

COUNTY OF ONTARIO, NEW YORK

BASIC FINANCIAL STATEMENTS

For Year Ended December 31, 2022



BUSINESS
ADVISORS
AND CPAS

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BUSINESS
ADVISORS
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Independent Auditors' Report

Board of Supervisors
County of Ontario, New York

Report on the Audit of the Financial Statements

Opinions

We have audited 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 County of Ontario, New York (the County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County of Ontario, New York, basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements 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 Ontario, New York, as of December 31, 2022, 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.

We did not audit the financial statements of the Finger Lakes Community College, which represent 88.3 percent, 85.8 percent, and 95.4 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Finger Lakes Community College, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the County's proportionate share of the net pension liability, schedule of County's contributions, and budgetary comparison information on pages 4-15 and 84-86 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Ontario, New York's basic financial statements. The accompanying supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

As described in Note II to the financial statements, the County adopted GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
September 6, 2023

COUNTY OF ONTARIO, NEW YORK
Management's Discussion and Analysis
December 31, 2022

INTRODUCTION

The following is a discussion and analysis of the County's financial performance for the year ended December 31, 2022. This section of the report should be read in conjunction with the basic financial statements which immediately follow, to provide an enhanced understanding of the County's financial performance.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) notes to financial statements and (3) individual fund financial statements and schedules.

Government-Wide Financial Statements

These statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business. These consist of:

- The Statement of Net Position presents information on all the County's assets and deferred outflow of resources, and liabilities and deferred inflow of resources, with the difference between the two reported as Net Position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. *Deferred outflow of resources reflects payments that have already occurred but are for a future time period such as prepaid expenses or deferred charges. Deferred inflow of resources reflects the receipt of assets or payments in advance of the time these payments are due such as advanced collections or deferred revenue.*
- The Statement of Activities presents more detailed information illustrating how the County's net position, reflected in the Statement of Net Position, changed during the most recent year. The primary governmental activities of the County are itemized in this Statement. Those activities include public safety, transportation, health, economic assistance, culture, recreation, education, community services, interest on long-term debt and governmental support.

Fund Financial Statements

In governmental accounting, "Funds" are accounting devices used to keep track of the revenues, expenses and cash balances of particular programs or services. Funds are established to control and manage the money and budgets of certain governmental activities. Some funds are required to be set up by law, and others to meet state and federal government reporting requirements. Ontario County has a General Fund for tracking the general operations of the County not otherwise tracked within a separate fund. The County has separate funds for County Road, Capital Projects, Fixed Assets, Self-Insurance, Trust and Agency, Debt Service and Workers' Compensation as well as several Special Revenue Funds.

COUNTY OF ONTARIO, NEW YORK
Management's Discussion and Analysis, Continued

Ontario County has a budget of \$256 million, employs approximately 765 full-time employees, 99 part-time employees, and 719 seasonal/temporary employees, and is involved in the delivery of services and programs to its citizens. Some services are accounted for separate from other more general services, in different Funds, including:

- Building and maintaining roads and bridges,
- Operating sewer districts serving the residents of Canandaigua Lake, Honeoye Lake, and parts of Route 332,
- Contracting for dog control and rabies suppression programs,
- Operating a job training and employment program, and
- Operating an insurance program covering the towns, villages, cities, and itself for workers' compensation coverage.

Funds are classified as Major and Nonmajor, based on the dollar amount of their activities. In the attached financial statements, the Major funds category includes the General Fund. All other funds are considered Nonmajor and are consolidated for financial reporting purposes.

Most of the County's funds are classified in accounting terms as Governmental Funds. There are also separate accounting classifications in the attached report for Fiduciary Funds where the County acts as the trustee for assets that belong to others and for Internal Service Funds in which the County accounts for the services it provides and charges those costs to every other department in the County.

The County's General Fund records the financial activities for operating the Office of Sheriff road patrol and correctional facility, and administering social service, aging, and public and mental health programs. The General Fund also accounts for internal service departments such as County Administrator, Purchasing, Human Resources, Information Services, Finance, and County Attorney which support those departments providing direct services to the public. Administrative services such as Planning, Real Property, and County Clerk, are also accounted for in the County General Fund. The General Fund is the largest operating fund of the County comprising 89.98% of the appropriations in the adopted 2022 County Budget. By way of comparison, the next largest County fund is County Road, comprising just 5.16% of the 2022 adopted County Budget.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes provide more comprehensive information related to specific items in the financial statements. In addition, information specific to government and proprietary component units of Ontario County and how those relationships and entities may affect Ontario County's financial statements is provided. These component units include the Finger Lakes Community College, the Ontario County Four Seasons Local Development Corporation, the Ontario County Industrial Development Agency, and the Ontario Tobacco Asset Securitization Corporation.

COUNTY OF ONTARIO, NEW YORK
Management's Discussion and Analysis, Continued

STATEMENT OF NET POSITION						
Condensed Statement of Net Position at December 31, 2022 and 2021						
for governmental and business-type activities						
				<u>2022</u>	<u>2021</u>	<u>Dollar Variance</u>
Assets:						
	Current and other assets			\$ 231,260,020	\$ 195,151,217	\$ 36,108,803
	Noncurrent assets			\$ 18,538,568		\$ 18,538,568
	Capital assets			223,646,646	222,183,646	1,463,000
		Total Assets		<u>473,445,234</u>	<u>417,334,863</u>	<u>56,110,371</u>
	Deferred outflows of resources			<u>37,558,352</u>	<u>49,289,812</u>	<u>(11,731,460)</u>
Liabilities:						
	Long-term debt outstanding			\$ 69,740,634	\$ 69,231,717	508,917
	Other liabilities			49,616,325	35,941,758	13,674,567
		Total liabilities		<u>119,356,959</u>	<u>105,173,475</u>	<u>14,183,484</u>
	Deferred inflows of resources			<u>63,202,096</u>	<u>64,028,808</u>	<u>(826,712)</u>
Net position:						
	Net investment in capital assets			203,764,189	200,010,219	3,753,970
	Restricted			44,400,466	31,624,334	12,776,132
	Unrestricted			80,279,876	65,787,839	14,492,037
				<u>\$ 328,444,531</u>	<u>\$ 297,422,392</u>	<u>31,022,139</u>

STATEMENT OF ACTIVITIES						
Condensed Statement of Activities for the years ended December 31, 2022 and 2021						
for governmental and business-type activities						
				<u>2022</u>	<u>2021</u>	<u>Dollar Variance</u>
Revenues:						
	Program revenues:					
	Charges for services			\$ 19,455,960	\$ 19,837,532	(381,572)
	Operating grants and contributions			49,818,726	42,922,982	6,895,744
	Capital grants and contributions			12,053,915	5,961,337	6,092,578
	General revenues:					
	Property taxes			69,412,257	66,164,002	3,248,255
	Nonproperty taxes			114,669,485	105,102,075	9,567,410
	Investment earnings			5,494,881	3,770,883	1,723,998
	Interfund revenues			-	2,161,025	(2,161,025)
	Compensation for loss			1,975,209	1,610,816	364,393
	Miscellaneous			6,241,449	1,846,632	4,394,817
		Total revenues		<u>279,121,882</u>	<u>249,377,284</u>	<u>29,744,598</u>

COUNTY OF ONTARIO, NEW YORK
Management's Discussion and Analysis, Continued

Expenses:					
	General government support		\$ 95,078,864	\$ 84,544,790	10,534,074
	Education		13,799,719	14,525,875	(726,156)
	Public Safety		41,989,314	36,816,583	5,172,731
	Health		18,547,919	15,925,906	2,622,013
	Transportation		15,670,405	13,995,468	1,674,937
	Economic assist and opportunity		50,662,733	45,821,509	4,841,224
	Culture and recreation		1,272,408	597,872	674,536
	Home and community services		8,460,317	6,898,421	1,561,896
	Interest on debt		2,618,064	2,482,834	135,230
		Total expenses	248,099,743	221,609,258	26,490,485
	Change in net position		\$ 31,022,139	\$ 27,768,026	3,254,113

The change in net position of the County in 2022 is an increase of \$31,022,139.

Expenditures reflect an increase of approximately 11.95% in total and revenues tracked very closely, with an increase of approximately 11.93%. We had anticipated a slowing in the economy after a robust rate of recovery from the economic strain related to the global coronavirus pandemic. Ontario County was deliberate in investments in 2022 to take advantage of favorable interest rates and revenues related to investment earnings increased by approximately 45.7%. Additionally, unexpected funds related to settlements with pharmaceutical companies related to the opioid crisis and an agreement between New York State and the Seneca Nation of Indians on prior years' payments see the County's Miscellaneous Revenue category increase by more than 235% in 2022 when compared to 2021.

As indicated by the Condensed Statement of Net Position section of the above chart, the largest component of the County's net position is reflected in its net investment in capital assets of \$203,764,189, accounting for 62% of the net position. The Governmental Accounting Standards Board (GASB), an independent organization establishing standards of accounting and financial reporting for U.S. state and local governments, requires the financials of the Ontario Tobacco Asset Securitization Corporation (TASC) be combined with the County's financial statements. The TASC has a deficit net position of (\$27,408,085). This deficit net position increased by \$447,585 from a deficit net position in 2021 of (\$26,960,500). As a component unit that has a blended presentation, the TASC's decline is calculated in the overall net position change for Ontario County.

Additional components of the County's net position include assets restricted for reserves which are established to be used for specific purposes and unrestricted assets which can be used to finance future operations. Restricted assets total \$44,400,466, or 13.5% of the total net position and unrestricted assets total \$80,279,876, 24.5% the total net position.

The Statement of Net Position on page 6 indicates that on December 31, 2022, the County's assets and deferred outflows exceeded liabilities and deferred inflows by \$328,444,531.

FINANCIAL ANALYSIS OF COUNTY FUNDS

Ontario County maintains its books, records, and budgets by individual fund. This section of the report includes an analysis of those individual funds on December 31, 2022.

COUNTY OF ONTARIO, NEW YORK
Management's Discussion and Analysis, Continued

- The General Fund ended the year with a balance of \$126.18 million. \$59.16 million of this fund balance is non-spendable due to prepayment of expenses or otherwise restricted through reserves or designations made by the Board of Supervisor for specific uses. That leaves approximately \$67 million available to finance future operations, an amount that represents approximately 27.4% of 2023's budgeted appropriations. This fund balance is slightly above Ontario County's fund balance policy to maintain a minimum unrestricted fund balance of 19% to 25% of the total general fund appropriations. As a result, \$6.5 million of the \$67 million balance will be used to offset property taxes in 2023, bringing the uncommitted balance of approximately \$60.4 million or 24.7% of the 2023 General Fund budgeted appropriations into compliance with the County's fund balance policy.
- Ontario County has a Revolving Loan Fund through which the County has operated a federally subsidized Revolving Loan Fund program in the past. That fund ended the 2022 year with \$200,032 in fund balance, an increase of \$35. Today, funds in the Revolving Loan Fund are typically granted to the Ontario County Economic Development Corporation (OCEDC) to continue the operation of a revolving loan program. In the future, the Ontario County Board of Supervisors may elect to continue providing existing funds and additional funds obtained from various granting agencies for the advancement of economic development in Ontario County to the OCEDC to assist in funding future loans through the OCEDC Revolving Loan Program.
- The County Road Fund ended the 2022 year with approximately \$7.67 million in unrestricted operating fund balance which can be used for future operations. \$750,000 of the operating fund balance has been used in the 2023 budget leaving approximately \$6.9 million in operating fund balance available for future years' activities. The remaining operating fund balance of \$8.9 million represents 41% of the 2023 appropriations, a surplus which will be needed for planned future projects. In addition to the operating fund balance, \$7.77 million has been officially reserved by the Board of Supervisors for the future repair, maintenance, and reconstruction of county roads and bridges and approximately \$1 million has been assigned by the Board of Supervisors for the replacement of equipment in the future.
- Ontario County operates sewer districts serving the residents of Canandaigua Lake, Honeoye Lake and parts of Route 332 in the Towns of Canandaigua and Farmington. These districts have combined fund balances and reserves of approximately \$4.1 million at year end 2022, a decrease of approximately \$2.2 from year end 2021. This reduction is due to several projects occurring within the districts during 2022. These fund balances are utilized to pay for future operations and equipment purchases of the districts as tax levy is not raised to supplement the operations of the sewer districts. Approximately \$726 million of these fund balances have been appropriated for 2023 operations and equipment for the districts.
- The County is self-insured for liability, property, automotive, and workers' compensation coverage. Self-Insured means that instead of paying annual premiums to an insurance company, the County pays its insurance claims directly to the claimants after fully reviewing, investigating, and, where necessary, litigating the claims. The County paid claimants directly \$594,200 for liability, property, and automotive claims in 2022, an increase of approximately \$475,000 over 2021, and an additional \$1.29 million in workers' compensation payments, a slight decrease of approximately \$16,700 from 2021 compensation payments. The County also incurred approximately \$1 million to administer its self-insurance programs and another \$188,822 in charges from New York State.

COUNTY OF ONTARIO, NEW YORK
Management's Discussion and Analysis, Continued

- The County has 33 capital type projects that had activity in 2022. These projects are in various stages of completion. Budgets range in scope from a low of \$14,100 (reflecting the beginning stages of a capital project to perform preventative maintenance on County Road 22) to a high of \$8.78 million (for projects at the Honeoye Lake Wastewater Treatment Plant). In total, the 33 projects represent \$52.55 million worth of work. In 2022, approximately \$14 million was spent on the capital projects. Additionally, new to the financial statements this year and part of the Schedule of Project Expenditures, is recognition of lease obligations totaling \$211,769 pursuant to the Governmental Accounting Standards Board (GASB) Statement 87 which was implemented for the fiscal year ending December 31, 2022.
- The County has a Debt Service Fund, the purpose of which is to maintain the accumulation of resources for the repayment of principal and payment of interest on any long-term debt. Ontario County has \$20.69 million in outstanding debt as of December 31, 2022. The County's reserve for debt repayment is \$4,619,534 which is enough to pay the principal and interest of all outstanding debt that was incurred prior to the lease agreement for the Ontario County Landfill. This reserve for debt eliminates the need to raise tax levy for debt purposes. The additional debt since issued for the Renovation of 74 Ontario Street will be fully paid through the County's receipt of landfill lease payments. There is additional debt to which Ontario County is obligated for the Finger Lakes Community College, repayment of which is secured through its budget without subsidization by tax levy.
- The County has established several reserves and fund balance designations for specific uses. New York State mandates reserves for many purposes including Stop DWI, Crime Proceeds, Wireless 911 Surcharge, Self-Insurance, and Bonded Debt. The County Board of Supervisors has determined, in addition to the New York State mandated reserves, the need to reserve funds for equipment replacement and repair, capital investments such as construction, reconstruction, acquisition, repair and maintenance of capital assets including roads and bridges, and to further designate portions of available fund balance for specific future needs including upgraded computer systems and software and dedicate funding toward the implementation of the adopted Ontario County Solid Waste Management Plan. "Reserve Funds" totaled approximately \$63.1 million on December 31, 2022, \$3.92 million of which has been appropriated for use in the 2023 budget.

GENERAL FUND OPERATIONAL HIGHLIGHTS

The County Board of Supervisors adopts an annual budget. The County has also adopted a Budget Transfer Policy, which authorizes budget amendments to be made during the year for specific purposes such as the addition of new programs or staffing. This policy sets forth specific approval levels, administratively and legislatively, to accomplish adjustments to the operating budget which are necessary throughout the year.

The following is a summary of the most important 2022 operational highlights in the County's General Fund:

Revenues

- The County collected \$56,569,607 in property taxes for the General Fund in 2022. This is a 4.8% increase above the amount of \$53,973,307 collected for the General Fund in 2021. As an order of magnitude, the County levied a total of \$66,967,463 in property tax for all funds in 2022 and this amount represented about 42% of the \$149.9 million in total property taxes that New York State Law authorizes for Ontario County after allowable exclusions.

COUNTY OF ONTARIO, NEW YORK
Management's Discussion and Analysis, Continued

- The second largest source of income to Ontario County is sales tax collected on taxable purchases made within the County. The sales tax rate in Ontario County is 7.5%, of which 4% is collected for and retained by the State of New York. The County retains 1.875%, and shares the remaining 1.625% with the towns, villages, and cities in the County pursuant to an agreement with all municipalities. In 2022, sales tax revenues for County uses totaled \$61,755,283 which was an increase of \$6.4 million, an 11.5% increase compared to the amount received in 2021. This was 12.71% more than the approximately \$54.8 million budgeted. In 2022, \$52.3 million was shared pursuant to the current negotiated agreement with the towns, villages, and cities in Ontario County.
- Actual interest revenues in the General Fund totaled \$929,064 or about \$679,000 more than the amount budgeted for 2022. Interest earnings are significantly higher than the earnings of \$14,135 in 2021 due to favorable interest rates and a deliberate strategy to maximize interest earnings.
- The County continues to receive an annual cash payment of \$2 million for lease of the landfill operations to a private contractor. These funds were utilized to partially fund the 6-year Capital Improvement Plan. In addition, approximately \$781,000 was received pursuant to a tonnage agreement with the private contractor. This payment was approximately 9% more than the amount collected in 2021 due to a small increase in the amount of tonnage taken in during 2022.
- In total, revenues in the General Fund were \$241.9 million in 2022, 9.6% more than in 2021.

Expenses

- The total final budget for General Fund appropriations in 2022 was \$269,632,266. Approximately 89.8% of the budgeted appropriations were expended or committed.
- The Economic Assistance and Opportunity category of expenses includes the Department of Social Services which is the single largest source of County expense. That category increased by approximately \$5.1 million from the 2021 expenditure levels mainly due to an increased demand in services.
- The category of General Government is the largest category of expenditures. This is because the expense of sales tax disbursements to the local municipalities are in this category. If that single expenditure, \$52,301,259, were to be removed, this category ranks second, behind the Economic Assistance and Opportunity expense category. The General Government category encompasses several departments including Administration, the County Attorney, Finance, County Buildings, Human Resources, the Real Property Tax Department, the County Clerk, the Department of Motor Vehicles, and the Board of Elections. The expenditures within this category constituted 20%, or approximately \$43.57 million, of the total General Fund expenditures in 2022.
- The Public Safety departments account for the third largest expenditure category. Public Safety includes the District Attorney, Indigent Defense, and Probation as well as Emergency Management, the Road Patrol, 911 Communications and the operations at the Correctional Facility. The expenditures in 2022 for Public Safety Departments totaled approximately \$41.85 million, an increase of approximately \$5 million from 2021.

COUNTY OF ONTARIO, NEW YORK
Management's Discussion and Analysis, Continued

County Cost

- Net County Cost is defined as departmental expenses less all available departmental revenue. If departmental revenues are insufficient to cover departmental expenses the County must cover that cost through the appropriation of fund balance, reserves, designated fund balances, or through collection of tax levy. For the year ended 2022, General Fund revenues exceeded expenditures by approximately \$24.2 million. A County Cost of approximately \$5.5 million had been budgeted. The major reasons for this deviation are:
 - The public works areas, inclusive of transfers for capital projects, incurred \$3.2 million less in County Cost than originally expected.
 - The Department of Social Services returned \$14.6 million to fund balance.
 - The Office of Sheriff operations, including Communications (911), Road Patrol and the Correctional Facility incurred \$4.4 million less in County Cost than originally expected.
 - The sales tax revenue and interest earnings came in higher than budgeted, and unanticipated revenue such as opioid settlement funds and payment of prior years' revenue related to the agreement between New York State and the Seneca Nation of Indians provided additional funding to cover operational expenses offsetting the need for appropriated fund balance.

