

**AUDITED
BASIC FINANCIAL STATEMENTS**

**GENESEE/FINGER LAKES REGIONAL PLANNING
COUNCIL**

DECEMBER 31, 2019

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the
Genesee/Finger Lakes Regional Planning Council
Rochester, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Genesee/Finger Lakes Regional Planning Council (the G/FLRPC) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the G/FLRPC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the G/FLRPC, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The Schedule of Expenditures of Federal Awards 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2020, on our consideration of the G/FLRPC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the G/FLRPC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the G/FLRPC's internal control over financial reporting and compliance.

Freed Maxick CPAs, P.C.

Rochester, New York
May 12, 2020

**Genesee/Finger Lakes Regional Planning Council
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

Our discussion and analysis of the Genesee/Finger Lakes Regional Planning Council's (G/FLRPC) financial performance provides an overview of its financial activities for the year 2019. Please read it in conjunction with the full audit report and G/FLRPC's financial statements.

Financial Highlights

- The fiscal position of the organization remains positive.
- General Expenditures exceeded General Revenue in 2019

Overview of Financial Statements

This annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The nine counties comprising the Genesee-Finger Lakes region, namely Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Wayne, Wyoming and Yates, entered into an agreement in 1967, amended in 1969, and in 1986 for inclusion of Wyoming County, to establish a Regional Planning Board pursuant to federal and state legislation (i.e., Section 204, Title II of Public Law 89-754, "Demonstration Cities and Metropolitan Development Act of 1966," and Article 12-B of the New York State General Municipal Law).

The G/FLRPC depends upon authorized payments received from member counties, in their proportionate shares, plus any local, federal, state or private funding for contract work performed.

Financial Analysis of Agency

The following table summarizes G/FLRPC's financial position at December 31, 2019 and 2018 and the changes between December 31, 2019 and December 31, 2018:

	2019	2018	% Increase/ (Decrease) 2019-2018
Total Assets	\$1,657,808	\$1,786,940	(7%)
Deferred Outflows	\$169,642	\$154,289	10%
Liabilities:			
Accounts payable	\$7,510	\$2,557	194%
Accrued liabilities	\$27,150	\$21,394	27%
Due to retirement system	\$29,259	\$33,378	(12%)
Unearned revenue	\$311,605	\$416,924	(25%)
Noncurrent liabilities	\$558,391	\$565,211	(1%)
Total Liabilities	\$933,915	\$1,039,464	(10%)
Deferred Inflows	\$137,977	\$245,719	(44%)
Net Position:			
Net investment in capital assets	\$1,721	\$3,284	(48%)
Restricted	\$1,055,390	\$1,058,079	0%
Unrestricted (deficit)	\$(301,553)	\$(405,317)	26%
Total Net Position	\$755,558	\$656,046	15%

In fiscal year 2019, total assets decreased \$129,132, or 7%. A good portion of that decrease was due to a GAIN disbursement to one of the counties for a loan. The GAIN cash accounts went from \$416,761 in 2018 to \$311,810 in 2019. In terms of the General Fund, the total assets decreased by \$19,724. The most significant of which was a decrease in Cash and Cash Equivalents of \$38,067 and an increase in Accounts Receivable of \$19,552. In terms of the Revolving Loan Fund, the Cash and Cash Equivalents decreased by \$2,689, a good portion of which had to do with a historical correction in Professional Services. In general, there was an increase in Cash and Cash Equivalents and Accounts Receivable, and a decrease in the Cash and Cash Equivalents-restricted, Prepaid Items, and Capital Assets, net of accumulated depreciation from 2018 to 2019. It should be noted, however, that outside of the General Fund, Revolving Loan Fund, and GAIN Fund differences noted above, much of the difference in the Cash and Cash

Equivalents and Cash and Cash Equivalents-Restricted categories had to do with the change in classification from 2018 to 2019.

Total liabilities decreased by \$105,549 or 10% with an increase in accounts payable and accrued liabilities and a decrease in Due to Retirement System, Unearned Revenue (GAIN as noted above), and Noncurrent liabilities.

Operating Activities

G/FLRPC assists its member counties in identifying, defining, and informing on opportunities critical to the physical, economic, and social health of the region. G/FLRPC provides forums for discussion, debate, and consensus building, and develops and implements a focused action plan with clearly defined outcomes, which include programs, personnel, and funding. The programs are largely planning and are categorized by three main components: economic development as the planning entity for the federal economic development district; regional, local and water resources planning; and a data, technology and resource center. We are currently the regional Clean Energy Communities program coordinator as well. Funding streams come largely in three forms: member county contributions, fee for services and project funding from local, state, and federal sources, and the administration of two loan funds: regional Revolving Loan Fund (RLF) for business and job development and retention and the Growing Agriculture Industry Now (GAIN) loan fund for agriculture and food related lending.

The following table summarizes G/FLRPC's net change in fund balances between fiscal years 2019 and 2018 and the change between December 31, 2019 and December 31, 2018.

	2019 *	2018 *	% Increase/ (Decrease) 2019-2018
Revenues:			
General	\$487,310	\$541,094	(10%)
RLF	\$1,134	\$3,160	(64%)
GAIN	105,524	340,144	(69%)
Total Revenues	\$593,968	\$884,398	(33%)
Expenditures:			
General	\$514,135	\$521,240	(1%)
RLF	\$3,354	\$2,680	25%
GAIN	\$105,319	\$340,119	(69%)
Total Expenditures	\$622,808	\$864,039	(28%)
Net change in fund balances	(\$28,840)	\$20,359	

* This table excludes other financing sources and uses.

General revenues decreased by \$53,784 or 10% from 2018 to 2019. RLF revenue decreased by \$2,026 or 64%. The GAIN revenue of \$105,524 decreased by \$234,620 largely due to the amount disbursed/left for disbursements and those revenues are shown in Expenditures as well as a pass through (to the counties for disbursements). Total Revenue decreased from 2018 to 2019 due to decreases in all revenue categories, with the amounts noted above.

