>	<u><b>\$ 2,604,623</b></u>	<u><b>\$ 6,616,617</b></u>

**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***

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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 19, 2020. 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, and 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  
October 19, 2020

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

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, 2019. 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, 2019.

### **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  
October 19, 2020



# COUNTY OF CAYUGA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

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)	\$	\$ 932,089
Total SNAP Cluster				932,089
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C30446		442,458
WIC Food Instruments	10.557	(1)		769,695
Total WIC				1,212,153
WIC Farmers' Market Nutrition Program (FMNP)	10.572	(1)		8,396
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>				2,152,638
<b>U.S. Department of Housing and Urban Development</b>				
Homes and Community Renewal:				
Emergency Solutions Grant Program	14.231	C-021832		22,574
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				- 22,574
<b>U.S. Department of Labor</b>				
Passed Through NYS Department of Labor:				
WIA/WIOA Cluster:				
WIA/WIOA Adult Program	17.258	(1)		163,096
WIA/WIOA Youth Activities	17.259	(1)		178,483
WIA/WIOA Dislocated Worker Formula Grants	17.278	(1)		119,341
Total WIA/WIOA Cluster				460,920
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>				460,920
<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		3,354,690
Highway Planning and Construction	20.205	D034208		12,402
Highway Planning and Construction	20.205	D034823		5,132
Total Highway Planning and Construction Cluster				3,372,224
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>				3,372,224
<b>U.S. Department of Education</b>				
Passed through NYS Department of Health:				
Special Education - Grants for Infants and Families with Disabilities	84.181	G-31621GG		25,192
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>				25,192
<b>U.S. Environmental Protection Agency</b>				
Passed Through New York State Department of Health				
State Indoor Radon Grants	66.032	T-027069		1,860
<b>TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY</b>				1,860
Subtotal Expenditures of Federal Awards			-	6,035,408

N/A - Denotes Not Applicable (Direct Program)

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

*See Notes to Schedule of Expenditures of Federal Awards*

# COUNTY OF CAYUGA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal Catalog #	Pass-Through Grantor #	Pass-Through to Subrecipients	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			\$ -	\$ 6,035,408
<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)		76,500
Special Programs for the Aging, Title III-C, Nutrition Services	93.045	C1		72,044
Special Programs for the Aging, Title III-C, Nutrition Services	93.045	C2		90,592
Total Special Programs for the Aging, Title III-C, Nutrition Services				162,636
Nutrition Services Incentive Program	93.053	(1)		46,145
Total Aging Cluster				285,281
National Family Caregiver Support, Title III-E	93.052	(1)		37,985
Medicare Enrollment Assistance Program	93.071	(1)		9,898
Passed Through Health Research, Inc.:				
Hospital Preparedness Program and Public Health Emergency	93.074	1585-12		75,749
Demonstrations and Evaluations	93.779	(1)		21,674
Passed Through Substance Abuse and Mental Health Services Administration				
Opioid STR	93.788	5H79TI080223-02		167,376
Passed Through NYS Department of Health:				
Comprehensive Community Mental Health Services for				
Children with Serious Emotional Disturbances (SED)	93.104	1H79SM063409-01		940,832
Immunization Cluster:				
Immunization Cooperative Agreements	93.268	C-32505GG		3,690
Maternal and Child Health Services Block Grant to the States:				
Maternal and Child Health Services Block Grant to the States	93.994	C-030881		18,718
Maternal and Child Health Services Block Grant to the States	93.994	C-32651		21,895
Total Maternal and Child Health Services Block Grant to the States				40,613
Medicaid Cluster:				
Medical Assistance Program	93.778	(1)		1,102,576
Total Medicaid Cluster				1,102,576
Passed Through NYS Office of Temporary and Disability Assistance:				
Child Support Enforcement	93.563	(1)		429,720
Low-Income Home Energy Assistance	93.568	(1)		3,219,768
Passed Through NYS Office of Children and Family Services:				
CCDF Cluster:				
Child Care and Development Block Grant	93.575	(1)		1,451,176
Total CCDF Cluster				1,451,176
Stephanie Tubbs Jones Child Welfare Services Program	93.645	(1)		50,393
Foster Care - Title IV-E	93.658	(1)		629,340
Adoption Assistance	93.659	62402		732,390
Social Services Block Grant	93.667	(1)		365,872
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(1)	168,523	168,523
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	(1)		6,405,279
Passed Through Cortland County:				
Temporary Assistance for Needy Families	93.558	(1)		176,320
Total TANF Cluster				6,581,599
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			168,523	16,318,424
Subtotal Expenditures of Federal Awards			\$ 168,523	\$ 22,353,832

N/A - Denotes Not Applicable (Direct Program)  
(1) - Denotes Unable to Obtain from Pass-Through Entity

*See Notes to Schedule of Expenditures of Federal Awards*

# COUNTY OF CAYUGA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal Catalog #	Pass-Through Grantor #	Pass-Through to Subrecipients	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			\$ 168,523	\$ 22,353,832
<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		32,754
Homeland Security Grant Program	97.067	C-969450		75,599
Homeland Security Grant Program	97.067	C-969460		53,190
Homeland Security Grant Program	97.067	C-182059		75,534
Homeland Security Grant Program	97.067	WM17182379		68,424
Homeland Security Grant Program	97.067	C-182329		16,820
Homeland Security Grant Program	97.067	C-969459		16,055
Homeland Security Grant Program	97.067	WM 17969472		38,737
Homeland Security Grant Program	97.067	WM18969482		6,625
Total Homeland Security Grant Program				350,984
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>				383,738
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 168,523</b>	<b>\$ 22,737,570</b>

N/A - Denotes Not Applicable (Direct Program)  
 (1) - Denotes Unable to Obtain from Pass-Through Entity

*See Notes to Schedule of Expenditures of Federal Awards*

# *COUNTY OF CAYUGA*

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS DECEMBER 31, 2019**

***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-8 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-8 claims) are due to payments distributed by the State of New York directly to recipients totaling \$2,974,200.

# COUNTY OF CAYUGA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

**Section I - Summary of Auditors' Results:**

Financial Statements

Type of Auditors' 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:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.568	Low-Income Home Energy Assistance
20.205	Highway Planning and Construction Cluster
93.659	Adoption Assistance
97.067	Homeland Security Grant Program

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.**