GOVERNMENTAL ACTIVITY CAPITAL ASSETS

On December 31, 2022, the County had \$221,317,775 (after deduction of depreciation) in a broad range of capital assets including land, buildings, and machinery and equipment. The change in the County's capital assets between 2022 and 2021 is an approximate \$865,000 decrease. In addition, Ontario County implemented GASB 87, *Leases* in 2022 intended to provide context for the lease obligations of the County each fiscal year. Changes in individual areas are reflected in the charts below:

Capital Assets			
		<u>2022</u>	<u>2021</u>
Land		\$ 4,500,049	\$ 4,500,049
Work in progress		16,429,485	6,661,335
Land improvements		9,893,099	8,899,435
Infrastructure		94,956,122	99,674,004
Buildings and improvements		88,464,302	95,979,477
Machinery and equipment		7,074,718	6,469,346
	Total	\$ 221,317,775	\$ 222,183,646

Lease Assets			
		<u>2022</u>	<u>2021</u>
Land		\$ 1,273,390	\$ 1,467,005
Buildings		191,423	212,692
Vehicles		661,745	761,746
Equipment		202,313	276,727
	Total	\$ 2,328,871	\$ 2,718,170

Footnote IV (E) (1) Change in Capital Assets and Lease Assets of the Notes to Financial Statements provides a detailed breakdown of Capital Assets in section (a) and Lease Assets in section (b).

COUNTY OF ONTARIO, NEW YORK
Management's Discussion and Analysis, Continued

LONG-TERM DEBT

On December 31, 2022, the County had \$69,740,634 in outstanding general obligation bonds, other outstanding long-term debt, and pension liability as follows:

		<u>2022</u>	<u>2021</u>
Serial Bonds - excluding TASC*		\$ 18,305,000	\$ 20,690,000
Unamortized premium		557,275	633,267
Serial Bonds - TASC*		30,334,345	29,800,472
OPEB** Liability		-	-
Leases		2,367,504	2,718,170
Compensated Absences		4,989,796	5,067,556
Judgements and claims		4,318,611	3,863,559
Workers' compensation		8,353,763	8,659,173
Pension liability		-	212,948
Retainage Payable		514,340	304,742
	Total	<u>\$ 69,740,634</u>	<u>\$ 71,949,887</u>
* Ontario Tobacco Asset Securitization Corporation			
** Other Post-Employment Benefits			

The change in Pension Liability is more fully described in section VI(A)(2) Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions of the Notes to Financial Statements.

CREDIT RATING

The County continues to maintain an excellent Aa1 rating, the highest credit rating from Moody's Investor Services received by any county government in the State of New York.

FUTURE FINANCIAL IMPLICATIONS

The County annually prepares two-year budgets. Thus, when the 2023 County Budget was prepared, a tentative 2024 budget was also prepared. By doing this, a proposed 2024 tax rate has already been projected. That rate was estimated to increase to \$7.00 from the 2023 rate of \$6.31 which had been a stable rate since 2021. While increasing this rate would cause the County to exceed the Tax Cap set for 2024 by New York State, proposed appropriations and projected revenues warranted the increase at that time. While it has been the Board's goal in the past to not exceed the New York State Tax Cap, continued reductions in State and Federal aid, anticipated increases in the cost of employees' health insurance and retirement, unfunded and underfunded State mandates, and the fact that Ontario County is growing, strain the County's ability to remain Tax Cap compliant. To illustrate one of the challenges the County faces in attempting to comply with the tax cap rate: the Tax Cap rate for 2024 has been set at 2%. However, the annual inflation rate for the 12 months ending June 2023 for the Northeast region of the United States is 5.17%, according to the U.S. Bureau of Labor Statistics.

COUNTY OF ONTARIO, NEW YORK
Management's Discussion and Analysis, Continued

Ontario County has been able to keep its property tax rates low. The preliminary \$7.00 rate will likely be reduced due to planned revaluations anticipated by various towns within Ontario County. Given the current real estate market, revaluations are expected to increase significantly which will have the opposite effect on the tax rate for the County. If this comes to fruition, it is anticipated that the County could maintain the tax rate of \$6.31 for 2024, or possibly lower the rate. The Ontario County Board of Supervisors passed budget guidelines for preparation of the 2024 and 2025 budget cycle at the May 11, 2023 meeting. The first point of these guidelines, "It is the intent of the Board of Supervisors that the 2024 Budget will not result in an increase of the 2023 tax rate of \$6.31." shows the Board's commitment to a manageable tax rate for the residents of Ontario County. The maintenance of a low tax rate has been accomplished through the diligent efforts of the Ontario County Board of Supervisors in the assessment of services provided. Reviews have led to a series of cost-cutting measures over several years and to partnerships with the private sector to help finance County initiatives. The County will continue to focus on shared services, partnerships, controlled spending, changes in programs, and as necessary the use of fund balances and reserves to best meet the needs of the community in balance with the goals of this Board of Supervisors.

Because of the financial policy decisions adopted by the Board of Supervisors for the use of the landfill lease monies, no new taxpayer supported debt has been issued. There will be no County property taxes used to retire any of the current approximately \$18 million in outstanding debt.

The 2023 Capital Improvement Plan (C.I.P.) includes the advancement of capital projects for renovations to the Human Services Building, advancement of the Hopewell Campus Master Plan Improvements as well as the continuation of a project to improve the Office of Sheriff firing range. The C.I.P. also includes various projects for the Finger Lakes Community College (FLCC), maintenance of County buildings, road and bridge projects, fleet purchases and leases and ongoing maintenance related to the emergency communications network. The total C.I.P. budgeted cost for 2023 is \$37,325,392. Funding for this plan comes from a variety of resources, including tax levy, State and Federal aid, funding from FLCC, County Sewer District funds, Reserves, and Grants. The tax rate implication is \$.30 cents per \$1,000 to fund the \$10.76 million of tax levy expected to be used. This is possible because the County sets aside a portion of sales tax revenue in a reserve, established in 2009, for capital improvement purposes. This Sales Tax Reserve is used to help maintain a stable tax rate for C.I.P. projects. 2/8% of the sales tax rate is allocated to the reserve and is used for payment of debt for FLCC projects and the Capital Improvement Plan. The balance in this reserve was \$12,735,801 at the end of 2022.

In 2028, the lease agreement for the operations of the Ontario County Landfill will expire resulting in a significant loss in annual revenue. These funds are currently utilized to provide payment for the bonding associated with the renovations of the County owned building located at 74 Ontario Street in Canandaigua, additional funding for expenditures related to the County's C.I.P., as well as funding for implementation of the Ontario County Solid Waste Management Plan. Although the end of the lease is some years in the future, the County has made a commitment to plan for this revenue loss so that it does not significantly impact taxpayers. For example, the debt for the Renovations of 74 Ontario Street in Canandaigua has been structured such that sufficient funds to fully pay this debt will be set aside from these landfill related revenues prior to the expiration of the lease agreement. This is only one of the ways the County is being proactive and planning for this revenue loss. Ontario County expects to reduce the use of landfill related revenues funding the C.I.P. beginning in 2024, with the anticipation of dedicating the revenue received through the remainder of the lease agreement solely to advancing the continued implementation of the adopted Ontario County Solid Waste Management Plan.

COUNTY OF ONTARIO, NEW YORK
Management's Discussion and Analysis, Continued

Ontario County continues in the preparation of the 2024 budget and with the 2024 – 2029 C.I.P. to focus on long-term planning, maintaining a policy of no tax levy funded debt, diligently reviewing available funds and reserving funds dedicated for specific projects and purposes through processes established within the Reserve and Designated Fund Balance Policy. This focus has allowed the County to weather unprecedented fiscal challenges, be intentional in services expanded for and provided to the growing community while remaining fiscally healthy. Additionally, continued investment in deferred compensation programs for employees has allowed the County to minimize post-employment benefits that often burden future operations and endanger fiscal stability.

Some of the financial factors impacting the County's budget and the level of services the County can provide to the community in the future include:

- Significant inflation and continued supply chain challenges affecting operations and associated costs, particularly in the areas of public works and transportation,
- Continued difficulty in recruiting new employees to continue existing programs and expand programs and departments to offer new services, particularly in our Public Safety areas,
- Continued unfunded and underfunded State mandated programming and services.

A one-time revenue source of \$21,322,895 was allocated to Ontario County through the Department of Treasury's Coronavirus State and Local Fiscal Recovery Fund, established under the American Rescue Plan Act (ARPA). The County created an ARPA Funds Advisory Group consisting of the County Administrator, the Deputy County Administrator, the County Attorney, the Director of Finance, the Director of Planning, and the County's Economic Developer and this group will be assisting in the implementation of programs and development of contracts in 2024 to address many areas of community need including small business recovery, childcare shortages, and affordable housing challenges. A report of ARPA fund uses can be located at <https://ontariocountyny.gov/>.

Unfunded or underfunded State mandated programs and retirement costs continue to control the majority of our budget. These programs account for 92.79% of the 2023 tax levy meaning the Ontario County Board of Supervisors can use only 7.21% of the entire real property tax levy to address those needs of our community that fall outside of mandated services. Mandated services include most programs in the Department of Social Services, operations at the Correctional Facility including Correctional Health Care, the provision of Indigent Legal Services, much of Public Health and the Preschool Special Education and Early Intervention programs, Probation and the District Attorney's operations along with contributions to the New York State and Local Retirement System.

Ontario County continues to be one of the few growing counties in New York State. While this is positive, with that growth comes increased demands for services and the financial strains associated with those services.

All these factors require that the County continue its diligent financial monitoring and management and be creative and proactive in searching for solutions to fulfill its mission to "provide strategic and responsive public services that are fiscally responsible and sensitive to the diverse and challenging needs of the community". In the future, these efforts may include departmental consolidations, changes in programs and services, operational alternatives and continued private sector investment in the County's programming and infrastructure.

COUNTY OF ONTARIO, NEW YORK
Management's Discussion and Analysis, Continued

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances. If you would like additional information, please contact:

Mary M. Gates
Ontario County Director of Finance
3019 County Complex Drive
Canandaigua, New York 14424
585-919-2750
FinanceDept@ontariocountyny.gov

COUNTY OF ONTARIO, NEW YORK

Statement of Net Position

December 31, 2022

	Primary	Component Units	
	Governmental		
	Governmental	Governmental	Proprietary
	Activities		
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 184,410,606	\$ 17,414,924	\$ 1,515,084
Receivable, net	44,794,408	1,870,825	7,149
Internal balances	-	219,733	-
State and federal aid receivable	-	4,500,409	14,230
Inventory and prepayments	2,055,006	388,529	1,005
Total Current Assets	\$ 231,260,020	\$ 24,394,420	\$ 1,537,468
Noncurrent Assets:			
Net pension asset	\$ 17,078,147	\$ 2,629,050	\$ -
Investments	1,460,421	3,598,802	-
Due from related party	-	-	32,101
Receivable, net	-	6,619	83,806
Investment in joint venture	-	-	10,623
Total Noncurrent Assets	\$ 18,538,568	\$ 6,234,471	\$ 126,530
Capital assets:			
Land and work in progress	\$ 20,929,534	\$ 4,240,237	\$ 2,400,534
Other capital assets, net of depreciation	202,717,112	98,064,095	11,677,346
Total Capital Assets	\$ 223,646,646	\$ 102,304,332	\$ 14,077,880
TOTAL ASSETS	\$ 473,445,234	\$ 132,933,223	\$ 15,741,878
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources	\$ 37,558,352	\$ 8,712,557	\$ -
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 7,168,686	\$ 3,388,224	\$ 42,018
Accrued liabilities	3,069,712	30,699	-
Due to other governments	17,128,947	-	-
Other liabilities	20,415,140	-	-
Unearned revenue	1,833,840	3,498,948	-
Custodial accounts	-	69,672	-
Total Current Liabilities	\$ 49,616,325	\$ 6,987,543	\$ 42,018
Noncurrent liabilities:			
Due in one year	\$ 7,549,717	\$ 1,799,750	\$ -
Due in more than one year	62,190,917	18,401,930	-
Total Noncurrent Liabilities	\$ 69,740,634	\$ 20,201,680	\$ -
TOTAL LIABILITIES	\$ 119,356,959	\$ 27,189,223	\$ 42,018
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	\$ 63,202,096	\$ 10,932,353	\$ 85,895
NET POSITION			
Net investment in capital assets	\$ 203,764,189	\$ 85,732,051	\$ 14,077,880
Restricted for:			
Capital reserves	30,845,957	-	-
Reserve for Debt	2,924,543	-	-
Restricted other purposes	10,629,966	3,937,348	-
Unrestricted	80,279,876	13,854,805	1,536,085
TOTAL NET POSITION	\$ 328,444,531	\$ 103,524,204	\$ 15,613,965

The notes to the financial statements are an integral part of this statement.

COUNTY OF ONTARIO, NEW YORK
Statement of Activities
For the Year Ended December 31, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>	<u>Component Units</u>	
					<u>Governmental Activities</u>	<u>Governmental</u>	<u>Proprietary</u>
Primary Government:							
Governmental Activities:							
General government support	\$ 95,078,864	\$ 9,556,102	\$ 5,518,979	\$ 1,365,682	\$ (78,638,101)	\$ -	\$ -
Education	13,799,719	-	2,144,059	1,885,627	(9,770,033)	-	-
Public safety	41,989,314	2,050,458	4,294,979	134,180	(35,509,697)	-	-
Health	18,547,919	991,269	8,893,406	-	(8,663,244)	-	-
Transportation	15,670,405	91,626	2,811,528	3,027,284	(9,739,967)	-	-
Economic assistance and development	50,662,733	1,344,614	22,262,501	-	(27,055,618)	-	-
Culture and recreation	1,272,408	-	2,170,020	-	897,612	-	-
Home and community services	8,460,317	5,421,891	1,723,254	5,641,142	4,325,970	-	-
Interest on long-term debt	2,618,064	-	-	-	(2,618,064)	-	-
Total Governmental Activities	\$ 248,099,743	\$ 19,455,960	\$ 49,818,726	\$ 12,053,915	\$ (166,771,142)	\$ -	\$ -
Total Primary Government	\$ 248,099,743	\$ 19,455,960	\$ 49,818,726	\$ 12,053,915	\$ (166,771,142)	\$ -	\$ -
Component Units:							
Governmental	\$ 65,464,821	\$ 32,272,067	\$ 12,847,541	\$ 7,075,653	\$ -	\$ (13,269,560)	\$ -
Proprietary	1,024,637	489,607	-	122,917	-	-	(412,113)
Total Component Units	\$ 66,489,458	\$ 32,761,674	\$ 12,847,541	\$ 7,198,570	\$ -	\$ (13,269,560)	\$ (412,113)
General Revenues:							
Taxes:							
Property taxes					\$ 69,412,257	\$ -	\$ -
Non-property taxes					114,669,485	-	-
Compensation for loss					1,975,209	-	-
Investment earnings					5,494,881	1,922,819	69,750
Miscellaneous					6,241,449	19,894,240	-
Total General Revenues					\$ 197,793,281	\$ 21,817,059	\$ 69,750
Change in Net Position					\$ 31,022,139	\$ 8,547,499	\$ (342,363)
Net Position - Beginning					297,422,392	94,976,705	15,956,328
Net Position - Ending					\$ 328,444,531	\$ 103,524,204	\$ 15,613,965

COUNTY OF ONTARIO, NEW YORK

**Balance Sheet
Governmental Funds
December 31, 2022**

	<u>Major General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 130,597,892	\$ 41,733,336	\$ 172,331,228
Investments	-	1,460,421	1,460,421
Receivables, net	8,439,757	1,092,750	9,532,507
Due from other funds	3,988,263	1,118,721	5,106,984
Due from other governments, net	774,562	2,647	777,209
State and federal aid receivable	31,575,919	1,562,692	33,138,611
Prepaid items	1,567,320	73,923	1,641,243
Total Assets	<u>\$ 176,943,713</u>	<u>\$ 47,044,490</u>	<u>\$ 223,988,203</u>
Liabilities, Deferred Inflows, and Fund Balances			
Liabilities:			
Accounts payable	\$ 6,618,274	\$ 408,140	\$ 7,026,414
Accrued liabilities	2,846,108	112,950	2,959,058
Due to other funds	-	4,373,907	4,373,907
Due to other governments	17,128,519	428	17,128,947
Overpayments and collections in advance	136,339	5,933	142,272
Other Liabilities	20,415,140	-	20,415,140
Unearned revenue	1,658,806	19,705	1,678,511
Total Liabilities	<u>\$ 48,803,186</u>	<u>\$ 4,921,063</u>	<u>\$ 53,724,249</u>
Deferred Inflows:			
Deferred inflows of resources	\$ 1,959,038	\$ -	\$ 1,959,038
Fund Balances:			
Nonspendable	\$ 1,567,320	\$ 73,923	\$ 1,641,243
Restricted	26,335,039	18,065,427	44,400,466
Assigned	31,257,900	26,041,320	57,299,220
Unassigned	67,021,230	(2,057,243)	64,963,987
Total Fund Balances	<u>\$ 126,181,489</u>	<u>\$ 42,123,427</u>	<u>\$ 168,304,916</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 176,943,713</u>	<u>\$ 47,044,490</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	223,646,646
Receivables related to tobacco settlement revenues are not available financial resources and therefore, are not reported in the governmental funds.	1,274,865
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(106,578)
Premiums received on debt issuance, are recorded as revenue in the governmental funds but included in long-term debt in the County-wide financial statements, to be recognized over the life of the bonds.	(557,275)
Judgements and claims are not reported in the funds under fund accounting but are expensed as the liability is incurred in the statement of net position.	(4,318,611)
The advance payment of services made to Finger Lakes Telecommunications Development Corporation has been expensed in the funds but is reflected as a prepayment on the statement of net position.	410,000
Net position of internal service fund is not reported in governmental funds but included in government-wide net position.	2,908,112
Deferred loss on refunding bonds payable is not reported in the governmental funds but are reported in the County-wide net position.	440,313
Deferred gain on refunding bonds payable is not reported in the governmental funds but are reported in the County-wide net position.	(946,155)
The following long-term obligations are not due and payable in the current period, therefore, are not reported in the governmental funds:	
Serial Bonds Payable	(18,305,000)
Serial Bonds TASC	(30,334,345)
Leases	(2,367,504)
Property Taxes	1,959,038
Retainage Payable	(514,340)
Deferred Inflows - Pensions	(62,255,941)
Deferred Outflows - Pensions	37,118,039
Pension Asset	17,078,147
Compensated absences are not reported in the funds under fund accounting but are expensed as a liability is incurred in the statement of net position	(4,989,796)
Net Position of Governmental Activities	<u><u>\$ 328,444,531</u></u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ONTARIO, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	<u>Major</u> <u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Real property and tax items	\$ 59,064,399	\$ 10,324,246	\$ 69,388,645
Non-property taxes	114,669,485	-	114,669,485
Departmental income	10,295,264	3,657,637	13,952,901
Intergovernmental charges	1,075,703	1,873,123	2,948,826
Use of money and property	4,999,653	394,268	5,393,921
Licenses and permits	1,182	56,186	57,368
Fines and forfeitures	219,052	-	219,052
Sale of property and compensation for loss	270,920	1,643,997	1,914,917
Miscellaneous	3,524,969	20,717	3,545,686
Interfund revenues	2,330,849	297,257	2,628,106
State and county aid	28,568,665	11,755,864	40,324,529
Federal aid	16,916,210	4,312,714	21,228,924
Total Revenues	<u>\$ 241,936,351</u>	<u>\$ 34,336,009</u>	<u>\$ 276,272,360</u>
Expenditures:			
Current:			
General government support	\$ 95,868,627	\$ 553,137	\$ 96,421,764
Education	4,700,411	3,992,771	8,693,182
Public safety	41,846,389	817,050	42,663,439
Health	18,693,374	-	18,693,374
Transportation	185,879	13,595,461	13,781,340
Economic assistance and development	51,635,899	270,403	51,906,302
Culture and recreation	646,413	-	646,413
Home and community services	3,503,335	11,831,501	15,334,836
Debt Service:			
Debt service - principal	562,435	3,265,000	3,827,435
Debt service - interest and other charges	71,226	1,261,017	1,332,243
Total Expenditures	<u>\$ 217,713,988</u>	<u>\$ 35,586,340</u>	<u>\$ 253,300,328</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 24,222,363</u>	<u>\$ (1,250,331)</u>	<u>\$ 22,972,032</u>
Other Financing Sources and Uses:			
Transfers - in	\$ 818,118	\$ 19,970,482	\$ 20,788,600
Transfers - out	(15,367,798)	(5,463,030)	(20,830,828)
Lease obligation	-	211,769	211,769
Total Other Financing Sources and Uses	<u>\$ (14,549,680)</u>	<u>\$ 14,719,221</u>	<u>\$ 169,541</u>
Net change in fund balances	\$ 9,672,683	\$ 13,468,890	\$ 23,141,573
Fund Balance - Beginning	<u>116,508,806</u>	<u>28,654,537</u>	<u>145,163,343</u>
Fund Balance - Ending	<u><u>\$ 126,181,489</u></u>	<u><u>\$ 42,123,427</u></u>	<u><u>\$ 168,304,916</u></u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ONTARIO, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 23,141,573
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 and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
Capital outlay	\$ 12,505,549
Addition of assets, net	1,356,409
Depreciation/Amortization	<u>(15,117,128)</u>
	(1,255,170)
Change in the receivables related to tobacco settlement revenues are not available financial resources and, therefore, are not reported in the governmental funds.	
	60,292
Bond and installment purchase debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position. The following details these items as they effect the governmental activities:	
Debt repayment	\$ 2,413,562
Proceeds from lease issuance	(211,769)
Premiums on debt issuance being amortized	75,992
Deferred gain on bond refunding	<u>94,615</u>
	2,372,400
The retainage liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds	
	(209,598)
Change in net position form internal service fund not reported in governmental funds but included in government-wide statement of activities.	
	1,002,106
Finger Lakes Telecommunication Development Corporation - Advance Payment	
	(40,000)
Deferred loss on refunding of bonds that is reported as expenditures in the government funds are deferred on the County-wide statements.	
	(55,039)
Unearned revenue reported in the governmental funds is recorded as revenue in County-wide statement of activities:	
Property Taxes	23,612
Decreases in proportionate share of net pension liability, net of related deferred inflows and deferred outflows of resources, reported in the statement of activities does not provide for or required the used of current financial resources and they are not reported as revenue.	
	6,346,771
In the statement of activities, vacation pay and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences in these items as presented in the governmental activities:	
Compensated Absences	77,760
Judgements and Claims	(455,052)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	
	<u>12,484</u>
Change in Net Position of Governmental Activities	<u>\$ 31,022,139</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ONTARIO, NEW YORK