General Expenditures decreased by \$7,105 from 2018 to 2019. There was a slight increase in Dues and Subscriptions, Office Supplies, Postage, Program Training, Telephone (including internet), and Travel and Meetings and a fairly significant increase in Professional Services. There was a slight decrease in Automobile Expense, Computer Software, Council Member Conferences, Insurance, Miscellaneous, and Parking, a decrease Equipment and Maintenance (largely due to less equipment purchases in 2019) and a fairly significant decrease in Salaries and Benefits.

Total revenue in 2019 was \$593,968 a 33% decrease from 2018 due largely to decreases in the GAIN loan fund (disbursements/remaining disbursement portion) and General Revenue. Total revenue in 2018 was \$884,398, a 53% decrease from 2017 due largely to decreases in the GAIN loan fund (disbursements/remaining disbursement portion) and General Revenue. Total expenditures in 2019 were \$622,808, a 28% decrease from 2018. Total expenditures in 2018 were \$864,039, a 53% decrease from 2017, again largely due to the decrease in GAIN disbursements. Therefore, the net change in fund balances for 2019 was a deficit of \$28,840, with General Fund having a deficit of \$26,825 (not including other financing sources (uses)).

Analysis of Initial vs. Final Budgets

On the revenue side, the modified budget decreased from the original budget by \$79,000. There was one category that had an increase, three categories with no change, and six categories that decreased. Much of the decrease was due to an in-year adjustment related to projects and programs, staffing, and the original and the modified budget is presented on a cash basis while the actual revenue is on an accrual basis. The actual revenue was \$46,247 less than the modified budget. This was largely due to project and program timing, and the fact that both the original budget and the modified budget is presented on a cash basis while the actual revenue is on an accrual basis.

Total expenditures decreased from the original budget to modified budget by \$71,588. The actual expenses were \$28,334 less than the modified budget largely due to a decrease from the modified budget to actual in all expense categories, most notably Salaries and Benefits. The original and modified budget is presented on a cash basis while the actual expenses are on an accrual basis and NYS Retirement where the amount paid is based on the actual invoice in the year it is paid and reflected in the budget, as opposed to the accrued amount.

Subsequent Events that Could Affect G/FLRPC

Subsequent events that could affect revenue include programs and projects performed and federal, state and local contracting, payments, and budget allocations. Subsequent events that could affect expenses include office space and increasing energy costs, professional services, equipment, and salary and benefit costs. The coronavirus outbreak (see Note 7) could have an impact, especially with regard to project and program funding.

Contacting the Agency's Financial Management

This financial report is designed to provide our customers, clients and creditors with a general overview of the G/FLRPC's finances and to demonstrate the G/FLRPC's accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact G/FLRPC, 50 West Main Street, Suite 8107, Rochester, NY 14614.

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**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,184,989
Cash and cash equivalents - restricted	311,810
Certificate of deposit	20,086
Accounts receivable	138,708
Prepaid items	494
Capital assets, net of accumulated depreciation	1,721
Total assets	<u>1,657,808</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension outflows	72,507
Deferred OPEB outflows	97,135
Total deferred outflows of resources	<u>169,642</u>
LIABILITIES	
Accounts payable	7,510
Accrued liabilities	27,150
Due to retirement system	29,259
Unearned revenue	311,605
Noncurrent liabilities:	
Due and payable after one year	558,391
Total liabilities	<u>933,915</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension inflows	59,752
Deferred OPEB inflows	78,225
Total deferred inflows of resources	<u>137,977</u>
NET POSITION	
Net investment in capital assets	1,721
Restricted	1,055,390
Unrestricted (deficit)	<u>(301,553)</u>
Total net position	<u>\$ 755,558</u>

See accompanying notes to basic financial statements.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Contributions</u>	
Governmental activities:				
General activities	\$ <u>494,456</u>	\$ <u>496,064</u>	\$ <u>96,457</u>	\$ 98,065
	General revenues:			
	Interest income			878
	Loan interest income			-
	Miscellaneous			569
	Total general revenues			<u>1,447</u>
	Change in net position			99,512
	Net position - beginning			<u>656,046</u>
	Net position - ending			\$ <u><u>755,558</u></u>

See accompanying notes to basic financial statements.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	<u>General</u>	<u>Revolving Loan</u>	<u>GAIN</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 129,599	\$ 1,055,390	\$ -	\$ 1,184,989
Cash and cash equivalents - restricted	-	-	311,810	311,810
Certificate of deposit	20,086	-	-	20,086
Accounts receivable	138,708	-	-	138,708
Due from other funds	205	-	-	205
Prepaid items	494	-	-	494
	<u>289,092</u>	<u>1,055,390</u>	<u>311,810</u>	<u>1,656,292</u>
Total assets	\$ <u>289,092</u>	\$ <u>1,055,390</u>	\$ <u>311,810</u>	\$ <u>1,656,292</u>
LIABILITIES				
Accounts payable	\$ 7,510	\$ -	\$ -	\$ 7,510
Accrued liabilities	27,150	-	-	27,150
Due to retirement system	29,259	-	-	29,259
Due to other funds	-	-	205	205
Unearned revenue	-	-	311,605	311,605
Total liabilities	<u>63,919</u>	<u>-</u>	<u>311,810</u>	<u>375,729</u>
FUND BALANCES				
Nonspendable	494	-	-	494
Restricted	-	1,055,390	-	1,055,390
Assigned	20,086	-	-	20,086
Unassigned	204,593	-	-	204,593
Total fund balances	<u>225,173</u>	<u>1,055,390</u>	<u>-</u>	<u>1,280,563</u>
Total liabilities and fund balances	\$ <u>289,092</u>	\$ <u>1,055,390</u>	\$ <u>311,810</u>	

Amounts reported for governmental activities in the Statement of Net Position (page 6) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	1,721
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Other postemployment benefits	(463,404)
Net pension liability	(94,987)
Deferred outflows and inflows are not assets or liabilities of the current period and therefore are not reported in the funds:	
Deferred outflows related to pension	72,507
Deferred inflows related to pension	(59,752)
Deferred outflows related to other postemployment benefits	97,135
Deferred inflows related to other postemployment benefits	<u>(78,225)</u>
Net position of governmental activities	\$ <u>755,558</u>

See accompanying notes to basic financial statements.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>General</u>	<u>Revolving Loan</u>	<u>GAIN</u>	<u>Total</u>
REVENUES				
Grant revenues:				
Agricultural development	\$ -	\$ -	\$ 105,319	\$ 105,319
Economic development district program	70,000	-	-	70,000
Clean energy	108,174	-	-	108,174
Department of Transportation	57,567	-	-	57,567
Water quality studies	60,944	-	-	60,944
Water resources	7,772	-	-	7,772
Special projects	44,433	-	-	44,433
Planning/zoning workshops	41,855	-	-	41,855
Member county contributions	96,457	-	-	96,457
Interest income	108	634	136	878
Miscellaneous	-	500	69	569
Total revenues	<u>487,310</u>	<u>1,134</u>	<u>105,524</u>	<u>593,968</u>
EXPENDITURES				
Current:				
Automobile expense	178	-	-	178
Computer software	2,252	-	-	2,252
Copying and printing	329	-	-	329
Council member conferences	1,417	-	-	1,417
Dues and subscriptions	3,082	-	-	3,082
Equipment and maintenance	4,222	-	-	4,222
Insurance	8,357	-	-	8,357
Miscellaneous	677	-	-	677
Office supplies	1,492	-	-	1,492
Parking	5,315	-	-	5,315
Pass through grant expenditure	-	-	105,319	105,319
Postage	488	-	-	488
Professional services	26,652	3,354	-	30,006
Program training	17,797	-	-	17,797
Salaries and benefits	429,119	-	-	429,119
Telephone	8,674	-	-	8,674
Travel and meetings	4,084	-	-	4,084
Total expenditures	<u>514,135</u>	<u>3,354</u>	<u>105,319</u>	<u>622,808</u>
Excess (deficit) of revenues over expenditures	(26,825)	(2,220)	205	(28,840)
OTHER FINANCING SOURCES (USES)				
Interfund transfer in	674	-	-	674
Interfund transfer out	-	(469)	(205)	(674)
Total other financing sources (uses)	<u>674</u>	<u>(469)</u>	<u>(205)</u>	<u>-</u>
Net change in fund balances	(26,151)	(2,689)	-	(28,840)
Fund balances - beginning	<u>251,324</u>	<u>1,058,079</u>	<u>-</u>	<u>1,309,403</u>
Fund balances - ending	<u>\$ 225,173</u>	<u>\$ 1,055,390</u>	<u>\$ -</u>	<u>\$ 1,280,563</u>

See accompanying notes to basic financial statements.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
 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, 2019**

Amounts reported for governmental activities in the Statement of Activities (page 7) are different because:

Net change in fund balances - total governmental funds (page 9)	\$ (28,840)
Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation (\$1,563) in the current period.	(1,563)
Change in the proportionate share of the net pension liability and OPEB reported in the Statement of Net Position does not provide for or require the use of current financial resources and therefore is not reported as revenues or expenditures in the governmental funds.	
Other postemployment benefits	53,258
Net pension liability - proportionate share	(46,438)
Change in the proportionate share of the net pension and OPEB deferred inflows and outflows reported in the Statement of Net Position during the measurement period between the G/FLRPC's contributions and its proportionate share to the total contributions to the pension system and OPEB subsequent to the measurement date do not provide for or require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Change in deferred outflows and inflows - other postemployment benefits	83,299
Change in deferred outflows and inflows - pension - proportionate share	<u>39,796</u>
Change in net position of governmental activities	<u>\$ 99,512</u>

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**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Genesee/Finger Lakes Regional Planning Council (the G/FLRPC) have been prepared in conformity with accounting principles generally accepted in the United States of America (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 G/FLRPC's accounting policies are described below.

A. DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and Statement of Activities present financial information about the G/FLRPC as a whole. They include all funds of the G/FLRPC. *Governmental activities* generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

B. REPORTING ENTITY

The G/FLRPC, comprised of nine member counties, was created in 1967 pursuant to federal and state legislation, specifically Section 204, Title II of Public Law 89-754 and Article 12-B of the New York State Municipal Law, and by concurring resolutions of the member counties. The purpose of the G/FLRPC is to promote effective and economical development planning on a regional scale, while providing a forum for dealing with regional problems and serving the needs of local governments. The G/FLRPC's activities are funded by member contributions and federal, state, and local grants.

The accompanying basic financial statements include only the operations of the G/FLRPC, since management has determined that there are no other organizations that meet the criteria for inclusion in the reporting entity of the G/FLRPC.

C. BASIS OF PRESENTATION

1. GOVERNMENT-WIDE FINANCIAL STATEMENTS

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for the G/FLRPC governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

2. FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the G/FLRPC's funds. The G/FLRPC only has governmental funds. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The G/FLRPC does not have any nonmajor funds.

The G/FLRPC reports the following major governmental funds:

General Fund - the principal operating fund of the G/FLRPC. It is used to account for all financial resources except those required to be accounted for in another fund.

Revolving Loan Fund - used to account for all activity of the federally-sponsored Revolving Loan Fund program.

GAIN Loan Fund - used to account for all activity of the state-sponsored, "Growing the Agriculture Industry Now!" loan program.

The G/FLRPC has no proprietary or fiduciary funds.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
NOTES TO BASIC FINANCIAL STATEMENTS**

During the course of operations the G/FLRPC has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources or economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the G/FLRPC gives or receives value without directly receiving or giving equal value in exchange includes grants. Revenue from grants are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the G/FLRPC considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. General capital asset acquisitions are reported as expenditures in the governmental funds.

Revenues other than those related to grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within sixty days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the G/FLRPC.

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

1. CASH, CASH EQUIVALENTS AND CERTIFICATES OF DEPOSIT

The G/FLRPC's cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Certificates of deposit have an original maturity greater than three months.