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2022

	Custodial Funds
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 1,144,045
Accounts receivable	<u>1,956,057</u>
TOTAL ASSETS	<u><u>\$ 3,100,102</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 3,100,102</u>
TOTAL NET POSITION	<u><u>\$ 3,100,102</u></u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ONTARIO, NEW YORK
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022

	<u>Custodial Funds</u>
ADDITIONS	
Mortgage Tax	\$ 3,031,271
Social Services Trust	1,524,755
Due to School Districts	33,725,725
Miscellaneous	<u>810,818</u>
TOTAL ADDITIONS	<u>\$ 39,092,569</u>
 DEDUCTIONS	
Mortgage Tax	\$ 4,238,632
Social Services Trust	1,483,746
Due to School Districts	32,045,014
Miscellaneous	<u>534,176</u>
TOTAL DEDUCTIONS	<u>\$ 38,301,568</u>
Change in net position	\$ 791,001
NET POSITION - BEGINNING	<u>2,309,101</u>
NET POSITION - ENDING	<u><u>\$ 3,100,102</u></u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ONTARIO, NEW YORK
Statement of Net Position
Proprietary Funds
December 31, 2022

	Internal Service Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 12,079,378
Receivable, net	71,216
Internal balances	4,521
Inventory and prepayments	3,763
TOTAL ASSETS	\$ 12,158,878
 LIABILITIES	
Current Liabilities:	
Accrued liabilities	\$ 4,076
Internal balances	737,598
Unearned revenue	155,329
Noncurrent liabilities:	
Due in more than one year	8,353,763
TOTAL LIABILITIES	\$ 9,250,766
 NET POSITION	
Unrestricted	\$ 2,908,112
TOTAL NET POSITION	\$ 2,908,112

The notes to the financial statements are an integral part of this statement.

COUNTY OF ONTARIO, NEW YORK
Statement of Activities
Proprietary Funds
For the Year Ended December 31, 2022

	Internal Service Fund
	Fund
<u>Operating Revenues:</u>	
Charges for services	\$ 2,597,001
Other operating revenue	82,657
TOTAL OPERATING REVENUE	\$ 2,679,658
<u>Operating Expenses:</u>	
Employee benefits	\$ 1,171,099
Administrative expenses	649,641
TOTAL OPERATING EXPENSE	\$ 1,820,740
OPERATING INCOME OR (LOSS)	\$ 858,918
<u>Nonoperating Revenue (Expense):</u>	
Investment income, net	\$ 100,960
TOTAL NONOPERATING REVENUE (EXPENSES)	\$ 100,960
Income (Loss) Before Operating Transfers	\$ 959,878
Transfers in from County	45,000
Transfers out to County	(2,772)
CHANGE IN NET POSITION	\$ 1,002,106
TOTAL NET POSITION, BEGINNING	1,906,006
TOTAL NET POSITION, ENDING	\$ 2,908,112

The notes to the financial statements are an integral part of this statement.

COUNTY OF ONTARIO, NEW YORK
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	<u>Internal Service Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Cash received from providing services	\$ 3,354,784
Cash payments for personal services and benefits	(2,126,471)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,228,313</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>	
Transfer from County	\$ 45,000
Transfer to County	(2,772)
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	<u>\$ 42,228</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Interest income	\$ 100,960
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ 100,960</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 1,371,501
CASH AND CASH EQUIVALENTS - BEGINNING	<u>10,707,877</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 12,079,378</u>
OPERATING INCOME (LOSS)	<u>\$ 858,918</u>
ADJUSTMENT TO RECONCILE INCOME TO	
<u>NET CASH BY OPERATING ACTIVITIES -</u>	
Change in assets and liabilities -	
Accounts receivable	\$ (71,216)
Due from other funds (internal balances)	734,381
Prepays	85
Accounts payable and accrued liabilities	(406)
Unearned revenue	11,961
Other long-term liabilities	(305,410)
TOTAL ADJUSTMENTS	<u>\$ 369,395</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,228,313</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ONTARIO, NEW YORK

Statement of Net Position

Component Units

December 31, 2022

	Governmental			Proprietary
	Ontario County			Ontario County
	Finger Lakes Community College	Four Seasons Local Development Corporation	Total Governmental	Industrial Development Agency
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 16,147,610	\$ 1,267,314	\$ 17,414,924	\$ 1,515,084
Receivable, net	1,870,488	337	1,870,825	7,149
Internal balances	219,733	-	219,733	-
State and federal aid receivable	4,500,409	-	4,500,409	14,230
Inventory and prepayments	368,495	20,034	388,529	1,005
Total Current Assets	\$ 23,106,735	\$ 1,287,685	\$ 24,394,420	\$ 1,537,468
Noncurrent Assets:				
Net pension asset	\$ 2,629,050	\$ -	\$ 2,629,050	\$ -
Investments	3,598,802	-	3,598,802	-
Due from related party	-	-	-	32,101
Receivable, net	6,619	-	6,619	83,806
Investment in joint venture	-	-	-	10,623
Total Noncurrent Assets	\$ 6,234,471	\$ -	\$ 6,234,471	\$ 126,530
Capital assets:				
Land and work in progress	\$ 4,211,817	\$ 28,420	\$ 4,240,237	\$ 2,400,534
Other capital assets, net of depreciation	97,789,594	274,501	98,064,095	11,677,346
Total Capital Assets	\$ 102,001,411	\$ 302,921	\$ 102,304,332	\$ 14,077,880
TOTAL ASSETS	\$ 131,342,617	\$ 1,590,606	\$ 132,933,223	\$ 15,741,878
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources	\$ 8,712,557	\$ -	\$ 8,712,557	\$ -
LIABILITIES				
Current Liabilities:				
Accounts payable and other current liabilities	\$ 3,376,473	\$ 11,751	\$ 3,388,224	\$ 42,018
Accrued liabilities	-	30,699	30,699	-
Unearned revenue	3,238,316	260,632	3,498,948	-
Custodial accounts	69,672	-	69,672	-
Total Current Liabilities	\$ 6,684,461	\$ 303,082	\$ 6,987,543	\$ 42,018
Noncurrent liabilities:				
Due in one year	\$ 1,799,750	\$ -	\$ 1,799,750	\$ -
Due in more than one year	18,401,930	-	18,401,930	-
Total Noncurrent Liabilities	\$ 20,201,680	\$ -	\$ 20,201,680	\$ -
TOTAL LIABILITIES	\$ 26,886,141	\$ 303,082	\$ 27,189,223	\$ 42,018
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources	\$ 10,932,353	\$ -	\$ 10,932,353	\$ 85,895
NET POSITION				
Net investment in capital assets	\$ 85,429,130	\$ 302,921	\$ 85,732,051	\$ 14,077,880
Restricted for:				
Restricted other purposes	3,175,913	761,435	3,937,348	-
Unrestricted	13,631,637	223,168	13,854,805	1,536,085
TOTAL NET POSITION	\$ 102,236,680	\$ 1,287,524	\$ 103,524,204	\$ 15,613,965

The notes to the financial statements are an integral part of this statement.

COUNTY OF ONTARIO, NEW YORK
Statement of Activities
Component Units
For the Year Ended December 31, 2022

	<u>Governmental</u>			<u>Proprietary</u>
	<u>Finger Lakes Community College</u>	<u>Ontario County Four Seasons Local Development Corporation</u>	<u>Total Governmental</u>	<u>Ontario County Industrial Development Agency</u>
<u>Operating Revenues:</u>				
Tuition and fees	\$ 19,082,675	\$ -	\$ 19,082,675	\$ -
Less: scholarship allowances	(7,438,304)	-	(7,438,304)	-
Federal grants and contracts	10,676,521	-	10,676,521	-
State grants and contracts	562,454	-	562,454	-
County grants and contracts	-	913,804	913,804	-
Local grants and contracts	355,702	-	355,702	-
Nongovernmental grants and contracts	280,763	2,500	283,263	-
NYS matching fund	-	55,797	55,797	-
Program service fees	-	8,003	8,003	489,607
Other operating revenue	6,659,430	286	6,659,716	-
TOTAL OPERATING REVENUE	<u>\$ 30,179,241</u>	<u>\$ 980,390</u>	<u>\$ 31,159,631</u>	<u>\$ 489,607</u>
<u>Operating Expenses:</u>				
Instruction	\$ 19,211,613	\$ -	\$ 19,211,613	\$ -
Program services	-	942,939	942,939	-
Public service	93,952	-	93,952	-
Academic support	3,664,317	-	3,664,317	-
Student services	7,118,391	-	7,118,391	-
Institutional support	17,608,961	-	17,608,961	-
Operation and maintenance of plant	3,353,338	-	3,353,338	-
Student aid payments	1,489,957	-	1,489,957	-
Administrative, collection, and other costs	584,487	119,058	703,545	477,748
Auxiliary enterprises	3,360,986	-	3,360,986	-
Depreciation	7,076,947	-	7,076,947	546,889
TOTAL OPERATING EXPENSE	<u>\$ 63,562,949</u>	<u>\$ 1,061,997</u>	<u>\$ 64,624,946</u>	<u>\$ 1,024,637</u>
OPERATING INCOME OR (LOSS)	<u>\$ (33,383,708)</u>	<u>\$ (81,607)</u>	<u>\$ (33,465,315)</u>	<u>\$ (535,030)</u>
<u>Nonoperating Revenue (Expense):</u>				
Federal and state financial aid	\$ 8,552,063	\$ -	\$ 8,552,063	\$ -
State appropriations	12,067,630	-	12,067,630	-
Local appropriations	11,454,877	-	11,454,877	-
State and county capital appropriations	7,075,653	-	7,075,653	-
Interest on indebtedness	(509,030)	-	(509,030)	-
Gain (Loss) on disposal of capital assets	71,871	-	71,871	-
Change in fair value of interest rate swap	765,435	-	765,435	-
College support	(402,716)	-	(402,716)	-
Forgiveness of Paycheck Protection Program loans	384,976	-	384,976	-
Gifts and donations	1,908,544	14,275	1,922,819	-
Investment income (loss), net	627,379	1,857	629,236	2,306
Unrealized net gain (loss) on investment in joint venture	-	-	-	67,444
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>\$ 41,996,682</u>	<u>\$ 16,132</u>	<u>\$ 42,012,814</u>	<u>\$ 69,750</u>
NET INCOME (LOSS)	<u>\$ 8,612,974</u>	<u>\$ (65,475)</u>	<u>\$ 8,547,499</u>	<u>\$ (465,280)</u>
<u>Contributed Capital:</u>				
Contributed capital - federal, state & local	-	-	-	122,917
CHANGE IN NET POSITION	<u>\$ 8,612,974</u>	<u>\$ (65,475)</u>	<u>\$ 8,547,499</u>	<u>\$ (342,363)</u>
TOTAL NET POSITION, BEGINNING	<u>93,623,706</u>	<u>1,352,999</u>	<u>94,976,705</u>	<u>15,956,328</u>
TOTAL NET POSITION, ENDING	<u>\$ 102,236,680</u>	<u>\$ 1,287,524</u>	<u>\$ 103,524,204</u>	<u>\$ 15,613,965</u>

COUNTY OF ONTARIO, NEW YORK
Statement of Cash Flows
Component Units
For the Year Ended December 31, 2022

	Proprietary Ontario County Industrial Development Agency
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Cash received from providing services	\$ 510,573
Cash payments for contractual expenses	(476,853)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 33,720
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Purchases of capital assets	\$ (124,406)
Contributions for capital assets	195,466
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ 71,060
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Interest income	\$ 2,306
Unrealized net gain (loss) on investment in joint venture	114,613
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 116,919
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 221,699
CASH AND CASH EQUIVALENTS - BEGINNING	1,293,385
CASH AND CASH EQUIVALENTS - ENDING	\$ 1,515,084
OPERATING INCOME (LOSS)	\$ (535,030)
<u>ADJUSTMENT TO RECONCILE INCOME TO NET CASH BY OPERATING ACTIVITIES -</u>	
Depreciation	\$ 546,889
Change in assets and liabilities -	
Accounts receivable	22,961
Prepays	549
Accounts payable and accrued liabilities	346
Deferred inflows	(1,995)
TOTAL ADJUSTMENTS	\$ 568,750
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 33,720

The notes to the financial statements are an integral part of this statement.

COUNTY OF ONTARIO, NEW YORK

Notes to the Basic Financial Statements

December 31, 2022

I. Summary of Significant Accounting Policies:

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

A. Financial Reporting Entity

The County is governed by County Law and other general laws of the State of New York, and various local laws and ordinances. The County Board of Supervisors, which is the legislative body responsible for the overall operation of the County, consists of twenty-one supervisors. The Chairman of the Board of Supervisors serves as chief executive officer and the County Treasurer serves as chief fiscal officer of the County.

The County provides the following basic services: highway construction and maintenance, economic assistance and opportunity, cultural and recreation programs, public safety and law enforcement, public health and solid waste management.

All governmental activities performed by 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 and (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.

The decision to include a potential component unit in the County's reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered to determining the County's reporting entity.

1. Component Units – Discretely Presented

The following entities have been evaluated based on the aforementioned criteria and are included in the financial reporting entity as discretely presented component units.

a. Governmental Component Units

1. The **Finger Lakes Community College** utilizes an August 31 fiscal year as mandated by State Law. The County includes the financial statements of the Community College within these financial statements using an August 31 balance sheet date and a fiscal year ended August 31 for revenues and expenditures.

(I.) (Continued)

An audit of the financial statements of the Finger Lakes Community College for the fiscal year ended August 31, 2022 has been performed by another auditor. Their opinion was unqualified, that is, the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America. The report was dated April 7, 2023 and is on file with the Ontario County Department of Finance. The college budget is subject to the approval of the County Board of Supervisors. In addition, real property of the college vests with the County and bonds and notes for college capital costs are issued by the County and are County debt. The Dormitory Authority of the State of New York (DASNY), debt service requirements referenced in the financial statements of the Community College are paid by New York State and are not an obligation of the Community College or the County and as such are not reflected in the basic financial statements. The Finger Lakes Community College is a component unit of the County and is discretely presented.

The Finger Lakes Community College has an appointed Treasurer and is basically responsible for their own financial transactions. However, the County continues to provide a sponsor contribution to the college and some administrative services such as purchasing, data processing and the County attorney.

2. The **Ontario County Four Seasons Local Development Corporation** is a private not-for-profit entity organized for the express purpose of enhancing the economic impact of tourism to Ontario County, New York. The Corporation meets this purpose by conducting promotional activities, administering promotional contracts on behalf of Ontario County, New York, doing strategic planning and servicing the tourism industry in the County. One member of the Ontario County Board of Supervisors serves on the 17 member Board of Directors which governs the Corporation. The remaining 16 members are nominated by the Corporation itself, and approved by the County Board of Supervisors.

The Ontario County Board of Supervisors annually provides a contractual payment to the Corporation based on the collection of a 3% County Occupancy Tax less a 5% administration fee. The 2022 payment totaled \$913,804. The Corporation also provides copies of its audits and insurance coverage to the Ontario County Attorney. The Ontario County Four Seasons Local Development Corporation is a component unit of the County and is discretely presented.

The auditor's report was unqualified, that is, the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America.

(I.) (Continued)

b. Proprietary Component Unit

1. The Ontario County Industrial Development Agency is a public benefit corporation created by state legislation to promote the economic welfare, opportunities, and prosperity of the County inhabitants. The Ontario County Industrial Development Agency was established to promote and assist in acquiring or constructing various business and recreational facilities in Ontario County, New York. Members of the Ontario County Industrial Development Agency are appointed by the Ontario County Board of Supervisors.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices:

Finger Lakes Community College
4355 Lake Shore Drive
Canandaigua, New York 14424

Ontario County Four Seasons Local Development Corporation
25 Gorham Street
Canandaigua, New York 14424

Ontario County Industrial Development Agency
20 Ontario Street
Canandaigua, New York 14424

2. Component Unit – Blended

The **Ontario County Tobacco Asset Securitization Corporation (TASC)** is a special purpose, bankruptcy-remote local development corporation organized under the Not-For-Profit Corporation Law of the State of New York. The Corporation was established on July 2, 2001. The TASC is considered a component unit (blended presentation) of the County based on guidance provided by GASB and is included as part of the County's financial reporting entity as of December 31, 2022.