2. RESTRICTED ASSETS

Restricted cash and cash equivalents represent amounts restricted by the nature of funding from external sources.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
NOTES TO BASIC FINANCIAL STATEMENTS**

3. RECEIVABLES

Receivables are carried at their net realizable value. Accounts are written-off as uncollectible after the likelihood of payment is considered remote by management. Generally accepted accounting principles require the establishment of an allowance for doubtful accounts. However, no allowance for uncollectible accounts has been provided since management believes that such allowance would not be material.

4. CAPITAL ASSETS

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Automobile	\$ 500	straight-line	5 years
Office furniture and equipment	500	straight-line	3-5 years

5. INSURANCE

The G/FLRPC is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. 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. Settled claims from these risks have not yet exceeded commercial insurance coverage for the past three fiscal years.

6. DEFERRED OUTFLOWS/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(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The G/FLRPC has two items that qualify for reporting in this category. They are related to pensions and other postemployment benefits (OPEB) reported in the government-wide Statement of Net Position. They represent the effect of the net change in the G/FLRPC's proportion of the collective net pension and OPEB liability and the difference during the measurement periods between the G/FLRPC's contributions and its proportional share of total contributions to the pension system and OPEB plan not included in pension and OPEB expense. Also included is the G/FLRPC contributions to the pension system and OPEB plan subsequent to the measurement dates. See details of deferred pension outflows in Note 2.D., and deferred OPEB outflows in Note 2.E.

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. The G/FLRPC has two items that qualify for reporting in this category. They are related to pensions and OPEB reported in the government-wide Statement of Net Position. They represent the effect of the net change in the G/FLRPC's proportion of the collective net pension and OPEB liability and difference during the measurement periods between the G/FLRPC's contributions and its proportional share of total contributions to the pension system and OPEB plan not included in pension and OPEB expense. See details of deferred pension inflows in Note 2.D and deferred OPEB inflows in Note 2.E.

7. DUE TO RETIREMENT SYSTEM

The amount due to the retirement system represents a portion of the annual retirement invoice related to the 2019 fiscal year. As of December 31, 2019, this amounted to \$29,259 and is recorded as a liability in the General Fund.

8. UNEARNED REVENUES

Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the G/FLRPC before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the G/FLRPC has legal claim to resources, the liability for unearned revenues is removed and revenues are recognized. As of December 31, 2019, the G/FLRPC has \$311,605 in unearned revenue related to grant funds not yet disbursed as part of the GAIN Program.

9. COMPENSATED ABSENCES

Vacation

Employees are allowed to carry over unused vacation time based on years of service and are entitled to be paid for that time upon termination. Accrued vacation time for the fiscal year ended December 31, 2019, amounted to \$13,782 and was calculated based on salary rates approved for 2019 and is recorded in accrued liabilities in the General Fund.

Sick Leave

Pursuant to a resolution of the G/FLRPC members, employees are entitled to accrue a maximum of 250 days of sick leave. An individual who retires from the G/FLRPC is entitled to apply 165 days of unused sick leave as service credits for New York State Employees' Retirement System purposes.

10. LONG-TERM LIABILITIES

All long-term liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term liabilities consist of other postemployment benefits and the net pension liability.

Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements.

11. NET POSITION FLOW ASSUMPTION

Sometimes the G/FLRPC will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the G/FLRPC's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied if related to the revolving loan activity.

12. FUND BALANCE FLOW ASSUMPTIONS

Sometimes the G/FLRPC will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

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It is the G/FLRPC's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

13. FUND BALANCE POLICIES

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The G/FLRPC itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the G/FLRPC's highest level of decision-making authority. The G/FLRPC Board is the highest level of decision-making authority for the G/FLRPC that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the G/FLRPC for specific purposes but do not meet the criteria to be classified as committed. The G/FLRPC Board has authority to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. REVENUES AND EXPENDITURES/EXPENSES

1. PROGRAM REVENUES

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All other internally dedicated resources are reported as general revenues rather than as program revenues.

G. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

H. ACCOUNTING PRONOUNCEMENTS

During the fiscal year ended December 31, 2019, the G/FLRPC has evaluated the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations*, Statement No. 84, *Fiduciary Activities*, Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*, and Statement No. 90, *Majority Equity Interests-an Amendment of GASB Statements No. 14 and 61*, which the G/FLRPC elected to adopt for the fiscal year ended December 31, 2019, and determined that they have no significant impact on the G/FLRPC's financial statements.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
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The following are GASB Statements that have been issued recently and are currently being evaluated, by the G/FLRPC, for their potential impact in future years.

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the year ending December 31, 2021.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2022.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2022.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending December 31, 2022.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending December 31, 2023.

On May 8, 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in response to the COVID-19 pandemic. The effective dates of GASB Statements not yet implemented by the G/FLRPC have been updated above to reflect the impact of this Statement.

NOTE 2 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. DEPOSITS AND INVESTMENTS

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

Collateral is required for demand deposits and certificates of 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 G/FLRPC's aggregate bank balances were fully collateralized at December 31, 2019.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$311,810 in the GAIN Fund.