Complete financial statements for the Tobacco Asset Securitization Corporation (TASC) can be obtained from the:

Ontario County Finance Department
3019 County Complex Drive
Canandaigua, New York 14424

(I.) (Continued)

3. **Excluded From Reporting Entity**

The **Finger Lakes Regional Telecommunications Development Corporation** is a not-for-profit local development corporation under Article 14 of the Not-For-Profit Corporations Law. Its purpose is promoting and providing economic development opportunities within Ontario County, New York, providing additional employment and job opportunities, and promotion of scientific research for the purpose of attracting industry to the community, retaining businesses in the area and relieving the burdens of government, working in partnership with the private sector without direct competition for services, as more fully set forth in the Certificate of Incorporation filed in the New York State Department of State on October 25, 2005.

The Ontario County Administrator, the Ontario County Director of Economic Development and the Chairperson of the Ontario County Board of Supervisors serve on the ten member Board of Directors. The remaining seven members are elected at the annual meeting of the Corporation. Instead of paying a monthly maintenance fee for use of the system, the County will provide the use of County meeting rooms and the services of the Chief Information Officer to serve as the Chief Executive Officer of the Corporation.

The County of Ontario, New York has made an advance payment totaling \$1,000,000 in 2007, for use of the network for a period of twenty-five years. This payment has been expensed in the County's General Fund and is reflected as a deferred expenditure in the amount of \$490,000 in the County-Wide financial statements and will be amortized over a period of twenty-five years. The County has also provided an interest free loan in the amount of \$1,500,000 which shall be repaid upon retirement of the Corporation's debt or the termination of the current agreement, whichever event occurs earlier. This amount has been expensed in the County's General Fund. No long-term receivable in the County-Wide financial statements has been reflected due to the uncertainty of the repayment terms.

An audit of the Finger Lakes Regional Telecommunications Development Corporation for the year ended December 31, 2022 has been performed by another auditor. The auditor's report, dated March 31, 2023, was unqualified and the relevant financial information is as follows:

	<u>2022</u>	<u>2021</u>
Total Assets	\$ 4,416,836	\$ 4,537,806
Total Liabilities	4,788,097	5,518,451
Net Assets (Deficit)	<u>\$ (371,261)</u>	<u>\$ (980,645)</u>
Total Revenues	<u>\$ 1,081,142</u>	<u>\$ 795,531</u>
Total Expenses	<u>\$ 471,758</u>	<u>\$ 480,664</u>

* On October 25, 2017 the Finger Lakes Regional Telecommunications Development Corp. entered into a five year lease purchase agreement to be acquired by another corporation.

(I.) (Continued)

B. Joint Ventures

The County of Ontario, New York and the County of Yates, New York participate in the joint maintenance of the Flint Creek Small Watershed Protection District.

1. The Boards of each municipality jointly act as the governing body for the joint venture.
2. The following is an unaudited summary of financial information included in the Annual Financial Report Update Document, for the year ended December 31, 2022:

Total Assets	\$	433,657
Joint Venture Equity	\$	433,657
Total Revenues-2022	\$	38,006

3. Financial statements of the Flint Creek Small Watershed Protection District for the year ended December 31, 2022, are available by contacting the Yates County Treasurer.

C. Related Entities

1. Ontario County Soil & Water Conservation District (SWCD)

The SWCD was established in accordance with the Soil & Water Conservation Districts Laws, to provide for the conservation of the County's soil and water resources. Members of the SWCD's Board of Directors are appointed by the Board of Supervisors, and administrative costs of the SWCD are funded primarily through the County appropriations. The SWCD does derive other revenues and performs other activities outside the County's general oversight responsibilities. The directors of the SWCD have sole responsibility for management of the SWCD and full accountability for fiscal matters. The figures included within the financial statements have been provided by the agency, and have not been audited for the year ended December 31, 2022. Pertinent financial data related to the SWCD is as follows:

Total Assets	\$	1,872,863
Total Liabilities	\$	1,496
Total Equity	\$	1,871,367
Total Revenues-2022	\$	1,184,478
Total Expenses-2022	\$	1,312,584

Complete financial statements for the SWCD may be obtained at the entity's administrative office located at 480 North Main Street, Canandaigua, New York 14424.

(I.) (Continued)

2. Ontario County Economic Development Corporation

The Ontario County Economic Development Corporation, New York (OCEDC) was incorporated as a nonprofit local development corporation on January 11, 2010. The purposes for which the OCEDC is to be formed and operated, are exclusively for charitable purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code, to relieve and reduce unemployment, to better and maintain job opportunities, promote and provide for additional employment, to help increase the tax base of Ontario County through the attraction of private sector investment, lessen the burdens of government and otherwise act in the public interest.

An audit of the Corporation's financial statements for the year ended December 31, 2022 has been performed by Mengel Metzger Barr & Co, LLP. The auditors report was unqualified, that is, the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America. Pertinent financial data for the year ended December 31, 2022 is as follows:

Total Assets	\$	4,828,755
Total Liabilities	\$	711,758
Total Equity	\$	4,116,997
Total Revenues	\$	1,043,595
Total Expenses	\$	1,158,140

3. Ontario County Local Development Corporation

The Ontario County Local Development Corporation, New York (the Corporation) was incorporated on April 12, 2010 under Section 402 of the Not-For-Profit Corporation Law. The mission of the Ontario County LDC is to conduct activities that will relieve and reduce unemployment; promote and provide for additional and maximum employment; better and maintain job opportunities; instructor train individuals to improve or develop their capabilities for such jobs' carry on scientific research for the purpose of aiding the County be attracting new industry in the County; and lessening the burdens of government and acting in the public interest.

An audit of the Corporation's financial statements for the year ended December 31, 2022 has been performed by Mengel Metzger Barr & Co, LLP. The auditors report was unqualified, that is, the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America. Pertinent financial data for the year ended December 31, 2022 is as follows:

Total Assets	\$	222,234
Total Equity	\$	222,234
Total Revenues-2022	\$	2,194
Total Expenses-2022	\$	7,457

(I.) (Continued)

D. Basis of Presentation

1. Countywide Statements

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

In the countywide Statement of Net Position, the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The business-type activities are presented on a consolidated basis and are reported on a full accrual, economic resources basis. The County's net position are reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The County first uses restricted resources to finance qualifying activities.

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

The net costs by function are normally covered by general revenue (State Aid, sale of property and equipment, and investment revenues).

The County does allocate indirect costs to all County Funds except the General Fund. In addition, as a general rule, interfund activity has been eliminated from the countywide financial statements.

This countywide 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.

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

2. Fund Financial Statements

The fund statements provide information about the County's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

(I.) (Continued)

Nonmajor funds are summarized into a single column. The GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

a. **Governmental Funds**

Are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of current financial resources. The following are the County's governmental fund types:

General Fund - is the principal fund of the County and includes all operations not required to be recorded in other funds.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The special revenue funds of the County include the County Road, Animal Control, Special Grant, Sewer, and Revolving Loan.

Capital Projects Fund - account for financial resources to be used for the acquisition, construction, of major capital facilities not being financed by proprietary funds.

Debt Service Fund - are used to account for current payments of principal and interest on general obligation long-term debt and for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness not being financed by proprietary funds.

Major funds include – the General Fund.

Nonmajor funds include – All Special Revenue Funds, the Capital Projects Fund, and the Debt Service Fund,

b. **Proprietary Funds**

Are used to account for ongoing organizations or activities which are similar to those often found in the private sector. The measurement focus is upon determination of the flow of economic resources. The following proprietary fund is utilized.

Enterprise Funds – are used to account for those operations that provide a service and are financed primarily by a user charge for that service. The County's discretely presented component unit proprietary fund is the Ontario County Industrial Development Agency.

(I.) (Continued)

Internal Service Funds – are used to account for administrative operations within the County. The County accounts for its multi-employer self-insured workers’ compensation plan in its internal service fund.

c. Fiduciary Funds

Are used to account for assets held by the local government in a trustee or custodial capacity.

Custodial Fund – is custodial in nature and does not present results of operations or have measurement focus. The Custodial Fund is accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

E. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

1. Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities both governmental and business-type activities are presented using the economic resources measurement focus.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial positions, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

(I.) (Continued)

2. **Basis of Accounting/Measurement Focus**

a. **Accrual**

The countywide fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes, grants, and donations is recognized in the year in which all eligibility requirements have been satisfied.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

b. **Modified Accrual**

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Material revenues that are accrued include real property taxes to be collected within 60 days of the reporting period and sales tax. Where expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made, and anticipated to be received within the next fiscal reporting period.

Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

F. **Assets, Liabilities, and Equity**

1. **Cash and Investments**

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

State statutes authorize the County to invest in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Investments are stated at cost, which approximates market value.

(I.) (Continued)

2. **Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans).

All other trade receivables, loans receivable from the Revolving Loan Fund and sewer rents receivable are shown net of allowance for uncollectibles.

All amounts due from other governments are deemed fully collectible.

Taxes are collected in installments under Section 928 of the New York State Real Property Tax Law. Delinquent tax collections have been enhanced by reducing by one year the time allowed to pay property taxes prior to initiating the enforcement proceedings.

Tax billings are considered past due 30 days after the respective tax billing date at which time the applicable property is subject to lien and penalties and interest charges.

3. **Prepaid Items**

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

4. **Capital Assets – Property, Plant and Equipment**

a. **General**

Capital assets purchased or acquired with an original cost of \$40,000 or more are reported at historical cost or estimated historical cost. Donated 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 following useful lives:

<u>Class</u>	<u>Estimated Useful Life</u>
Buildings	15-50 Years
Machinery & Equipment	5-25 Years
Infrastructure	15-30 Years

The County reports and depreciates infrastructure assets. Infrastructure assets include roads, bridges, underground pipes (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the County.

(I.) (Continued)

b. Component Units – Discretely Presented

1. Finger Lakes Community College

Property, plant and equipment of the College are depreciated using the straight line method with an estimated useful life of 39 years for buildings and land improvements and 7 years for furniture and fixtures. Capital assets are defined by the College as assets with an initial unit cost of \$1,500 or more and an estimated useful life in excess of two years.

2. Ontario County Four Seasons Local Development Corporation

Fixed assets for the discretely presented component unit are depreciated by the Ontario County Four Seasons Local Development Corporation using the straight line method with an estimated useful life of 5 years for office equipment and 7 years for office furniture.

3. Ontario County Industrial Development Agency

Capital assets acquired by the IDA are stated at cost (or estimated historical cost), including interest capitalized during construction, where applicable. Depreciation is computed using the straight line method over the estimated useful life of the assets.

5. Right To Use Assets

The District-wide financial statements, right-to-use-assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is between 3 and 30 years based on the contract terms and/or estimated replacement of the assets.

6. Unearned Revenue

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

7. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement 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 (expenses/expenditure) until then.

(I.) (Continued)

In addition to liabilities, the statement of net position 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.

8. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the county-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment benefits payable and compensated absences that will be paid from governmental funds are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the County's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

a. Compensatory Absences

County employees are entitled to annual leave. The leave is not cumulative from year to year but up to ten days may be carried over and added to the following years entitlement. In the event of termination or upon retirement, an employee is entitled to payment for accumulated annual leave. There are no separate sick pay benefits allotted to employees. For government activities, the current portion of this liability is accrued in the appropriate fund and the long-term portion is accrued in the countywide Statement of Net Position.

b. Other Benefits

County employees participate in the New York State Employees' Retirement System.

9. Encumbrances

For financial reporting purposes encumbrances have been reclassified to assigned fund balance on the governmental funds for general fund and assigned or restricted fund balance for the capital fund. Encumbrance accounting, under which purchase orders, contracts or other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the general, and nonmajor funds.

(I.) (Continued)

10. **Equity Classifications**

a. **Government-Wide Statements**

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

1. **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.

2. **Restricted Net Position** – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

a. **Primary Government** - The County maintains reserve funds established in accordance with applicable New York State General Municipal Law.

b. **Community College – Component Unit**

Temporarily Restricted Net Position – The College’s Foundation has temporarily restricted funds which are maintained for monies which are segregated based on the donor’s intent for student scholarships, awards, and other various designated purposes. The funds exist under various names due to donor wishes.

Permanently Restricted Net Position – The College’s Foundation has permanently restricted net position which represent funds with the donor-stipulation that the principal be maintained in perpetuity and that the income from such funds be available for donor specified purposes, primarily for student scholarships. As such, investment income from permanently restricted assets, are recorded as temporarily restricted until expended for scholarship purposes.

3. **Unrestricted Net Position** – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

b. **Fund Balances – Governmental Funds**

As of December 31, 2022, fund balances of the governmental funds are classified as follows:

(I.) (Continued)

1. **Nonspendable fund balance** – Amounts that are not in a spendable form (i.e. inventory or prepaids) or are legally or contractually required to be maintained intact.
2. **Restricted fund balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
3. **Assigned fund balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
4. **Unassigned fund balance** – Amounts that are available for County purposes pursuant to any Law restrictions. Any positive amounts are reported only in the general fund.

G. Revenues, Expenditures, and Expenses

1. Revenues

The annual *real property tax* levy for County purposes, except for sewer related indebtedness, is constitutionally limited to 1.5% of the five-year average full valuation of taxable real estate in the County. The tax levy for County purposes in 2022 was approximately 46% of this tax limit.

County property taxes are levied annually no later than December 1 and become a lien on January 1. Taxes for County purposes are levied together with taxes for town and special district purposes as a single bill. The towns and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the towns. Taxes are collected interest free during the month of January and with interest of 1% and 2% respectively, for the months of February and March. On April 1, all unpaid taxes are turned over to the County Finance Department for enforcement. On November 1, the County begins foreclosure proceedings for all amounts which remain unpaid.

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

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 are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(I.) (Continued)

2. **Expenditures and Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character: Current (further classified by function)
 Debt Service
 Capital outlay

Proprietary Fund – By Operating and Non-Operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

H. **Internal and Interfund Balances and Activities**

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

1. **Fund Financial Statements**

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

- a. **Interfund loan** – amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- b. **Interfund services** – sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
- c. **Interfund reimbursements** – repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
- d. **Interfund transfers** – flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

2. **Government-Wide Financial Statements**

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

(I) (Continued)

a. Internal balances – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.

b. Internal activities – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effect of interfund services between funds, if any, are not eliminated in the Statement of Activities.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

J. New Accounting Standards

The County has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2022, the County implemented the following new standards issued by GASB:

GASB has issued Statement 87 *Leases*.

GASB has issued Statement 91 *Conduit Debt Obligations*.

GASB has issued Statement 92 *Omnibus 2020 Paragraphs 6, 7, 8, 9, 10, 12*.

GASB has issued Statement 93 *Replacement of Interbank Offered Rates Paragraphs 11b, 13 and 14*.

GASB has issued Statement 97 *Certain Component Unit Criteria and Accounting and Financial Report for Internal Revenue Code Section 457 Deferred Compensation Plans*.

K. Future Changes in Accounting Standards

GASB has issued Statement 94 *Public-Private and Public-Public Partnerships and Available Payment Arrangements*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement 96 *Subscription Based Information Technology*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement 97 *Certain Component Unit Criteria and Accounting and Financial Report for Internal Revenue Code Section 457 Deferred Compensation Plans*, which will be effective for reporting periods beginning after December 15, 2021.

(I.) (Continued)

GASB has issued Statement 99 *Omnibus 2022-Leases, PPP, and SPITAS*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement 99 *Omnibus 2022-Financial Guarantees, etc.*, which will be effective for reporting periods beginning after June 15, 2023.

GASB has issued Statement 100 *Accounting Changes*, which will be effective for reporting periods beginning after June 15, 2023.

GASB has issued Statement 101, *Compensated Absences*, which will be effective for reporting periods beginning after December 15, 2023.

The County is currently studying these statements and plans on adoption as required.

II. Changes in Accounting Principles

For the year ended December 31, 2022, the County implemented GASB Statement No. 87, *Leases*. The implementation of the statement changes the reporting for leases.

III. Stewardship, Compliance and Accountability:

A. Budgetary Information

1. The County budget process begins each July when the Finance Office provides budget forms and policies to all department heads. During August, the department heads submit their completed budget proposals to their respective legislative committees for review. These committees, working with department heads, complete their review during the month of August. By September 1, the approved requests are submitted to the County Administrator and Ways and Means Committee for review and approval. From this point until the beginning of November, that Committee, the County Administrator and Director of Finance, review and modify the budget requests.

2. No later than the first board meeting in November, the budget officer and Ways and Means Committee submit a tentative budget to the Board of Supervisors for the fiscal year commencing the following January 1. The tentative budget includes appropriations and the proposed means of financing them including a tentative tax levy amount.

3. After public hearings are conducted to obtain taxpayer comments, but no later than the second meeting in November, the Board of Supervisors adopts the County budget.

4. The legal level of budgetary control is the department level. The annual policy adopted by the Board of Supervisors provides procedures for budget transfers which operate on a step down basis. The first step, for transfers within departments, which comprise the vast majority of all transfers, requires approval of the Department Head. The second step, primarily for revenue adjustments, requires approval by the Department Head and County Administrator. The third step, for new contracts, positions and additional unbudgeted equipment, as well as the use of contingencies and fund balance, requires approvals from the Department Head, Standing Committee, Ways and Means Committee and the Board of Supervisors.

(III.) (Continued)

5. Annual appropriated budgets are adopted and employed for control of the General Fund, Special Revenue Funds and the Debt Service Fund, minimally detailed to the Department and object level. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are reported as budgeted expenditures in the year of incurrence of commitment to purchase in the General and Special Revenue Funds. All unencumbered appropriations lapse at the end of the year. Budgetary comparisons presented in this report are on the budgetary basis, and represent the budget as modified. A reconciliation to convert GAAP basis expenditures to the budgetary basis is provided in item B.

6. Budgets are prepared for enterprise funds to control expenditures, establish user charges and to determine real property taxes to be levied.

7. The annual budgets, as amended, set limitations on the amount of resources which can be expended during the year except for the following:

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

B. Budget/GAAP Reconciliation

The following is a reconciliation of the budgetary and the GAAP basis operating results:

	<u>General Fund</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ 6,089,436
Encumbrances at December 31, 2022	<u>3,583,247</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	<u>\$ 9,672,683</u>

C. Deposit and Investment Laws and Regulations

1. Ontario County, New York – Primary Government

The County investment policies are governed by state statutes. In addition, the County has its own written investment policy. County monies must be deposited in FDIC-insured commercial banks or trust companies located within in the State. The Director of Finance 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.

Collateral valued at market, is required for demand deposits and certificates of deposit at 102 percent of all deposits 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.

The written investment policy requires repurchase agreements to be purchased from banks located within the State, and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least 105 percent of the cost of the repurchase agreement.

(III.) (Continued)

2. **Component Units – Discretely Presented**

a. **Finger Lakes Community College**

The College’s investment policies are governed by the State of New York (the State). The College may hold investments (for example, demand deposits, certificates of deposit, and certain government obligations) through FDIC-insured commercial banks located within the State.