Investment and Deposit Policy

The G/FLRPC follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Executive Director.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The G/FLRPC's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The G/FLRPC's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The G/FLRPC's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and those approved by the Office of the State Comptroller.
- Repurchase Agreements.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
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Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the G/FLRPC's investment and deposit policy, all deposits of the G/FLRPC including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The G/FLRPC restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

B. RECEIVABLES

Significant revenues accrued by the G/FLRPC at December 31, 2019 include the following:

General Fund:

Central NY Regional Planning – Clean Air	\$	34,571
NYS Dept. of Environmental Conservation		40,590
Genesee Transportation Council		9,843
Economic Development Administration		20,309
Stoney Brook University		5,834
NYS DOS – WYO zoning		19,239
Miscellaneous receivables		8,322
Total	\$	<u>138,708</u>

C. CAPITAL ASSETS

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

	<u>Balance 01/01/19</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/19</u>
Governmental Activities:				
Capital assets being depreciated:				
Automobiles	\$ 16,355	\$ -	\$ -	\$ 16,355
Office furniture and equipment	<u>87,630</u>	<u>-</u>	<u>-</u>	<u>87,630</u>
Total capital assets, being depreciated	<u>103,985</u>	<u>-</u>	<u>-</u>	<u>103,985</u>
Less accumulated depreciation:				
Automobile	16,355	-	-	16,355
Office furniture and equipment	<u>84,346</u>	<u>1,563</u>	<u>-</u>	<u>85,909</u>
Total accumulated depreciation	<u>100,701</u>	<u>1,563</u>	<u>-</u>	<u>102,264</u>
Total capital assets being depreciated, net	<u>\$ 3,284</u>	<u>\$ (1,563)</u>	<u>\$ -</u>	<u>\$ 1,721</u>

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
NOTES TO BASIC FINANCIAL STATEMENTS**

D. PENSION OBLIGATIONS

New York State and Local Employees' Retirement System (ERS)

Plan Description

The G/FLRPC participates in the New York State and Local Employees' Retirement System (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. 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 G/FLRPC 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, including information with regard to benefit's provided, 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, NY 12244.

Funding Policy

The System is noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010 (ERS), who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the system's fiscal year ending March 31st.

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

At December 31, 2019, the G/FLRPC reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The G/FLRPC's proportion of the net pension liability was based on a projection of the G/FLRPC's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

	<u>ERS</u>
Measurement date	03/31/19
Net pension liability	\$ 94,987
G/FLRPC's portion of the Plan's total net pension liability	0.0013406 %
Change in proportion since the prior measurement date	(0.0001637)
Pension expense at December 31, 2019	\$ 47,028

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At December 31, 2019, the G/FLRPC's reported deferred outflows of resources and deferred inflows of resources related to pensions arose from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 18,705	\$ 6,376
Change of assumptions	23,876	-
Net difference between projected and actual earnings on pension plan investments	-	24,379
Changes in proportion and differences between the G/FLRPC's contributions and proportionate share of contributions	667	28,997
G/FLRPC's contributions subsequent to the measurement date	<u>29,259</u>	<u>-</u>
Total	<u>\$ 72,507</u>	<u>\$ 59,752</u>

G/FLRPC contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended March 31:

2020	\$ 8,174
2021	(26,928)
2022	(7,166)
2023	9,416
2024	-
Thereafter	-

Actuarial Assumptions

The total pension liability as of the March 31, 2019, was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to March 31, 2019. The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>
Inflation	2.5 %
Salary increases	3.8
Investment rate of return (net of investment expense, including inflation)	7.0
Cost of living adjustments	1.3

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
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Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2014. The actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2019, are summarized below:

Asset Class:	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	36.0 %	4.6 %
International equity	14.0	6.4
Private equity	10.0	7.5
Real estate	10.0	5.6
Absolute return strategies	2.0	3.8
Opportunistic funds/portfolio	3.0	5.7
Real assets	3.0	5.3
Bonds and mortgages	17.0	1.3
Cash	1.0	(0.3)
Inflation-indexed bonds	4.0	1.3
Total	<u><u>100.0 %</u></u>	

Discount Rate

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

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

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

	<u>1% Decrease (6.0%)</u>	<u>Current Assumption (7.0%)</u>	<u>1% Increase (8.0%)</u>
<u>ERS</u> G/FLRPC's proportionate share of the net pension liability/(asset)	\$ <u>415,300</u>	\$ <u>94,987</u>	\$ <u>(174,098)</u>

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
NOTES TO BASIC FINANCIAL STATEMENTS**

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2019, were as follows:

	(Dollars in Thousands)
	<u>ERS</u>
Employer' total pension liability	\$ 189,803,429
Plan net position	182,718,124
Employers' net pension liability	<u>\$ 7,085,305</u>
Ratio of plan net position to the employers' total pension liability	96.3%

Payables to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of December 31, 2019, represent a nine month portion of the projected employer contribution for the Plan year April 1, 2019, through March 31, 2020. Accrued retirement contributions as of December 31, 2019, amounted to \$29,259.

E. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS (OPEB)

G/FLRPC Retiree Medical Plan (the Plan)

Plan Description

The Genesee/Finger Lakes Regional Planning Council (the G/FLRPC), administers the Plan as a single-employer defined benefit OPEB plan. The Plan provides for continuation of medical and dental benefits for certain retirees and their spouses and can be amended by action of the G/FLRPC subject to the Council's administrative guidelines. The Plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy

The obligations of the plan members, employers and other entities are established by action of the G/FLRPC pursuant to applicable administrative guidelines. The required contribution rates of the employer and the members varies depending on the applicable agreement. The employer currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the G/FLRPC.

Employees Covered by Benefit Terms

At December 31, 2019, the following employees were covered by the benefit terms:

Retired and surviving spouses	1
Active employees	<u>4</u>
Total	<u><u>5</u></u>

G/FLRPC's total OPEB liability of \$463,404 was measured as of September 30, 2019 and was determined by an interim actuarial valuation as of December 31, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Long-term bond rate	2.75 %
Single discount rate	2.75 %
Initial healthcare cost trend rate	5.20 %
Ultimate healthcare cost trend rate	4.18 %

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
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The discount rate was based on the Fidelity Municipal General Obligation AA 20-year Bond rate as of the measurement date.

Mortality rates for retirees and surviving spouses were based on the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-weighted, distinct for Teachers, General and Safety, without separate Contingent Survivor mortality, fully generational using scale MP-2019.

Retirement and termination assumptions reflect general published tables based on large-scale retirement plan population data. The plan's estimated termination and retirement experience is then analyzed, and the base table is adjusted accordingly as necessary. No formal experience study is prepared for this plan.