Collateral (obligations of the United States and its agencies and obligations of the State and its municipalities and school districts) is required for funds not insured by federal deposit insurance.

IV. **Detail Notes on All Funds and Account Groups:**

A. **Cash and Investments**

1. **Ontario County, New York – Primary Government**

The County’s aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$	-
Collateralized with Securities held by the Pledging Financial Institution		12,483,795
Collateralized within Trust Department or Agent		45,126,140
Total	\$	<u>57,609,935</u>

The County also has a letter of credit for one financial institution totaling \$17,650,000 and a bank balance totaling \$15,255,014.

The Debt Service Fund reports investments related to the Ontario Tobacco Asset Securitization Corporation as follows:

	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
United States Treasury Bills	12/1/2022	6/1/2023	5.4900%	\$ 1,460,421
Total				<u>\$ 1,460,421</u>

(IV.) (Continued)

2. **Component Units – Discretely Presented**

a. **Finger Lakes Community College**

The College's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year end, collateralized as follows.

Uncollateralized	\$	-
Collateralized with Securities held by the Pledging Financial Institution		10,832,184
Total	\$	<u>10,832,184</u>

The College also reports investments at fair value which are comprised of the following:

	<u>Foundation</u>	<u>Housing Association</u>	<u>Total</u>
Money market	\$ 41,026	\$ 1,172,315	\$ 1,213,341
Corporate bonds	69,355	-	69,355
Mutual Funds	2,990,728	562,034	3,552,762
Property	-	158,638	158,638
Subsidiary	-	(1,395,294)	(1,395,294)
Total Investments	<u>\$ 3,101,109</u>	<u>\$ 497,693</u>	<u>\$ 3,598,802</u>

b. **Ontario County Four Seasons Local Development Corporation**

Cash and certain money market account balances are maintained at financial institutions located in upstate New York and are insured by FDIC up to \$250,000 at each institution. The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. In the normal course of business, the cash account balances at any given time may exceed insured limits. However, the Organization has not experienced any losses in such accounts and does not believe it is exposed to significant risk in cash.

c. **Ontario County Industrial Development Agency**

The Agency's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$	-
Collateralized with Securities held by the Pledging Financial Institution		991,716
Total	\$	<u>991,716</u>

(IV.) (Continued)

B. Investment Pool

The County participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the cooperative as of year end are \$42,404,315, which consisted of \$17,699,561 in repurchase agreements, \$17,419,693 in U.S. Treasury Securities, \$1,161,878 in FDIC insured deposits and \$6,123,183 in collateralized bank deposits, with various interest rates and due dates.

The following amounts are included as unrestricted and restricted cash:

<u>Fund</u>	<u>Book Amount</u>	<u>Carrying Amount</u>	<u>Description of Investment</u>
General Fund	\$ 27,295,753	\$ 27,295,753	CLASS
County Road Fund	9,133,883	9,133,883	CLASS
Capital Fund	5,063,702	5,063,702	CLASS
Internal Revenue Fund	910,977	910,977	CLASS
General Fund	61,913,952	61,913,952	US Treasury Bills
County Road Fund	1,182,920	1,182,920	US Treasury Bills
Capital Fund	5,063,702	5,063,702	US Treasury Bills
Internal Revenue Fund	7,020,169	7,020,169	US Treasury Bills
Total	<u>\$ 117,585,058</u>	<u>\$ 117,585,058</u>	

C. Receivables

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

<u>Receivables</u>	<u>General</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Accounts Receivable	\$ 2,614,979	\$ 1,092,750	\$ 3,707,729
Taxes Receivable	5,742,522	-	5,742,522
Less: Allowance for Uncollectibles	<u>(74,757)</u>	<u>-</u>	<u>(74,757)</u>
Total Accounts Receivable	\$ 8,282,744	\$ 1,092,750	\$ 9,375,494
State & Federal Aid	31,575,919	1,562,692	33,138,611
Due From Other Governments	<u>774,562</u>	<u>2,647</u>	<u>777,209</u>
Total Governmental Funds Receivables	<u>\$ 40,633,225</u>	<u>\$ 2,658,089</u>	\$ 43,291,314
TASC Receivable			1,274,865
Internal Fund Receivable			<u>71,216</u>
Total Receivables			<u>\$ 44,637,395</u>

(IV.) (Continued)

At December 31, 2022, uncollected real property taxes of \$5,899,535 which includes land held for resale of \$378,165 and are offset by an allowance for uncollectible taxes of \$71,720. Current year returned village and school taxes of \$3,940,497 are offset by liabilities to the villages and school districts which will be paid no later than April 1, 2022. The remaining portion of tax assets is collected within the first sixty dates of the subsequent year or offset by deferred tax revenue of \$1,959,038 (and represents an estimate of the tax liens which will not be collected within the first sixty days of the subsequent year).

Accounts receivable for Finger Lakes Community College are uncollateralized customer obligations due under normal trade terms generally requiring payment within 30 days from the invoice date. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management individually reviews all accounts receivable balances that exceed the due date by several days and, based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. The College's allowance for doubtful accounts at August 31, 2022 was \$429,645. In addition, the College expensed \$584,487 in bad debts for the year ended August 31, 2022. The Association, and Association Housing's management believe all accounts to be collectible.

D. Interfund Receivables, Payables, Revenues and Expenditures

Interfund receivables, payables, revenues and expenditures at December 31, 2022 were as follows:

	Interfund			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 3,988,263	\$ -	\$ 818,118	\$ 15,367,798
Non-Major Funds	1,118,721	4,373,907	19,970,482	5,463,030
Total Government Activities	<u>\$ 5,106,984</u>	<u>\$ 4,373,907</u>	<u>\$ 20,788,600</u>	<u>\$ 20,830,828</u>
Internal Service Fund	4,521	737,598	45,000	2,772
Total	<u><u>\$ 5,111,505</u></u>	<u><u>\$ 5,111,505</u></u>	<u><u>\$ 20,833,600</u></u>	<u><u>\$ 20,833,600</u></u>

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position.

The County typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.

(IV.) (Continued)

E. Change in Capital Assets and Lease Assets

1. Governmental Activity

a. Capital Assets

A summary of changes in capital assets follows:

<u>Type</u>	<u>Balance</u> <u>1/1/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/22</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 4,500,049	\$ -	\$ -	\$ 4,500,049
Work in progress	6,661,335	14,173,325	4,405,175	16,429,485
<i>Total Nondepreciable</i>	<u>\$ 11,161,384</u>	<u>\$ 14,173,325</u>	<u>\$ 4,405,175</u>	<u>\$ 20,929,534</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and improvements	\$ 207,460,416	\$ -	\$ -	\$ 207,460,416
Machinery and equipment	30,542,860	1,849,312	894,746	31,497,426
Infrastructure	188,495,362	311,445	-	188,806,807
Land improvements	11,382,389	1,728,182	-	13,110,571
<i>Total Depreciated Assets</i>	<u>\$ 437,881,027</u>	<u>\$ 3,888,939</u>	<u>\$ 894,746</u>	<u>\$ 440,875,220</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 111,480,939	\$ 7,515,175	\$ -	\$ 118,996,114
Machinery and equipment	24,073,514	1,237,040	887,846	24,422,708
Infrastructure	88,821,358	5,029,327	-	93,850,685
Land improvements	2,482,954	734,518	-	3,217,472
<i>Total Accumulated Depreciation</i>	<u>\$ 226,858,765</u>	<u>\$ 14,516,060</u>	<u>\$ 887,846</u>	<u>\$ 240,486,979</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 211,022,262</u>	<u>\$ (10,627,121)</u>	<u>\$ 6,900</u>	<u>\$ 200,388,241</u>
Total Capital Assets	<u>\$ 222,183,646</u>	<u>\$ 3,546,204</u>	<u>\$ 4,412,075</u>	<u>\$ 221,317,775</u>

b. Lease Assets

A summary of changes in lease assets follows:

<u>Type</u>	<u>Balance</u> <u>1/1/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/22</u>
<u>Lease Assets:</u>				
Land	\$ 1,467,005	\$ -	\$ -	\$ 1,467,005
Buildings	212,692	-	-	212,692
Vehicles	761,746	211,769	-	973,515
Equipment	276,727	-	-	276,727
<i>Total Lease Assets</i>	<u>\$ 2,718,170</u>	<u>\$ 211,769</u>	<u>\$ -</u>	<u>\$ 2,929,939</u>
<u>Less Accumulated Amortization:</u>				
Land	\$ -	\$ 193,615	\$ -	\$ 193,615
Buildings	-	21,269	-	21,269
Vehicles	-	311,770	-	311,770
Equipment	-	74,414	-	74,414
<i>Total Accumulated Amortization</i>	<u>\$ -</u>	<u>\$ 601,068</u>	<u>\$ -</u>	<u>\$ 601,068</u>
Total Lease Assets, Net	<u>\$ 2,718,170</u>	<u>\$ (389,299)</u>	<u>\$ -</u>	<u>\$ 2,328,871</u>

(IV.) (Continued)

c. Other capital assets (net of depreciation and amortization):

Depreciated Capital Assets (net)	\$ 200,388,241
Amortized Lease Assets (net)	2,328,871
Total Other Capital Assets	<u>\$ 202,717,112</u>

d. Depreciation/amortization expense for the period was charged to functions/programs as follows:

<u>Governmental Activities:</u>	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
General Government	\$ 1,251,585	\$ 601,068	\$ 1,852,653
Education	5,664,765	-	5,664,765
Public Safety	1,391,448	-	1,391,448
Health	180,327	-	180,327
Transportation	5,133,954	-	5,133,954
Culture and Recreation	22,555	-	22,555
Home and Community	871,426	-	871,426
Total Depreciation/Amortization Expense	<u>\$ 14,516,060</u>	<u>\$ 601,068</u>	<u>\$ 15,117,128</u>

2. **Community College – Governmental Component Unit**

Fixed assets of Finger Lakes Community College are primarily recorded at cost as of the date of acquisition or fair value as of the date of donation. Fixed asset balances are composed of the following as of August 31:

a. **Capital Assets**

A summary of changes in capital assets follows:

<u>Type</u>	<u>Balance 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2022</u>
<u>Finger Lakes Community College:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 903,382	\$ -	\$ -	\$ 903,382
Work in progress	1,945,635	718,838	-	2,664,473
<i>Total Nondepreciable</i>	<u>\$ 2,849,017</u>	<u>\$ 718,838</u>	<u>\$ -</u>	<u>\$ 3,567,855</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and improvements	\$ 124,228,177	\$ 6,356,815	\$ -	\$ 130,584,992
Equipment and library books	9,103,875	1,605,212	170,022	10,539,065
<i>Total Depreciated Assets</i>	<u>\$ 133,332,052</u>	<u>\$ 7,962,027</u>	<u>\$ 170,022</u>	<u>\$ 141,124,057</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 47,625,372	\$ 3,772,537	\$ -	\$ 51,397,909
Equipment and library books	6,581,267	1,295,835	167,408	7,709,694
<i>Total Accumulated Depreciation</i>	<u>\$ 54,206,639</u>	<u>\$ 5,068,372</u>	<u>\$ 167,408</u>	<u>\$ 59,107,603</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 79,125,413</u>	<u>\$ 2,893,655</u>	<u>\$ 2,614</u>	<u>\$ 82,016,454</u>
Total Capital Assets	<u>\$ 81,974,430</u>	<u>\$ 3,612,493</u>	<u>\$ 2,614</u>	<u>\$ 85,584,309</u>

For the year ended August 31, 2022 depreciation expense amounted to \$5,068,372.

(IV.) (Continued)

b. Lease Assets

A summary of changes in lease assets follows:

<u>Type</u>	<u>Balance</u> <u>1/1/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/22</u>
<u>Lease Assets:</u>				
Buildings	\$ 7,357,104	\$ -	\$ -	\$ 7,357,104
Vehicles	47,093	-	-	47,093
Equipment	77,741	-	-	77,741
<i>Total Lease Assets</i>	<u>\$ 7,481,938</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,481,938</u>
<u>Less Accumulated Amortization:</u>				
Buildings	\$ -	\$ 1,238,068	\$ -	\$ 1,238,068
Vehicles	-	27,350	-	27,350
Equipment	-	25,914	-	25,914
<i>Total Accumulated Amortization</i>	<u>\$ -</u>	<u>\$ 1,291,332</u>	<u>\$ -</u>	<u>\$ 1,291,332</u>
<i>Total Lease Assets, Net</i>	<u>\$ 7,481,938</u>	<u>\$ (1,291,332)</u>	<u>\$ -</u>	<u>\$ 6,190,606</u>

For the year ended August 31, 2022 amortization expense amounted to \$1,291,332.

c. The following is a summary of fixed assets for the Foundation, the Association, the Student Corporation, and the Association Housing as of June 30, 2022:

<u>Type</u>	<u>Balance</u> <u>2022</u>
<u>Capital assets not being depreciated -</u>	
Land and land improvements	\$ 585,162
<i>Total capital assets not being depreciated</i>	<u>\$ 585,162</u>
<u>Other capital assets -</u>	
Buildings and improvements	\$ 18,185,044
Machinery and equipment	1,624,558
Construction in Progress	58,800
Less: accumulated depreciation	(10,068,430)
Less: property held for sale	(158,638)
<i>Total other capital assets</i>	<u>\$ 9,641,334</u>
Total Capital Assets	<u>\$ 10,226,496</u>

3. Ontario County Industrial Development Agency – Proprietary Component Unit

The following is a summary of the capital assets for the Ontario County Industrial Development agency at December 31, 2022:

(IV.) (Continued)

<u>Type</u>	<u>Balance</u> <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2022</u>
<u>Capital assets not being depreciated -</u>				
Land	\$ 2,400,534	\$ -	\$ -	\$ 2,400,534
<i>Total capital assets not being depreciated</i>	<u>\$ 2,400,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,400,534</u>
<u>Other capital assets -</u>				
Airport runway and lighting	\$ 21,590,661	\$ 90,029	\$ -	\$ 21,680,690
Equipment	770,860	46,301	-	817,161
<i>Total other capital assets</i>	<u>\$ 22,361,521</u>	<u>\$ 136,330</u>	<u>\$ -</u>	<u>\$ 22,497,851</u>
<u>Less accumulated depreciation -</u>				
Airport runway and lighting	\$ 9,891,832	\$ 479,467	\$ -	\$ 10,371,299
Equipment	381,785	67,421	-	449,206
<i>Total accumulated depreciation</i>	<u>\$ 10,273,617</u>	<u>\$ 546,888</u>	<u>\$ -</u>	<u>\$ 10,820,505</u>
<i>Other capital assets, net</i>	<u>\$ 12,087,904</u>	<u>\$ (410,558)</u>	<u>\$ -</u>	<u>\$ 11,677,346</u>
Total Capital Assets	<u>\$ 14,488,438</u>	<u>\$ (410,558)</u>	<u>\$ -</u>	<u>\$ 14,077,880</u>

F. Deferred Outflows of Resources

The following is a summary of the deferred outflows of resources:

	<u>Amount</u>
Pension	\$ 37,118,039
Loss on refunding	440,313
Total	<u>\$ 37,558,352</u>

G. Long-Term Debt

In February 2000, the Board of Supervisors adopted a Debt Management Policy providing for the types of debt which may be issued, the maximum amount of debt allowed, the purpose for which the County may issue debt and other financial objectives. At December 31, 2022 the total outstanding indebtedness of the County aggregated \$69,740,634.

- 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 are full faith and credit debt of the County and have been issued for both governmental and business-type activities. 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. Enterprise Fund debt is liquidated with Enterprise Fund income.
- Other Long-Term Debt** - In addition to the above long-term debt, the County has the following noncurrent liabilities:

Unamortized Bond Premiums, OPEB Liability, Compensated Absences, Judgements and Claims, Workers' Compensation, Net Position Liability, and Capital Lease Obligation.

(IV.) (Continued)

3. **Summary of Long-Term Debt – Excluding TASC** - The following is a summary of long-term liabilities outstanding at December 31, 2022 by fund type and account group excluding TASC:

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 12/31/22</u>
Governmental Activities:				
Serial Bonds - excluding TASC				
New County Jail-Refunded	8/12	4/23	2.00%-4.00%	\$ 215,000
Finger Lakes Community College-Improvements-Refunded	8/16	8/30	2.00%-5.00%	5,750,000
Geneva Campus Improvements-Refunded	7/19	5/32	4.00%-5.00%	6,270,000
Reconstruciton 74 Ontario Street	4/19	4/29	2.00%-3.00%	3,410,000
Public Improvement	7/21	6/31	2.00%	2,660,000
Leases				
Vehicles	1/17-10/22	4/23-9/26	2.66%-7.48%	661,745
Tower/Antenna Sites	6/11-12/15	12/26-8/41	2.85%-4.13%	1,304,967
Building	10/15	12/31	2.85%	197,058
Copiers/Equipment	10/18-2/21	2/23-1/26	.68%-3.23%	203,734
Total Long-Term Debt Excluding TASC				\$ 20,672,504

The following is a summary of bonds payable for the year ended December 31, 2022:

<u>Year</u>	<u>Governmental Activities</u>			
	<u>Serial Bonds - excluding TASC</u>		<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 2,210,000	\$ 601,225	\$ 555,405	\$ 67,554
2024	2,035,000	519,125	441,385	58,849
2025	2,085,000	433,900	382,611	47,675
2026	2,125,000	346,825	273,768	35,334
2027	2,150,000	269,675	151,785	26,815
2028-32	7,700,000	480,575	396,369	65,114
2033-37	-	-	82,373	28,418
2038-41	-	-	83,808	9,051

In prior years, the County defeased general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. \$10,325,000 of bonds outstanding are considered defeased.

4. **Summary of Long-Term Debt - TASC**

Series 2001 NY Counties Trust II Bonds

As discussed in Note 1, the purchase price of the County's future rights, title and interest in the TSRs, was financed through the issuance of Series 2001 Bonds in the amount of \$19,985,000 bearing interest at rates ranging from 5.25% to 5.75%. The bonds are secured by a perfected security interest in, 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 Trapping Account. The Corporation retains TSRs in an amount sufficient to service its debt, not otherwise provided for from bond proceeds, and pay its operating expenses, and remits the remaining balance to the Trust (Note I).

(IV.) (Continued)

Principal and interest debt service requirements for required maturities and flexible amortization payments at December 31, 2022 for liquidation of the \$9,130,000 bonds are as follows:

Year Ended <u>December 31,</u>	Amortization Assuming Super Sinker Payments		Amortization Assuming No Super Sinker Payments	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 3,695,000	\$ 417,834	\$ -	\$ 523,156
2024	1,340,000	273,988	-	523,156
2025	1,410,000	194,925	-	523,156
2026	1,490,000	111,550	-	523,156
2027	1,195,000	34,356	-	523,156
2028-32	-	-	-	2,615,781
2033-37	-	-	2,980,000	2,273,597
2038-42	-	-	4,945,000	1,097,819
2043	-	-	1,205,000	34,644
Total	\$ 9,130,000	\$ 1,032,653	\$ 9,130,000	\$ 8,637,621

Series 2005 S1, S2, S3, and S4B Subordinate Turbo Capital Appreciation Bonds

On November 15, 2005, the Corporation issued \$7,111,340 in Series 2005 S1, S2, S3, and S4B Subordinate Turbo Term NY Counties Trust IV Tobacco Settlement Pass-Through Capital Appreciation Bonds bearing interest ranging from 6.00% to 7.85%, collateralized by future TSR revenues. Capital Appreciation Bonds do not pay current interest. Interest accretes until both principal and accreted interest are paid. Future interest accretion has been recorded as bond discount, amortized as the current interest accretes.