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at January 1, 2019	\$ 516,662
Changes for the year:	
Service cost	14,080
Interest	20,083
Changes of benefit terms	(160,691)
Differences between expected and actual experience	(49,986)
Changes in assumptions or other inputs	129,637
Benefit payments	<u>(6,381)</u>
Net changes	<u>(53,258)</u>
Balance at December 31, 2019	<u>\$ 463,404</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.83 percent at January 1, 2019, to 2.75 percent at December 31, 2019, updated premium information and changes in the mortality tables that were updated to the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-weighted, distinct for Teachers, General and Safety, without separate Contingent Survivor mortality, fully generational using scale MP-2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following present the total OPEB liability of G/FLRPC, as well as what the G/FLRPC's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current discount rate:

	<u>1% Decrease (1.75%)</u>	<u>Discount Rate (2.75%)</u>	<u>1% Increase (3.75%)</u>
Total OPEB liability	\$ <u>543,828</u>	\$ <u>463,404</u>	\$ <u>400,169</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the G/FLRPC, as well as what the G/FLRPC's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (3.18%) or 1 percentage point higher (5.18%) than the current healthcare cost trend rate:

	<u>1% Decrease (4.20% decreasing to 3.18%)</u>	<u>Healthcare Cost Trend Rates (5.20% decreasing to 4.18%)</u>	<u>1% Increase (6.20% decreasing to 5.18%)</u>
Total OPEB liability	\$ <u>391,078</u>	\$ <u>463,404</u>	\$ <u>557,169</u>

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
NOTES TO BASIC FINANCIAL STATEMENTS**

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

For the year ended December 31, 2019, G/FLRPC recognized OPEB expense of \$(128,563). At December 31, 2019, the G/FLRPC reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 66,111
Changes of assumptions or other inputs	95,522	12,114
Contributions subsequent to the measurement date	1,613	-
Total	<u>\$ 97,135</u>	<u>\$ 78,225</u>

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

Year ended December 31:

2020	\$ (2,035)
2021	2,564
2022	16,768
2023	-
2024	-
Thereafter	-

F. FUND BALANCES

In the governmental fund financial statements there are five classifications of fund balance:

Nonspendable – represents net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

- Prepaid items – represents amounts prepaid to the retirement system and other miscellaneous items that are applicable to future accounting periods. This balance is nonspendable as the asset does not represent an available resource.

Restricted – Represents amounts with constraints placed on the use of resources and are either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

- Restricted for revolving loans – represents funds to be used for revolving loans issued by the G/FLRPC.

Committed - represents amounts that are subject to a purpose constraint imposed by a formal action of the District's highest level of decision-making authority. As of December 31, 2019, the G/FLRPC had no committed fund balances.

Assigned – represents amounts that are constrained by the G/FLRPC's intent to be used for the specified purposes noted below, but are neither restricted nor committed.

- Assigned to auto replacements – represents fund balance set aside for future automobile purchases

Unassigned - represents all amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
NOTES TO BASIC FINANCIAL STATEMENTS**

As of December 31, 2019, fund balances were classified as follows:

	<u>General</u>	<u>Revolving Loan</u>	<u>Total</u>
<u>Nonspendable:</u>			
Prepaid items	\$ 494	\$ -	\$ 494
<u>Restricted:</u>			
Revolving loans	-	1,055,390	1,055,390
<u>Assigned:</u>			
Auto replacement	20,086	-	20,086
<u>Unassigned:</u>			
General Fund	<u>204,593</u>	<u>-</u>	<u>204,593</u>
 Total	 <u>\$ 225,173</u>	 <u>\$ 1,055,390</u>	 <u>\$ 1,280,563</u>

G. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of December 31, 2019, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	GAIN	<u>\$ 205</u>

The outstanding interfund balance represents the payment of administrative costs owed to the General Fund.

H. INTERFUND TRANSFERS

The composition of interfund transfers as of December 31, 2019, is as follows:

	<u>Transfer in: General</u>
<u>Transfer out:</u>	
Revolving Loan	\$ 469
GAIN	205
Total	<u>\$ 674</u>

These transfers represent the reimbursement of administrative costs.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 3 - MEMBER COUNTY CONTRIBUTIONS

During the year ended December 31, 2019, G/FLRPC received the following contributions from its member counties:

<u>County</u>	<u>Number of Representatives</u>	<u>Proportion of Representatives</u>	<u>2019 Contributions</u>
Genesee	3	10.3%	\$ 9,970
Livingston	3	10.3%	9,970
Monroe	9	31.2%	29,989
Ontario	3	10.3%	9,970
Orleans	2	6.9%	6,647
Seneca	2	6.9%	6,647
Wayne	3	10.3%	9,970
Wyoming	2	6.9%	6,647
Yates	2	6.9%	6,647
Totals	<u>29</u>	<u>100.0%</u>	<u>\$ 96,457</u>

NOTE 4 - REVOLVING LOAN FUND

In 1986, the G/FLRPC received a \$500,000 grant from the Economic Development Administration (“EDA”) to establish a Revolving Loan Fund Program. A local match of \$166,666 was required from member counties electing to participate in the program, which was completed in 1988.

In 1988, the G/FLRPC was awarded another \$300,000 loan fund grant from the EDA requiring a local match of \$200,000. Through April 1992, \$208,800 had been loaned with a required local match of \$167,950 and, by mutual agreement with EDA, the G/FLRPC relinquished the undisbursed grant funds of \$91,200. Consequently, total grant funds available for loans are \$1,043,416.

In the current year, G/FLRPC approved the write off of the loan receivable and related interest accrued in the Revolving Loan Fund in the amount of \$50,217, which was previously included in an allowance, as it was deemed to be uncollectible. The loan portfolio was comprised of high-risk loans because the G/FLRPC frequently lends to businesses unable to obtain conventional financing. G/FLRPC is actively seeking new businesses to lend to.

NOTE 5 - LEASE AGREEMENT

The G/FLRPC rents offices for one dollar annually from the County of Monroe at 50 West Main Street, Rochester, New York under a five-year agreement, which expired October 1, 2015. The lease agreement will be evaluated in the future for potential changes by Monroe County, and will continue on a month to month basis until that time.