At December 31, 2022, the outstanding principal, net of change in discount, totaled \$21,204,345. The amortization schedule for the turbo amortization payments is as follows:

<u>Amortization Schedule Assuming Turbo Amortization Payments</u>				
Year Ended <u>December 31,</u>	Turbo			
	<u>Redemption Payments</u>	<u>Gross Bond Balance</u>	<u>Remaining Discount</u>	<u>Net Bond Balance</u>
2023	\$ 853,842	\$ 34,354,989	\$ 14,004,486	\$ 21,204,345
2024	899,399	33,455,590		
2025	960,648	32,494,942		
2026	1,005,967	31,488,975		
2027	2,613,085	28,875,890		
2028-32	10,997,605	17,878,285		
2033-37	11,692,099	6,186,186		
2038-40	5,418,619	767,567		

Any debt service amounts not paid in accordance with the above turbo amortization schedule will be due and payable on the following final maturity dates:

Series 2005 S1	June 1, 2038
Series 2005 S2	June 1, 2050
Series 2005 S3	June 1, 2055
Series 2005 S4B	June 1, 2060

(IV.) (Continued)

5. Changes In General Long-Term Debt

The following is a summary of changes in general long-term debt:

	<u>Balance</u> <u>1/1/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/22</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
Serial bonds-excluding TASC	\$ 20,690,000	\$ -	\$ 2,385,000	\$ 18,305,000	\$ 2,210,000
Unamortized premium	633,267	-	75,992	557,275	75,992
Serial bonds-TASC	29,800,472	1,413,873	880,000	30,334,345	3,695,000
Leases	2,718,170	211,769	562,435	2,367,504	555,405
Compensated absences	5,067,556	-	77,760	4,989,796	498,980
Judgements and claims	3,863,559	780,000	324,948	4,318,611	-
Workers' compensation	8,659,173	641,733	947,143	8,353,763	-
Retainage Payable	304,742	209,598	-	514,340	514,340
Net pension liability	212,948	-	212,948	-	-
Total Governmental Activities	\$ 71,949,887	\$ 3,256,973	\$ 5,466,226	\$ 69,740,634	\$ 7,549,717

Additions and deletions to compensated absences are shown net.

Additions to Serial Bonds-TASC includes \$1,413,873 of prior capital appreciation.

The County bonded debt will be financed by user charges, State and Federal Aid, reserves and the future stream of revenue from the TASC.

H. Deferred Inflows of Resources

The following is a summary of the deferred inflows of resources:

	<u>Amount</u>
Pension	\$ 62,255,941
Gain on refunding	946,155
Total	\$ 63,202,096

I. Fund Balances/Net Position

1. Fund Balances

a. Nonspendable

The County has the following nonspendable funds:

Nonspendable Prepaid Items - The County has prepaid various items and the cash is no longer available, therefore, those funds are nonspendable.

(IV.) (Continued)

b. Restricted

Currently, New York State laws still use the terminology reserves. The County currently utilizes the following reserves which are classified as restricted funds:

	Balance <u>12/31/22</u>	Appropriated <u>2023</u>
1. GENERAL FUND RESERVES:		
<u>Capital Reserves -</u>		
<u>Capital Reserve - County Clerk</u> - this reserve is funded with an annual contribution for future upgrades of computer equipment.	\$ 311,567	\$ 311,567
<u>Capital Reserve</u> - this reserve is to set aside monies for the future cost of construction, reconstruction, acquisition, repair, or maintaining capital projects. It will be funded through the annual lease payments received for the County landfill.	18,402,978	-
<u>Equipment Reserve</u> - established in 2007 to finance the future cost of purchasing equipment for the General Fund.	794,669	-
<u>Vehicle Wash Reserve</u> - established in 2007 to finance ongoing equipment operations and maintenance of the vehicle wash system.	131,085	-
<u>Fuel Island Reserve</u> - established in 2007 to finance capital replacement costs and maintenance of fuel island.	91,106	-
Total Capital Reserves	<u>\$ 19,731,405</u>	<u>\$ 311,567</u>
<u>Miscellaneous Reserves -</u>		
<u>Crime Proceeds</u> - crime forfeitures to be used by the District Attorney for drug enforcement purposes.	\$ 9,294	\$ -
<u>DA State Forfeiture Funds</u> - crime forfeitures to be used by the District Attorney for drug enforcement purposes.	120,725	-
<u>Federal Forfeited Property</u> - crime forfeitures to be used by the Sheriff for drug enforcement purposes.	203,893	-
<u>Alternatives to Incarceration</u> - monies derived from 1% of bail refunds to be used by the Employment and Training program for incarceration alternatives.	44,366	8,397
<u>D.A.R.E. Reserve</u> - contains accumulated excess of D.A.R.E. revenue less D.A.R.E. expenses.	6,384	-
<u>Handicapped Parking</u> - used for the establishment of a parking education program for the purpose of providing education advocacy and increased awareness of handicapped parking laws.	498	-
<u>Wireless 9-1-1 Surcharge Reserve</u> - surcharge revenues to be used to enhance the 9-1-1 wireless system.	1,420,346	-
<u>Sheriff - Crime Proceeds</u> - created in 2010 to segregate state and local crime forfeitures until appropriated for the law enforcement and investigation of penal law offenses.	33,586	-
<u>STOP DWI Reserve</u> - contains accumulated excess of STOP DWI revenue less STOP DWI expenses. Money is usually appropriated for use during the following year.	39,113	-
<u>Employee Benefit Accrued Liability Reserve</u> - established in 2019 to fund expenses related to the vacation leave benefits accrued.	4,725,429	-
Total Miscellaneous Reserves	<u>\$ 6,603,634</u>	<u>\$ -</u>
TOTAL GENERAL FUND RESERVES	<u>\$ 26,335,039</u>	<u>\$ 311,567</u>

(IV.) (Continued)

	<u>Balance</u> <u>12/31/22</u>	<u>Appropriated</u> <u>2023</u>
2. DEBT SERVICE FUND RESERVES:		
<u>Reserve for Debt Reserve Fund -</u>		
<u>Reserve for Bonded Debt</u> - monies from closed Capital Projects and investments on bond proceeds which must be used to reduce interest and principal payment on debt.	\$ 2,924,543	\$ 146,274
<u>Other TASC Reserve</u> - this reserve is available to fund future costs of TASC.	1,694,991	-
TOTAL DEBT SERVICE FUND RESERVES	<u>\$ 4,619,534</u>	<u>\$ 146,274</u>
3. COUNTY ROAD FUND RESERVES:		
<u>Capital Reserves -</u>		
<u>Capital Reserve for Roads and Bridges</u> - established for the repair, maintenance, and reconstruction of County roads and bridges.	\$ 7,771,035	\$ 14,561
<u>Equipment Replacement Reserve</u> - created to set aside money for the purchase/replacement of equipment for the County Road Fund.	1,002,227	-
Total Capital Reserves	\$ 8,773,262	\$ 14,561
<u>Compensated Absences Reserve</u> - established in 2019 to fund expenses related to the vacation leave benefits accrued.	185,649	-
TOTAL COUNTY ROAD FUND RESERVES	<u>\$ 8,958,911</u>	<u>\$ 14,561</u>
4. SEWER FUND RESERVES:		
<u>Sewer Equipment Replacement Reserve</u> - funded at 5% of sewer rents collected: Canandaigua Lake; Route 332 District; Honeoye Lake Combined District	\$ 2,287,418	\$ 130,000
<u>Compensated Absences Reserve</u> - established in 2019 to fund expenses related to the vacation leave benefits accrued.	78,719	-
TOTAL SEWER FUND RESERVE	<u>\$ 2,366,137</u>	<u>\$ 130,000</u>
5. ANIMAL CONTROL FUND RESERVES:		
<u>Capital Reserve:</u>		
<u>Animal Control Equipment Reserve</u> - created to finance the future cost of purchasing equipment for the fund.	\$ 53,872	\$ -
TOTAL ANIMAL CONTROL FUND RESERVE	<u>\$ 53,872</u>	<u>\$ -</u>

c. **Assigned**

The County has the following assigned funds:

- | | |
|--------------------|---------------------------|
| General Fund – | 1. Appropriated for Taxes |
| | 2. Encumbrances |
| | 3. Board Designated Funds |
| County Road Fund - | 1. Appropriated for Taxes |
| | 2. Year End Equity |
| Capital Projects – | 1. Year End Equity |

(IV.) (Continued)

Encumbrances represent purchase commitments made by the County's purchasing agent through their authorization of a purchase order prior to year end. The County assignment is based on the functional level of expenditures.

For the General Fund management has determined that amounts in excess of \$250,000 are considered significant and are summarized below:

- \$1,311,907 for General Government Support, \$1,270,630 for Public Safety, \$641,113 for Public Health, and \$301,006 for Home and Community Services.

For the County Road Fund management has determined that amounts in excess of \$68,500 are considered significant and are summarized below:

- \$272,962 for transportation.

The Capital Projects Fund has \$8,920,986 in encumbrances which will be utilized for capital additions, and improvements.

The remaining funds do not have encumbrances that are considered significant.

<u>Board Designated Funds:</u>	<u>Balance</u>	<u>Appropriated</u>
	<u>12/31/22</u>	<u>2023</u>
<u>Aerial Digital Imaging</u> - established in 2007 to set aside money for aerial digital imaging software.	\$ 229,112	\$ -
<u>Sales Tax</u> - created in 2009 to set aside money from the sales tax increase.	12,735,801	3,312,945
<u>Solid Waste</u> - established in 2016 to finance implementation of the adopted Ontario County Solid Waste Management Plan	1,484,134	-
<u>Time and Attendance</u> - established in 2015 to set aside funds to purchase a computerized time and attendance system.	6,403,313	-
Total Board Designated Funds	<u>\$ 20,852,360</u>	<u>\$ 3,312,945</u>

(IV.) (Continued)

d. Unassigned

Unassigned funds include the residual classification for the County's general fund and all spendable amounts not contained in other classifications.

The following table summarizes the County's fund balance according to the descriptions above:

<u>FUND BALANCE:</u>	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Funds</u>	<u>Total</u>
<u>Nonspendable -</u>					
Prepaid items	\$ 1,567,320	\$ -	\$ -	\$ 73,923	\$ 1,641,243
Total Nonspendable	\$ 1,567,320	\$ -	\$ -	\$ 73,923	\$ 1,641,243
<u>Restricted -</u>					
Capital reserve	\$ 19,731,405	\$ -	\$ -	\$ -	\$ 19,731,405
Miscellaneous reserves	6,603,634	-	-	-	6,603,634
Reserve for bonded debt	-	-	2,924,543	-	2,924,543
TASC reserve	-	-	1,694,991	-	1,694,991
Transportation	-	-	-	8,958,911	8,958,911
Revolving loan fund	-	-	-	200,032	200,032
Sewer fund	-	-	-	4,105,485	4,105,485
Animal control fund	-	-	-	101,757	101,757
Special grant fund	-	-	-	79,708	79,708
Total Restricted	\$ 26,335,039	\$ -	\$ 4,619,534	\$ 13,445,893	\$ 44,400,466
<u>Assigned -</u>					
Appropriated for taxes	\$ 6,822,293	\$ -	\$ -	\$ 750,000	\$ 7,572,293
Board designated funds	20,852,360	-	-	-	20,852,360
Capital projects	-	18,368,695	-	-	18,368,695
General government support	1,311,907	-	-	-	1,311,907
Education	27,216	-	-	-	27,216
Public safety	1,270,630	-	-	10,404	1,281,034
Public Health	641,113	-	-	-	641,113
Culture and Rec	6,642	-	-	-	6,642
Transportation	-	-	-	6,912,221	6,912,221
Economic assistance and opportunity	24,733	-	-	-	24,733
Home and community service	301,006	-	-	-	301,006
Total Assigned	\$ 31,257,900	\$ 18,368,695	\$ -	\$ 7,672,625	\$ 57,299,220
Unassigned	\$ 67,021,230	\$ (2,057,243)	\$ -	\$ -	\$ 64,963,987
TOTAL FUND BALANCE	\$ 126,181,489	\$ 16,311,452	\$ 4,619,534	\$ 21,192,441	\$ 168,304,916

(IV.) (Continued)

The following restricted fund balances have monies appropriated for 2023 taxes:

<u>Special Revenue Funds -</u>	
Sewer fund	<u>\$ 725,859</u>
<u>Debt Service Fund -</u>	<u>\$ 166,274</u>

2. **Net Position - Restricted for Other Purposes**

Represents those amounts which have been restricted by enabling legislation or Board Resolutions.

General Fund -	
Miscellaneous reserve	\$ 1,878,205
Employee benefit accrued liability reserve	4,725,429
TASC Reserve -	1,694,991
County Road Fund -	
Miscellaneous reserve	185,649
Sewer Fund -	1,818,067
Animal Control Fund -	47,885
Special Grant Fund -	
Community development	43,107
Revolving loan	200,032
Water resource council	<u>36,601</u>
Total Net Position - Restricted for Other Purposes	<u><u>\$ 10,629,966</u></u>

V. **Tax Abatement:**

As of December 31, 2022 the County tax abatement programs include abatements on property taxes, sales taxes and mortgage recording taxes. All abatement agreements are made by either Ontario County Industrial Development Agency (OCIDA), a component unit of the County, or City of Geneva Industrial Development Agency (GCIDA).

A. **Property Taxes**

All property tax abatements are performed through Payment in Lieu of Tax (PILOT) agreements made by OCIDA and GCIDA. The PILOT agreements are made to support manufacturing, signature, retail, recreation, utilities and other purposes. Total taxes abated by OCIDA in each of these categories for the year ended December 31, 2022 is as follows:

Manufacturing	\$ 688,447
Signature retail	\$ 765,860
Utilities	\$ 282,855
Recreation	\$ 211,227
Other	\$ 565,114

PILOT agreements entered into by GCIDA abated \$1,949,616 of property taxes on the County's behalf.

(V.) (Continued)

B. Sales Tax

Under agreements entered into by OCIDA and GCIDA, County sales tax revenues were reduced by \$818,954.

C. Mortgage Recording Tax

Under agreements entered into by OCIDA and GCIDA, County mortgage recording tax revenues were reduced by \$127,853.

VI. Other Notes:

A. Ontario County, Primary Government

1. General Information About Pension Plan

a. Plan Description

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

b. Benefits Provided

The System provides retirement benefits as well as death and disability benefits.

(VI.) (Continued)

Tier 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tier 3, 4, 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4, and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of wages earned in the three highest consecutive years. For Tier 3, 4, and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

(VI.) (Continued)

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age of Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to sheriffs, and correction officers.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5, and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

(VI.) (Continued)

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

c. Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly, used in computing the employers' contributions based on salaries paid during the Systems' financial year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

Prepayment	
<u>Due Date</u>	<u>ERS</u>
12/15/2022	\$ 6,093,795
12/15/2021	\$ 8,600,335
12/15/2020	\$ 7,978,501

2. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At December 31, 2022, the County reported an asset of \$17,078,147 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

(VI.) (Continued)

At December 31, 2022, the County's proportion was 0.2090153 percent for ERS.

For the year ended December 31, 2022 the County recognized pension expense of \$364,673. At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
	<u>ERS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 1,293,351	\$ 1,677,551
Changes of assumptions	28,501,512	480,932
Net difference between projected and actual earnings on pension plan investments	-	55,923,773
Changes in proportion and differences between the County's contributions and proportionate share of contributions	2,752,830	4,173,685
Subtotal	<u>\$ 32,547,693</u>	<u>\$ 62,255,941</u>
County's contributions subsequent to the measurement date	4,570,346	-
Grand Total	<u>\$ 37,118,039</u>	<u>\$ 62,255,941</u>

The County reported \$4,570,346 as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ (4,753,060)
2024	(6,729,703)
2025	(14,908,831)
2026	(3,316,654)
Total	<u>\$ (29,708,248)</u>

a. 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. The actuarial valuations used the following actuarial assumptions:

(VI.) (Continued)

	<u>ERS</u>
Measurement date	March 31, 2022
Actuarial valuation date	April 1, 2021
Interest rate	5.90%
Salary scale	4.40%
Decrement table	April 1, 2010- March 31, 2015 System's Experience
Inflation rate	2.70%
COLA's	1.40%

Annuitant mortality rates are based on Society of Actuaries Scale MP-2014 System's experience with adjustments for mortality improvements based on MP-2020.

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 as follows:

<u>Asset Type</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	3.30%
International equity	5.85%
Private equity	6.50%
Real estate	5.00%
Absolute return strategies *	4.10%
Opportunistic portfolios	4.10%
Real assets	5.80%
Cash	-1.00%
Inflation-indexed bonds	-1.00%
Credit	3.78%

(VI.) (Continued)

The real rate of return is net of the long-term inflation assumption of 2.40%.

* Excludes equity-oriented long-only funds. For investment management purposes, these funds are included in domestic equity and internal equity.

b. Discount Rate

The discount rate used to calculate the total pension asset was 5.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' 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 asset.

c. 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 5.90%, as well as what the County's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.90%) or 1-percentagepoint higher (6.90%) than the current rate:

<u>ERS</u>	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	\$ (43,958,963)	\$ 17,078,147	\$ 68,132,744

d. Pension Plan Fiduciary Net Position

The components of the current year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	(In Thousands)
	<u>ERS</u>
Employers' total pension liability	\$ 223,874,888
Plan net position	232,049,473
Employers' net pension asset/(liability)	<u>\$ 8,174,585</u>
Ratio of plan net position to the employers' total pension asset/(liability)	103.65%

(VI.) (Continued)

B. Finger Lakes Community College – Discretely Presented Component Unit

1. Retirement Plans

The College’s teaching faculty has the option of participating in the New York State Teachers’ Retirement System (TRS) or the SUNY Optional Retirement Plan (ORP). Non-teaching professionals and College administrators have the option of participating in the New York State Employee’s Retirement System (ERS) or ORP. Full-time and electing part-time civil service employees have the option to participate in ERS.

2. SUNY Optional Retirement Plan (ORP)

The SUNY ORP is a defined contribution annuity plan. College employees who have selected ORP invest in the Teachers’ Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF). Participants in the ORP retiring after age 55 with at least 13 months of service receive monthly annuity benefits based on their investment. Both the College and employee contribution rates are based on the employee’s membership date in the ORP as follows:

<u>Tier</u>	<u>Membership Date</u>	<u>College Contribution</u>
Tier 1	Prior to 7/01/73	12% of first \$16,500; 15% of salary above \$16,500
Tier 2	7/01/73 - 7/26/76	12% of first \$16,500; 15% of salary above \$16,500
Tier 3	7/27/76 - 8/31/83	9% of first \$16,500; 12% of salary above \$16,500
Tier 4	9/01/83 - 7/16/92	9% of first \$16,500; 12% of salary above \$16,500
Tier 5	7/17/92 - 3/31/12	8% of salary for the first 7 years; 10% thereafter
Tier 6	4/1/12 and after	8% of salary for the first 7 years; 10% thereafter

An employee contribution of 3% of salary is required for Tier 3, 4, and 5 participants. Members of these tiers will have their 3% employee contribution eliminated upon reaching 10 years of service and will have an additional corresponding 3% contribution made by the employer. Tier 6 participants will be required to make employee contributions for the duration of their membership based on salary at a rate of 3% to 6%.