NOTE 6 – GROWING THE AGRICULTURE INDUSTRY NOW (GAIN) FUND

The GAIN fund is a revolving loan fund program used to provide loans to agriculture related enterprises to promote growth of the agriculture industry. The G/FLRPC disburses funds from this program as grants, upon NYS Empire State Development approval, to the member Counties of the G/FLRPC. The Counties will ultimately be providing loans within the respective member Counties.

The G/FLRPC was awarded and has received \$3,000,000 from 2016 through 2018. Of this amount, \$105,319 has been disbursed during the current year, and \$2,688,395 has been disbursed to date as of December 31, 2019. The balance of GAIN funds received, but not yet expended totals \$311,605 and is held as unearned revenue until the time at which it is disbursed to the member Counties.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 7 - SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The G/FLRPC management has assessed these events and the impact of these restrictions and closures related to the G/FLRPC’s operations. As of the date of these financial statements and as these events continue to unfold, management believes there may be an impact related to the funding of projects and programs. Management has assessed the financial condition of the G/FLRPC and this potential impact on the funding of projects and programs and has determined that the G/FLRPC has assets and fund balances to absorb this potential impact for 2020.

Management has evaluated subsequent events through May 12, 2020, which is the date the financial statements are available for issuance and has determined, with the exception of the items noted above, there are no additional subsequent events that require disclosure under generally accepted accounting principles.

REQUIRED SUPPLEMENTARY INFORMATION

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**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
SCHEDULE OF THE G/FLRPC'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS***

	Year Ended December 31,					
	2014	2015	2016	2017	2018	2019
<u>Employees' Retirement System (ERS)</u>						
Measurement date	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
G/FLRPC's proportion of the net pension liability	0.0017737%	0.0017737%	0.0015899%	0.0014840%	0.0015043%	0.0013406%
G/FLRPC's proportionate share of the net pension liability	\$ <u>80,152</u>	\$ <u>59,920</u>	\$ <u>255,183</u>	\$ <u>139,444</u>	\$ <u>48,549</u>	\$ <u>94,987</u>
G/FLRPC's covered payroll	\$ 320,072	\$ 322,854	\$ 306,151	\$ 305,181	\$ 296,092	\$ 282,117
G/FLRPC's proportionate share of the net pension liability as a percentage of its covered payroll	25.0%	18.6%	83.4%	45.7%	16.4%	33.7%
Plan fiduciary net position as a percentage of the total pension liability	97.2%	97.9%	90.7%	94.7%	98.2%	96.3%

* This Schedule is intended to show information for ten years. Additional years will be included as they become available.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
SCHEDULE OF THE G/FLRPC'S PENSION CONTRIBUTIONS - EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	Year Ended December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Employees' Retirement System (ERS)										
Contractually required contribution	\$ 43,762	\$ 63,800	\$ 72,270	\$ 43,123	\$ 63,897	\$ 57,529	\$ 48,682	\$ 48,185	\$ 44,504	\$ 40,385
Contributions in relation to the contractually required contribution	<u>43,762</u>	<u>63,800</u>	<u>72,270</u>	<u>43,123</u>	<u>63,897</u>	<u>57,529</u>	<u>48,682</u>	<u>48,185</u>	<u>44,504</u>	<u>40,385</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
G/FLRPC's covered payroll	\$ 393,767	\$ 380,817	\$ 300,147	\$ 312,980	\$ 320,072	\$ 322,854	\$ 284,842	\$ 294,392	\$ 287,831	\$ 303,218
Contributions as a percentage of covered payroll	11.1%	16.8%	24.1%	13.8%	20.0%	17.8%	17.1%	16.4%	15.5%	13.3%

The notes to the required supplementary information are an integral part of this schedule.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
SCHEDULE OF CHANGES IN THE G/FLRPC'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS ***

	<u>Year Ended December 31,</u>	
	<u>2018</u>	<u>2019</u>
<u>Total OPEB Liability</u>		
Service cost	\$ 16,825	\$ 14,080
Interest	20,427	20,083
Changes of benefit terms	-	(160,691)
Differences between expected and actual experience	(61,811)	(49,986)
Changes of assumptions or other inputs	(25,574)	129,637
Benefit payments	<u>(5,362)</u>	<u>(6,381)</u>
Net change in total OPEB liability	(55,495)	(53,258)
Total OPEB liability - beginning	<u>572,157</u>	<u>516,662</u>
Total OPEB liability - ending	<u>\$ 516,662</u>	<u>\$ 463,404</u>
Covered-employee payroll	\$ 278,698	\$ 278,698
Total OPEB liability as a percentage of covered-employee payroll	185.38%	166.27%

* This Schedule is intended to show information for ten years. Additional years will be included as they become available.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
 BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grant revenues:				
Economic development district program	\$ 70,000	\$ 70,000	\$ 70,000	\$ -
Clean energy	125,000	115,000	108,174	(6,826)
Department of Transportation	100,000	75,000	57,567	(17,433)
Water quality studies	75,000	65,000	60,944	(4,056)
Water resources	30,000	25,000	7,772	(17,228)
Special projects	75,000	45,000	44,433	(567)
Planning/zoning workshops	40,000	42,000	41,855	(145)
Member county contributions	96,457	96,457	96,457	-
Interest income	100	100	108	8
Miscellaneous income	1,000	-	-	-
Total revenues	<u>612,557</u>	<u>533,557</u>	<u>487,310</u>	<u>(46,247)</u>
EXPENDITURES				
Current:				
Automobile expense	3,000	500	178	322
Automobile reserve	2,500	-	-	-
Computer software	4,000	3,000	2,252	748
Contingency	4,460	-	-	-
Copying and printing	3,000	2,000	329	1,671
Council member conferences	2,000	1,500	1,417	83
Dues and subscriptions	3,000	3,500	3,082	418
Equipment and maintenance	16,000	6,000	4,222	1,778
Insurance	8,500	8,500	8,357	143
Miscellaneous	2,000	1,500	677	823
Office supplies	3,000	2,000	1,492	508
Parking	7,000	5,500	5,315	185
Postage	1,000	750	488	262
Professional services	20,000	30,000	26,652	3,348
Program training	17,000	19,000	17,797	1,203
Salaries and benefits	494,597	442,719	429,119	13,600
Telephone	8,000	10,000	8,674	1,326
Travel and meetings	15,000	6,000	4,084	1,916
Total expenditures	<u>614,057</u>	<u>542,469</u>	<u>514,135</u>	<u>28,334</u>
Deficit of revenues over expenditures	(1,500)	(8,912)	(26,825)	(17,913)
OTHER FINANCING SOURCES				
Interfund transfer in	1,500	1,000	674	(326)
Total other financing sources	<u>1,500</u>	<u>1,000</u>	<u>674</u>	<u>(326)</u>
Net change in fund balance	-	(7,912)	(26,151)	(18,239)
Fund balance - beginning	<u>251,324</u>	<u>251,324</u>	<u>251,324</u>	<u>-</u>
Fund balance - ending	<u>\$ 251,324</u>	<u>\$ 243,412</u>	<u>\$ 225,173</u>	<u>\$ (18,239)</u>