The College’s contributions to the ORP were equal to 100% of the contributions required for the current year and the two preceding years are as follows:

<u>Year</u>		<u>ORP</u>
2022	\$	1,033,854
2021	\$	1,034,434
2020	\$	1,098,461

(VI.) (Continued)

3. New York State Employees' Retirement System (ERS)

ERS is a cost-sharing, multiple-employer defined benefit retirement system. ERS provides retirement benefits, as well as death and disability benefits. The net position of ERS 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 ERS. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). Once a public employee elects to participate in ERS, the election is irrevocable. The New York State Constitution provides that the 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. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) services as the sole trustee and administrative head of ERS. The Comptroller adopts and amends rules and regulations for the administration and transaction of the business of ERS and for the custody and control of its funds.

The ERS issues a publicly available financial report that includes financial statements and supplementary information and provides detailed information about the pension plan's fiduciary net position at:

http://www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

Under the authority of the NYSRSSL, the Comptroller certifies annually the actuarially determined rates expressed as proportions of payroll of members which are used to compute the contributions required to be made by employers to the pension accumulation fund. The employee contribution rates are based on ERS membership dates as follows:

<u>Tier</u>	<u>Membership Date</u>	<u>Employee Contribution</u>
Tier 1	Prior to 7/01/73	None
Tier 2	7/01/73 - 7/26/76	None
Tier 3	7/27/76 - 8/31/83	3% of salary for the first 10 years of service
Tier 4	9/01/83 - 12/31/09	3% of salary for the first 10 years of service
Tier 5	1/01/10 - 3/31/12	3% of salary
Tier 6	4/1/12 and after	From 3% to 6% of salary

The College's contributions to ERS were equal to 100% of the contributions required for the current year and the two preceding years are as follows:

<u>Year</u>		<u>ERS</u>
2022	\$	897,642
2021	\$	1,323,956
2020	\$	1,287,971

(VI.) (Continued)

a. **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions**

At August 31, 2022, the College reported an asset of \$2,629,050 for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At August 31, 2022, the College's proportion was 0.032613 percent.

For the year ended August 31, 2022 the College recognized pension expense of \$56,139. At August 31, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 199,102	\$ 258,246
Changes of assumptions	4,387,590	74,036
Net difference between projected and actual earnings on pension plan investments	-	8,609,039
Changes in proportion and differences between the College's contributions and proportionate share of contributions	423,777	642,507
Subtotal	<u>\$ 5,010,469</u>	<u>\$ 9,583,828</u>
College's contributions subsequent to the measurement date	897,642	-
Grand Total	<u>\$ 5,908,111</u>	<u>\$ 9,583,828</u>

\$897,642 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ (731,697)
2024	(1,035,987)
2025	(2,295,101)
2026	(510,574)
Total	<u>\$ (4,573,359)</u>

(VI.) (Continued)

1. 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. The actuarial valuations used the following actuarial assumptions:

	<u>ERS</u>
Measurement date	March 31, 2022
Actuarial valuation date	April 1, 2021
Interest rate	5.90%
Salary scale	4.40%
Decrement table	April 1, 2015- March 31, 2020 System's Experience
Inflation rate	2.70%

For ERS, annuitant mortality rates are based on Society of Actuaries Scale MP-2014 System's experience with adjustments for mortality improvements based on MP-2020.

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 as follows:

<u>Asset Type</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	3.30%
International equity	5.85%
Private equity	6.50%
Real estate	5.00%
Absolute return strategies *	4.10%
Opportunistic portfolios	4.10%
Real assets	5.80%
Cash	-1.00%
Inflation-indexed bonds	-1.00%
Credit	3.75%

(VI.) (Continued)

2. Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' 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.

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

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.90%) or 1-percentagepoint higher (6.90%) than the current rate:

<u>ERS</u>	<u>1% Decrease</u> <u>(4.90%)</u>	<u>Current</u> <u>Assumption</u> <u>(5.90%)</u>	<u>1% Increase</u> <u>(6.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (6,767,147)	\$ 2,629,050	\$ 10,488,516

4. New York State Teachers' Retirement System (TRS)

TRS is a cost-sharing, multiple-employer public employee retirement system. TRS offers a wide range of plans and benefits, which are related to years of service, final average salary, vesting retirement benefits, death, and disability.

The New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the New York State Education Law and the NYSRSSL. TRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained at : <https://www.nystrs.org/library/publications/annual-report>.

a. Contributions

The System is noncontributory for employees who joined prior to July 27, 1976,. For employees who joined the TRS after July 27, 1976 and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in TRS more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

(VI.) (Continued)

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary were paid through April 1, 2013 and they contributed 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education law, the New York State Teachers' Retirement Board establishes rates annually for TRS.

The College's contributions to TRS were equal to 100% of the contributions required for the current year and the two preceding years are as follows:

<u>Year</u>	<u>TRS</u>
2022	\$ 467,226
2021	\$ 435,094
2020	\$ 459,911

b. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At August 31, 2022, the College reported the following asset/(liability) for its proportionate share of the net pension asset /(liability) for ERS. The net pension asset/(liability) was measured as of June 30, 2022 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The College's proportion of the net pension asset/(liability) was based on a projection of the College's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS System in reports provided to the College.

	<u>TRS</u>
Measurement date	June 30, 2022
Net pension assets/(liability)	\$ (517,668)
College's portion of the Plan's total net pension asset/(liability)	0.026977%

(VI.) (Continued)

For the year ended August 31, 2022, the College recognized pension expenses of \$701,364 for TRS. At August 31, 2022 the College's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 542,450	\$ 10,373
Changes of assumptions	1,004,188	208,531
Net difference between projected and actual earnings on pension plan investments	668,876	-
Changes in proportion and differences between the College's contributions and proportionate share of contributions	120,578	54,835
Subtotal	<u>\$ 2,336,092</u>	<u>\$ 273,739</u>
College's contributions subsequent to the measurement date	468,354	-
Grand Total	<u>\$ 2,804,446</u>	<u>\$ 273,739</u>

College contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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</u>	<u>Amount</u>
2023	\$ 414,927
2024	213,345
2025	(79,215)
2026	1,322,555
2027	182,235
Thereafter	8,506
Total	<u>\$ 2,062,353</u>

1. 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. The actuarial valuations used the following actuarial assumptions:

(VI.) (Continued)

	<u>TRS</u>
Measurement date	June 30, 2022
Actuarial valuation date	June 30, 2021
Interest rate	6.95%
Salary scale	1.95%-5.18%
Decrement table	July 1, 2015 June 30, 2020 System's Experience
Inflation rate	2.40%
COLA's	1.30%

For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale AA.

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 as follows:

<u>Asset Type</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	6.80%
International equity	7.60%
Global equity	7.10%
Private equity	10.00%
Real estate	3.30%
Domestic fixed income securities	1.30%
Global fixed income securities	0.80%
Private debt	5.90%
Real estate debt	3.30%
High-yield fixed income securities	3.80%
Cash	0.00%

(VI.) (Continued)

2. Discount Rate

The discount rate used to calculate the total pension liability was 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' 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.

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

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.95% for TRS, as well as what the College's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (5.95% for TRS) or 1-percentagepoint higher (7.95% for TRS) than the current rate :

<u>TRS</u>	<u>1% Decrease</u> <u>(5.95%)</u>	<u>Current</u> <u>Assumption</u> <u>(6.95%)</u>	<u>1% Increase</u> <u>(7.95%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (4,773,139)	\$ (517,668)	\$ 3,061,156

4. Pension Plan Fiduciary Net Position

The components of the current year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	<u>(In Thousands)</u>
	<u>TRS</u>
Employers' total pension liability	\$ 130,819,415
Plan net position	148,148,457
Employers' net pension asset/(liability)	<u>\$ 17,329,042</u>
Ratio of plan net position to the employers' total pension asset/(liability)	113.20%

(VI.) (Continued)

c. Annuity Match Program

Effective September 1, 2006, the College adopted a 2% annuity match for professional, Civil Service Employees Association, Inc. (CSEA), and FLAG employees. Effective September 1, 2008, the College allowed the faculty employees to participate in the match. The College will match employee contributions by an amount not to exceed 2%. The College's contributions to the program for the current year was \$261,120.

VII. Deferred Compensation Plan

The County maintains a deferred compensation plan in accordance with Section 457 of the Internal Revenue Code for which County employees have the option to participate.

VIII. Ontario County 401(a) Savings Match Plan

Effective January 1, 2007, the Board of Supervisors authorized a five year agreement for the County's 401(a) 2% savings match plan with the Hartford Life Insurance Company as Plan Administrator. Employees eligible to participate in the Plan are those employees included in an "eligible class" as defined by the Plan document. On the day that coincides with or immediately follows the date for which an employee is considered "eligible", the County will contribute matching funds up to a maximum of 2% of the employee's compensation for that period if the employee participates in the County's 457 Deferred Compensation Plan. The total cost incurred by the County, for this program during 2022 totaled \$926,238.

IX. Other Postemployment Benefits

A. Unused Sick Leave – Community College – Governmental Component Unit

An agreement between the Ontario County Board of Supervisors and the Faculty Association of Finger Lakes Community College permits faculty members with at least 10 years of service to receive payment of unused sick leave time, as defined, upon termination. The sick day provision was revised under a subsequent agreement between the Ontario County Board of Supervisors and The Faculty Association of Finger Lakes Community College, effective September 1, 1991. Sick days accumulated as of August 31, 1992 were frozen and each member was viewed as starting over with regard to sick day accumulation. Members can elect the option to apply the amount due to fund their self-funded future postretirement medical insurance premiums. A similar arrangement exists between the College's Board of Trustees and The Finger Lakes Administrative Group (nonfaculty College employees). At August 31, 2022 and 2021 the related estimated liability for sick pay totaled \$713,281.

X. Risk Management

A. General Information

The County is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

B. Liability

The County is exposed to various risks of loss related to torts; theft of or damage to, or destruction of assets; and natural disasters. The County has a self-insurance program to assume the liability for the aforementioned items which is recorded in the General Fund. Under this program judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. The County has excess insurance coverage totaling \$20,000,000 which is effective for any occurrence in excess of \$5,000,000. As of December 31, 2022, the County has accrued as other liabilities \$4,318,611 for the payment of future judgments and claims. An actuarial study was completed during 2022, which states that at year end the balance is sufficient to cover estimated liabilities at a 75% confidence level. Based upon the requirements of GASB #10, which requires that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the accrued claims liabilities for the years then ended are as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning of Year	\$ 3,863,559	\$ 3,850,288	\$ 3,889,924	\$ 4,762,670	\$ 5,108,914
Incurred Claims	780,000	830,000	810,000	730,000	700,000
Claims Paid	<u>(324,948)</u>	<u>(816,729)</u>	<u>(849,636)</u>	<u>(1,602,746)</u>	<u>(1,046,244)</u>
Balance at End of Year	<u>\$ 4,318,611</u>	<u>\$ 3,863,559</u>	<u>\$ 3,850,288</u>	<u>\$ 3,889,924</u>	<u>\$ 4,762,670</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Beginning of Year	\$ 5,021,914	\$ 4,873,814	\$ 4,153,537	\$ 5,272,420	\$ 5,272,420
Incurred Claims	987,000	900,000	890,000	812,000	828,948
Claims Paid	<u>(900,000)</u>	<u>(751,900)</u>	<u>(169,723)</u>	<u>(1,930,883)</u>	<u>(828,948)</u>
Balance at End of Year	<u>\$ 5,108,914</u>	<u>\$ 5,021,914</u>	<u>\$ 4,873,814</u>	<u>\$ 4,153,537</u>	<u>\$ 5,272,420</u>

(X.) (Continued)

C. Workers' Compensation – Risk Pool

Ontario County, New York together with 16 towns, 8 villages and 2 cities have joined together to self-insure for workers' compensation coverage which is maintained and administered by the County. The County also utilizes a third party administrator who is responsible for processing claims and estimating liabilities and providing actuarial services. The plan states participants are charged an annual assessment on the basis of their five year experience (60%) and exposure (40%). The pool does not take into consideration estimated investment income when determining if premium deficiencies exist. The County has excess insurance coverage in the amount of \$300,000 per occurrence with coverage to full statutory limits. Based upon the requirements of GASB Statement #10, liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR's). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors and are presented at present value in the accompanying financial statements.

A reconciliation of the claims recorded for the years then ended are as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning of Year	\$ 8,659,173	\$ 9,188,539	\$ 7,339,183	\$ 7,479,277	\$ 6,842,980
Incurred Claims	641,733	973,337	3,955,852	1,547,025	2,903,633
Claims Paid	<u>(947,143)</u>	<u>(1,502,703)</u>	<u>(2,106,496)</u>	<u>(1,687,119)</u>	<u>(2,267,336)</u>
Balance at End of Year	<u>\$ 8,353,763</u>	<u>\$ 8,659,173</u>	<u>\$ 9,188,539</u>	<u>\$ 7,339,183</u>	<u>\$ 7,479,277</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Beginning of Year	\$ 6,933,822	\$ 7,710,593	\$ 7,291,337	\$ 6,199,868	\$ 6,199,868
Incurred Claims	1,863,692	1,023,583	2,057,776	3,130,368	2,418,350
Claims Paid	<u>(1,954,534)</u>	<u>(1,800,354)</u>	<u>(1,638,520)</u>	<u>(2,038,899)</u>	<u>(2,418,350)</u>
Balance at End of Year	<u>\$ 6,842,980</u>	<u>\$ 6,933,822</u>	<u>\$ 7,710,593</u>	<u>\$ 7,291,337</u>	<u>\$ 6,199,868</u>

XI. Commitments and Contingencies

A. Contingent Liabilities

The Department of Social Services of the County provides for the operation and administration of economic assistance and opportunity programs. The financial statements of the General Fund contain expenditures for the costs of operating these programs including estimates of costs incurred, but unpaid at the end of the year. The County's share of costs applicable to the operation of the Medicaid program are recognized as expenditures in the period that such amounts are charged to the State by third-party providers.

Program and administrative costs are subject to audit and adjustment by various State and Federal agencies. Differences between ultimate settlements and estimated costs included in the financial statements are recorded in the year of settlement. County management believes that it is in substantial compliance with all program requirements.

(XI.) (Continued)

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

Future tobacco settlement revenues are subject to adjustment based upon tobacco consumption, inflation and other potential reductions. Pursuant to the Purchase and Sale Agreement these adjustments and other events could trigger additional debt service reserve requirements.

B. Operating Lease/Landfill

The County of Ontario, New York entered into an operation, management and lease agreement with New England Waste Services of New York, Inc. and Casella Waste Systems, Inc. for operation of the County Landfill as a public private partnership. The effective date of the agreement was December 8, 2003, for a period of 25 years. Under the terms of the agreement, the contractor will pay \$2,000,000 per year for the term of the agreement for the exclusive use, franchise, license and privilege to construct, operate and use the facilities under the terms of this agreement.

A labor utilization agreement is in place between the County and New England Waste Services of New York, Inc. which allows for the retention of County employees. Under the terms of this agreement, the County is being reimbursed, on a monthly basis, for all costs associated with these employees.

In addition, any capital improvements made to the landfill and its facilities will revert to the County at the end of the agreement.

XII. COVID-19

On January 30,2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the County’s financial condition, liquidity, budgetary projections and future results of operation. Management is actively monitoring the global situation on its financial condition, liquidity, budgetary projections, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the County is not able to estimate the effects of the COVID-19 outbreak on its budgetary projections, results of operations, financial condition, or liquidity for year 2023.

Required Supplementary Information (Unaudited)

COUNTY OF ONTARIO, NEW YORK

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

For the Year Ended December 31, 2022

	GENERAL FUND				
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Variance
Revenues:					
Real property and tax items	\$ 58,723,571	\$ 58,723,571	\$ 59,064,399	\$ -	\$ 340,828
Non-property taxes	104,394,501	104,394,501	114,669,485	-	10,274,984
Departmental income	11,990,453	12,075,759	10,295,264	-	(1,780,495)
Intergovernmental charges	1,063,714	1,122,464	1,075,703	-	(46,761)
Use of money and property	3,770,989	3,770,989	4,999,653	-	1,228,664
Licenses and permits	-	-	1,182	-	1,182
Fines and forfeitures	313,500	313,500	219,052	-	(94,448)
Sale of property and compensation for loss	70,000	107,937	270,920	-	162,983
Miscellaneous	736,374	761,313	3,524,969	-	2,763,656
Interfund revenues	2,733,030	2,841,761	2,330,849	-	(510,912)
State and county aid	26,542,438	34,284,311	28,568,665	-	(5,715,646)
Federal aid	13,199,994	24,715,589	16,916,210	-	(7,799,379)
Total Revenues	\$ 223,538,564	\$ 243,111,695	\$ 241,936,351	\$ -	\$ (1,175,344)
Expenditures:					
Current:					
General government support	\$ 93,741,827	\$ 105,415,554	\$ 95,868,627	\$ 1,311,907	\$ 8,235,020
Education	5,189,111	4,749,111	4,700,411	27,216	21,484
Public safety	44,130,687	46,917,900	41,846,389	1,270,630	3,800,881
Health	17,366,279	22,318,958	18,693,374	641,113	2,984,471
Transportation	190,000	190,000	185,879	-	4,121
Economic assistance and development	56,798,524	58,053,191	51,635,899	24,733	6,392,559
Culture and recreation	1,187,975	725,588	646,413	6,642	72,533
Home and community services	3,807,705	4,151,613	3,503,335	301,006	347,272
Employee benefits	-	-	-	-	-
Debt Service:					
Debt service - principal	-	562,435	562,435	-	-
Debt service - interest and other charges	-	71,226	71,226	-	-
Total Expenditures	\$ 222,412,108	\$ 243,155,576	\$ 217,713,988	\$ 3,583,247	\$ 21,858,341
Excess (deficiency) of revenue over expenditures	\$ 1,126,456	\$ (43,881)	\$ 24,222,363	\$ (3,583,247)	\$ 20,682,997
Other Financing Sources and Uses:					
Transfers - in	\$ 2,133,799	\$ 2,183,799	\$ 818,118	\$ -	\$ (1,365,681)
Transfers - out	(10,733,782)	(41,154,143)	(15,367,798)	-	25,786,345
Total Other Financing Sources and Uses	\$ (8,599,983)	\$ (38,970,344)	\$ (14,549,680)	\$ -	\$ 24,420,664
Net change in fund balances	\$ (7,473,527)	\$ (39,014,225)	\$ 9,672,683	\$ (3,583,247)	\$ 45,103,661
Fund Balance - Beginning	116,508,806	116,508,806	116,508,806	-	-
Fund Balance - Ending	\$ 109,035,279	\$ 77,494,581	\$ 126,181,489	\$ (3,583,247)	\$ 45,103,661

Notes to Required Supplemental Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Required Supplementary Information (Unaudited)
COUNTY OF ONTARIO, NEW YORK
Schedule of the County's Proportionate Share of the Net Pension Liability
For the Year Ended December 31, 2022

NYSERS Pension Plan (In Thousands)								
	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (assets)	0.20901530%	0.02138559%	0.26021400%	0.20885320%	0.20933280%	0.16812500%	0.17482352%	0.18200000%
Proportionate share of the net pension liability (assets)	\$ 17,078	\$ 24,624	\$ 55,538	\$ 14,798	\$ 6,485	\$ 18,461	\$ 32,748	\$ 7,068
Covered-employee payroll	\$ 57,317	\$ 57,747	\$ 52,507	\$ 52,555	\$ 51,599	\$ 47,009	\$ 46,182	\$ 53,608
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	29.80%	42.64%	105.77%	28.16%	12.57%	39.27%	70.91%	13.18%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	113.20%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

FINGER LAKES COMMUNITY COLLEGE
Schedule of the College's Proportionate Share of the Net Pension Liability
For the Year Ended August 31, 2021

NYSERS Pension Plan (In Thousands)								
	2022	2021	2020	2019	2019	2017	2016	2015
Proportion of the net pension liability (assets) *	0.03216%	0.03344%	0.03340%	0.03225%	0.03036%	0.02835%	0.02921%	0.02722%
Proportionate share of the net pension liability (assets)	\$ (2,629)	\$ 33	\$ 8,844	\$ 2,285	\$ 980	\$ 2,664	\$ 4,688	\$ 920
Covered-employee payroll	\$ 8,287	\$ 8,219	\$ 9,331	\$ 8,832	\$ 10,463	\$ 8,879	\$ 8,593	\$ 6,730
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-31.72%	0.40%	94.78%	25.87%	9.37%	30.00%	54.56%	13.67%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

NYSTRS Pension Plan (In Thousands)								
	2022	2021	2020	2019	2019	2017	2016	2015
Proportion of the net pension liability (assets) **	0.0270%	0.0271%	0.0303%	0.02887%	0.02865%	0.02918%	0.03037%	0.03240%
Proportionate share of the net pension liability (assets)	\$ 518	\$ 4,694	\$ (837)	\$ (750)	\$ (518)	\$ (222)	\$ 325	\$ (3,366)
Covered-employee payroll	\$ 4,877	\$ 4,656	\$ 5,140	\$ 4,834	\$ 5,552	\$ 5,315	\$ 5,478	\$ 5,754
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	10.62%	100.82%	-16.28%	-15.52%	-9.33%	-4.18%	5.93%	-58.50%
Plan fiduciary net position as a percentage of the total pension liability	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	111.48%

Note: 10 years of historical information is not available and will be reported each year going forward

* The amount presented for each fiscal year were determined as of March 31st

** The amounts presented for each fiscal year were determined as of June 30th

Required Supplementary Information (Unaudited)

COUNTY OF ONTARIO, NEW YORK

Schedule of County Contributions

For the Year Ended December 31, 2022

NYSERS Pension Plan (In Thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 6,093	\$ 8,600	\$ 7,978	\$ 6,360	\$ 7,673	\$ 7,697	\$ 7,654	\$ 8,697
Contributions in relation to the contractually required contribution	(6,093)	(8,600)	(7,978)	(6,360)	(7,673)	(7,697)	(7,654)	(8,697)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 57,317	\$ 57,747	\$ 52,507	\$ 52,555	\$ 51,599	\$ 47,009	\$ 46,182	\$ 53,608
Contributions as a percentage of covered-employee payroll	10.63%	14.89%	15.19%	12.10%	14.87%	16.37%	16.57%	16.22%

FINGER LAKES COMMUNITY COLLEGE

Schedule of College Contributions

For the Year Ended August 31, 2021

NYSERS Pension Plan (In Thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
	\$ 1,324	\$ 1,253	\$ 1,235	\$ 1,177	\$ 1,154	\$ 1,105	\$ 1,233	\$ 1,313
Contributions in relation to the contractually required contribution	(1,098)	(1,173)	(1,288)	(1,266)	(1,201)	(1,095)	(1,085)	(1,164)
Contribution deficiency (excess)	<u>\$ 226</u>	<u>\$ 80</u>	<u>\$ (53)</u>	<u>\$ (89)</u>	<u>\$ (47)</u>	<u>\$ 10</u>	<u>\$ 148</u>	<u>\$ 149</u>
Covered-employee payroll	\$ 8,422	\$ 8,219	\$ 9,485	\$ 9,282	\$ 10,374	\$ 9,371	\$ 8,653	\$ 8,264
Contributions as a percentage of covered-employee payroll	13.04%	14.27%	13.58%	13.64%	11.58%	11.68%	14.09%	14.09%

NYSTRS Pension Plan (In Thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 468	\$ 438	\$ 456	\$ 512	\$ 457	\$ 542	\$ 621	\$ 853
Contributions in relation to the contractually required contribution	(486)	(446)	(460)	(521)	(469)	(519)	(627)	(853)
Contribution deficiency (excess)	<u>\$ (18)</u>	<u>\$ (8)</u>	<u>\$ (4)</u>	<u>\$ (9)</u>	<u>\$ (12)</u>	<u>\$ 23</u>	<u>\$ (6)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 4,938	\$ 4,656	\$ 5,130	\$ 5,041	\$ 5,613	\$ 5,313	\$ 5,549	\$ 5,693
Contributions as a percentage of covered-employee payroll	9.84%	9.58%	8.97%	10.34%	8.36%	9.73%	11.30%	14398.00%

10 years of historical information is not available and will be reported each year going forward

COUNTY OF ONTARIO, NEW YORK

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2022

	Capital Projects Fund	Debt Service Fund	Special Revenue Funds County Road Fund
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 19,152,791	\$ 2,559,113	\$ 16,438,432
Investments	-	1,460,421	-
Receivables, net	-	-	37,672
Due from other funds	-	600,000	352,691
Due from other governments, net	-	-	2,647
State and federal aid receivable	1,532,568	-	-
Prepaid items	-	-	50,326
Total Assets	<u><u>\$ 20,685,359</u></u>	<u><u>\$ 4,619,534</u></u>	<u><u>\$ 16,881,768</u></u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 104,983
Accrued liabilities	-	-	75,218
Due to other funds	4,373,907	-	-
Due to other governments	-	-	-
Overpayments and collections in advance	-	-	-
Unearned revenue	-	-	19,705
Total Liabilities	<u><u>\$ 4,373,907</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 199,906</u></u>
Fund Balances:			
Nonspendable	\$ -	\$ -	\$ 50,326
Restricted	-	4,619,534	8,958,911
Assigned	18,368,695	-	7,672,625
Unassigned	(2,057,243)	-	-
Total Fund Balances	<u><u>\$ 16,311,452</u></u>	<u><u>\$ 4,619,534</u></u>	<u><u>\$ 16,681,862</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 20,685,359</u></u>	<u><u>\$ 4,619,534</u></u>	<u><u>\$ 16,881,768</u></u>

COUNTY OF ONTARIO, NEW YORK

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

December 31, 2022

Special Grant Fund	Special Revenue Funds			Animal Control Fund	Total Nonmajor Governmental Funds
	Sewer Fund	Revolving Loan Fund			
\$ 23,127	\$ 3,257,656	\$ 200,460	\$ 101,757	\$ 41,733,336	
-	-	-	-	1,460,421	
-	1,055,078	-	-	1,092,750	
45,066	120,964	-	-	1,118,721	
-	-	-	-	2,647	
30,124	-	-	-	1,562,692	
3,458	20,139	-	-	73,923	
<u>\$ 101,775</u>	<u>\$ 4,453,837</u>	<u>\$ 200,460</u>	<u>\$ 101,757</u>	<u>\$ 47,044,490</u>	
\$ 6,011	\$ 297,146	\$ -	\$ -	\$ 408,140	
6,665	31,067	-	-	112,950	
-	-	-	-	4,373,907	
-	-	428	-	428	
5,933	-	-	-	5,933	
-	-	-	-	19,705	
<u>\$ 18,609</u>	<u>\$ 328,213</u>	<u>\$ 428</u>	<u>\$ -</u>	<u>\$ 4,921,063</u>	
\$ 3,458	\$ 20,139	\$ -	\$ -	\$ 73,923	
79,708	4,105,485	200,032	101,757	18,065,427	
-	-	-	-	26,041,320	
-	-	-	-	(2,057,243)	
<u>\$ 83,166</u>	<u>\$ 4,125,624</u>	<u>\$ 200,032</u>	<u>\$ 101,757</u>	<u>\$ 42,123,427</u>	
<u>\$ 101,775</u>	<u>\$ 4,453,837</u>	<u>\$ 200,460</u>	<u>\$ 101,757</u>	<u>\$ 47,044,490</u>	

COUNTY OF ONTARIO, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Capital Projects Fund	Debt Service Fund	Special Revenue Funds County Road Fund
Revenues:			
Real property and tax items	\$ -	\$ -	\$ 10,205,589
Departmental income	-	-	-
Intergovernmental charges	1,449	1,616,402	16,409
Use of money and property	119,112	102,558	163,941
Licenses and permits	-	-	56,186
Sale of property and compensation for loss	-	1,419,058	110,272
Miscellaneous	-	-	18,887
Interfund revenues	-	-	297,257
State and county aid	8,894,336	-	2,811,528
Federal aid	3,159,579	-	-
Total Revenues	\$ 12,174,476	\$ 3,138,018	\$ 13,680,069
Expenditures:			
Current:			
General government support	\$ 485,445	\$ 67,692	\$ -
Education	3,992,771	-	-
Public safety	134,711	-	368,181
Transportation	2,700,953	-	10,894,508
Economic assistance and development	-	-	-
Home and community services	6,871,910	-	-
Debt Service:			
Debt service - principal	-	3,265,000	-
Debt service - interest and other charges	-	1,261,017	-
Total Expenditures	\$ 14,185,790	\$ 4,593,709	\$ 11,262,689
Excess (deficiency) of revenue over expenditures	\$ (2,011,314)	\$ (1,455,691)	\$ 2,417,380
Other Financing Sources and Uses:			
Transfers - in	\$ 14,626,770	\$ 1,374,498	\$ 3,954,366
Transfers - out	(1,287,444)	-	(2,167,246)
Lease obligation	211,769	-	-
Total Other Financing Sources and Uses	\$ 13,551,095	\$ 1,374,498	\$ 1,787,120
Net change in fund balances	\$ 11,539,781	\$ (81,193)	\$ 4,204,500
Fund Balance - Beginning	4,771,671	4,700,727	12,477,362
Fund Balance - Ending	\$ 16,311,452	\$ 4,619,534	\$ 16,681,862

COUNTY OF ONTARIO, NEW YORK

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Nonmajor Governmental Funds

For the Year Ended December 31, 2022

Special Grant Fund	Special Revenue Funds			Total Non-Major Governmental Funds
	Sewer Fund	Revolving Loan Fund	Animal Control Fund	
\$ 33,101	\$ -	\$ -	\$ 85,556	\$ 10,324,246
-	3,657,637	-	-	3,657,637
-	-	-	238,863	1,873,123
118	8,033	120	386	394,268
-	-	-	-	56,186
-	114,667	-	-	1,643,997
-	1,830	-	-	20,717
-	-	-	-	297,257
-	50,000	-	-	11,755,864
236,905	-	916,230	-	4,312,714
<u>\$ 270,124</u>	<u>\$ 3,832,167</u>	<u>\$ 916,350</u>	<u>\$ 324,805</u>	<u>\$ 34,336,009</u>
\$ -	\$ -	\$ -	\$ -	\$ 553,137
-	-	-	-	3,992,771
-	-	-	314,158	817,050
-	-	-	-	13,595,461
270,403	-	-	-	270,403
19,575	4,023,701	916,315	-	11,831,501
-	-	-	-	3,265,000
-	-	-	-	1,261,017
<u>\$ 289,978</u>	<u>\$ 4,023,701</u>	<u>\$ 916,315</u>	<u>\$ 314,158</u>	<u>\$ 35,586,340</u>
\$ (19,854)	\$ (191,534)	\$ 35	\$ 10,647	\$ (1,250,331)
\$ 14,848	\$ -	\$ -	\$ -	\$ 19,970,482
(1,700)	(2,005,212)	-	(1,428)	(5,463,030)
-	-	-	-	211,769
<u>\$ 13,148</u>	<u>\$ (2,005,212)</u>	<u>\$ -</u>	<u>\$ (1,428)</u>	<u>\$ 14,719,221</u>
\$ (6,706)	\$ (2,196,746)	\$ 35	\$ 9,219	\$ 13,468,890
89,872	6,322,370	199,997	92,538	28,654,537
<u>\$ 83,166</u>	<u>\$ 4,125,624</u>	<u>\$ 200,032</u>	<u>\$ 101,757</u>	<u>\$ 42,123,427</u>

COUNTY OF ONTARIO, NEW YORK

Capital Projects Fund

Schedule of Project Expenditures

December 31, 2022

Project Title	Project #	Total						Variance
		Original Budget	Revised Budget	Current Year Expenditures	Prior Year Expenditures	Total Expenditures		
FLCC Student Services Ctr & Auditorium	HHH00408	\$ 2,500,000	\$ 48,302,291	\$ -	\$ 48,282,365	\$ 48,282,365	\$ 19,926	
74 Ontario St. Phase	HHH01513	75,000	14,811,415	-	14,706,525	14,706,525	104,890	
Jail Modifications	HHH01813	100,000	745,000	49,055	624,380	673,435	71,565	
FLCC Capital Maintenance 2015	HHH02115	2,750,000	2,756,528	-	2,755,297	2,755,297	1,231	
Hopewell Complex Improvements	HHH02215	250,000	872,081	7,694	857,270	864,964	7,117	
FLCC G Parking & Utility Rehabilitation Project	HHH02915	200,000	2,925,000	33,956	2,484,546	2,518,502	406,498	
Human Services Building Renovation	HHH03316	42,740	1,042,740	230,270	115,279	345,549	697,191	
FLCC 2017 Cap Maintenance	HHH03617	1,107,000	866,304	46,630	788,498	835,128	31,176	
Mcinvor/ft Hill Imps	HHH03917	205,000	3,614,053	31,587	2,855,937	2,887,524	726,529	
FLCC Phone Room	HHH04317	800,000	800,000	8,606	787,082	795,688	4,312	
Bridge Preventive Maintenance	HHH04417	10,300	991,300	-	885,336	885,336	105,964	
Co Rd 28 @ Short	HHH04618	205,000	3,752,822	7,006	3,211,092	3,218,098	534,724	
74 Ontario St.	HHH04718	682,338	682,338	512	658,886	659,398	22,940	
FLCC 2018 Capital Maintenance	HHH04818	747,273	747,273	1,881	745,281	747,162	111	
Co Rd 46/Smith Rd Intersection	HHH04918	374,000	3,503,625	135,072	2,833,795	2,968,867	534,758	
Replace Main St Fisher Bridge	HHH05018	111,099	1,462,202	-	1,194,866	1,194,866	267,336	
SCADA System Installation	HHH05118	425,000	529,500	29,877	142,453	172,330	357,170	
FLCC/CMAC Evac & Fencing	HHH05319	114,000	244,098	-	192,986	192,986	51,112	
County Road 36 Culvert	HHH05519	1,000,000	1,000,000	68,744	622,850	691,594	308,406	
Honeoye Lake Wastewater Plant	HHH05619	6,012,500	8,780,000	6,401,468	1,294,406	7,695,874	1,084,126	
FLCC 2019 Capital Maintenance	HHH05719	1,279,000	1,279,000	144,647	416,664	561,311	717,689	
CR 36 Culvert 32	HHH05919	1,000,000	1,000,000	67,740	730,027	797,767	202,233	
Lakeshore Drive & Rte 364 Sidewalk	HHH06019	255,000	2,468,461	1,494,735	233,448	1,728,183	740,278	
FLCC/ CMAC improvements	HHH06119	265,000	265,000	-	106,117	106,117	158,883	
Firing Range Improvements	HHH06219	500,000	202,884	55,268	60,463	115,731	87,153	
County Road 39 Rehabilitation	HHH06319	1,175,787	6,856,512	-	6,176,462	6,176,462	680,050	
Pump Station / Cdga Lake Sewer District	HHH06419	790,000	864,907	470,444	227,183	697,627	167,280	
County Road 50 Prev Maintenance	HHH06519	23,000	696,330	551,908	5,796	557,704	138,626	
Emergency Response Vehicle - Sheriff's Office	HHH06720	283,274	283,274	-	281,688	281,688	1,586	
Nursing Expansion	HHH06820	1,500,000	7,232,278	3,311,555	3,792,579	7,104,134	128,144	
Tileyard Road Bridge Replacement	HHH06920	297,000	338,100	34,547	193,675	228,222	109,878	
FLCC 20 Capital Maintenance	HHH07020	200,000	200,000	-	200,000	200,000	-	
FLCC Geneva Server Room	HHH07120	65,000	65,000	27,289	32,682	59,971	5,029	
County Road 16 Rehabilitation	HHH07220	1,042,000	1,550,651	40,377	1,054,755	1,095,132	455,519	
Humane Society Facility Improvements	HHH07320	543,115	543,115	1,449	12,297	13,746	529,369	
County Wide Cold Storage	HHH07420	200,000	280,000	15,076	93,144	108,220	171,780	
Pump Station 9E	HHH07520	120,000	120,000	-	-	-	120,000	
Pump Station 7E	HHH07620	300,000	300,000	-	-	-	300,000	
County Road 4 Intersection Improvements	HHH07721	418,283	418,283	168,368	66,762	235,130	183,153	
County Road 22 Preventative Maintenance	HHH07821	14,100	14,100	3,943	-	3,943	10,157	
County Road 8 Preventative Maintenance	HHH07921	123,500	123,500	52,103	-	52,103	71,397	
FLCC Nursing Expansion Phase I	HHH08021	1,500,000	1,500,000	87,089	-	87,089	1,412,911	
FLCC Maintenance 2021	HHH08122	236,104	236,104	-	-	-	236,104	
Ontario Beach Park Improvements	HHH08222	231,796	231,796	-	-	-	231,796	
FLCC Maintenance 2022	HHH08322	1,000,000	1,000,000	331,115	-	331,115	668,885	
County Road 12 Culvert 35	HHH08422	2,458,139	2,458,139	44,822	-	44,822	2,413,317	
FLCC Facilities Master Plan	HHH08522	250,000	250,000	-	-	-	250,000	
Jail Security Control System	HHH08622	1,500,000	1,500,000	-	-	-	1,500,000	
County Road 25 Rehabilitation	HHH08722	650,211	650,211	19,188	-	19,188	631,023	
Courthouse Improvements	HHH08822	236,104	236,104	-	-	-	236,104	
Deep Run Park Improvements	HHH08922	236,701	236,701	-	-	-	236,701	
County Security Improvements	HHH09022	100,000	100,000	-	-	-	100,000	
ADA Compliance Renovations	HHH09122	100,000	100,000	-	-	-	100,000	
Emergency Communications Network Upgrade	HHH09222	1,161,782	1,161,782	-	-	-	1,161,782	
Ontario County Court Facilities Plan	HHH09322	80,000	80,000	-	-	-	80,000	
Leases		-	-	211,769	-	211,769	(211,769)	
TOTAL		\$ 37,846,146	\$ 133,270,802	\$ 14,185,790	\$ 99,722,872	\$ 113,908,662	\$ 19,362,140	



BUSINESS
ADVISORS
AND CPAS

**Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditors' Report

Board of Supervisors
County of Ontario, 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 Ontario, New York as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County of Ontario, New York's basic financial statements, and have issued our report thereon dated September 6, 2023. Our report includes a reference to other auditors who audited the financial statements of the Finger Lakes Community College as described in our report on the County of Ontario, New York's financial statements. 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 of Ontario, New York's internal control over financial reporting 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 of Ontario, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Ontario, New York's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 of Ontario, New York'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 result 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.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
September 6, 2023