The notes to the required supplementary information are an integral part of this schedule.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - BUDGETARY BASIS OF ACCOUNTING

The G/FLRPC appropriates a total expenditure budget for the general fund based on projected revenues. The G/FLRPC approves a proposed operating budget for the year commencing the following January 1, which includes proposed expenditures and the means of financing them. Budget modifications are approved throughout the year by the G/FLRPC members.

NOTE 2 - FACTORS AFFECTING TRENDS IN PENSION (ERS)

The G/FLRPC's proportionate share of the net pension liability of the pension systems is significantly dependent on the performance of the stock market and the funds that the retirement system invests in. In addition to this factor the discount factor has varied from 7.5% to 7.0% over the past four years.

NOTE 3 - FACTORS AFFECTING TRENDS IN RETIREE HEALTH PLAN (OPEB)

The G/FLRPC's retiree health plans most significant factor affecting the Actuarial Accrued Liability (AAL) is that the single discount rate has changed from a rate of 3.83% to 2.75% as of the most recent actuarial valuation.

<u>Year Ended December 31:</u>	<u>Long-Term Bond Rate</u>	<u>Salary Scale</u>	<u>Single Discount Rate</u>	<u>Ultimate Healthcare Cost Trend Rate</u>
2019	2.75%	3.22%	2.75%	4.18%
2018	3.83%	3.36%	3.83%	4.32%

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SUPPLEMENTARY INFORMATION

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**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Commerce</u>				
<i>Direct Programs:</i>				
Economic Development Support for Planning Organizations	11.302	N/A	\$ -	\$ 70,000
Economic Adjustment Assistance	11.307	N/A	-	717,253
<i>Passed through Syracuse University:</i>				
Climate and Atmospheric Research	11.431	SP30762-1-05457-S02	-	140
Total U.S. Department of Commerce			<u>-</u>	<u>787,393</u>
<u>U.S. Environmental Protection Agency</u>				
<i>Passed through New York State Department of Environmental Conservation:</i>				
Water Quality Management Planning	66.454	DEC01-C00009GG- 3350000	-	20,354
Water Quality Management Planning	66.454	DEC01-C00923GG- 3350000	-	40,590
Total U.S. Environmental Protection Agency			<u>-</u>	<u>60,944</u>
<u>U.S. Department of Labor</u>				
<i>Workforce Innovation and Opportunity Act Cluster</i>				
<i>Passed through Genesee, Livingston, Orleans, Wyoming Workforce Development Board:</i>				
WIA/WIOA Adult Program	17.258	PY2018-5/PY2019-5	-	2,662
WIA/WIOA Youth Activities	17.259	PY2018-5/PY2019-5	-	1,593
WIA/WIOA Dislocated Worker Formula Grants	17.278	PY2018-5/PY2019-5	-	1,919
<i>Passed through Rochester Works:</i>				
WIA/WIOA Adult Program	17.258	16-507	-	2,083
WIA/WIOA Youth Activities	17.259	16-507	-	368
WIA/WIOA Dislocated Worker Formula Grants	17.278	16-507	-	3,785
<i>Passed through Finger Lakes Workforce:</i>				
WIA/WIOA Youth Activities	17.258	PY19 - 7/1/19-6/30/2020	-	2,431
WIA/WIOA Dislocated Worker Formula Grants	17.278	PY19 - 7/1/19-6/30/2020	-	2,388
Total Workforce Innovation and Opportunity Act Cluster			<u>-</u>	<u>17,229</u>
Total U.S. Department of Labor			<u>-</u>	<u>17,229</u>
Total Expenditures of Federal Awards			\$ <u>-</u>	\$ <u>865,566</u>

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of the federal financial assistance programs administered by the Genesee/Finger Lakes Regional Planning Council (the G/FLRPC), an entity as defined in Note 1 to the G/FLRPC's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included in the Schedule. Because the Schedule presents only a selected portion of the operations of the G/FLRPC, it is not intended and does not present the financial position, changes in net position, or cash flows of the G/FLRPC.

NOTE 2 - BASIS OF ACCOUNTING

The Schedule is presented using the modified accrual basis of accounting. The amounts reported as federal expenditures were obtained from the G/FLRPC's financial reporting system, which is the source of the G/FLRPC's basic financial statements.

NOTE 3 – INDIRECT COST RATE

The G/FLRPC has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

INTERNAL CONTROL AND COMPLIANCE

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**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 AUDITOR'S REPORT

To the Members of the
Genesee/Finger Lakes Regional Planning Council

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 and each major fund of Genesee/Finger Lakes Regional Planning Council (the G/FLRPC), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the G/FLRPC's basic financial statements, and have issued our report thereon dated May 12, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the G/FLRPC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the G/FLRPC's internal control. Accordingly, we do not express an opinion of the effectiveness of the G/FLRPC'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the G/FLRPC's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 the 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 G/FLRPC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the G/FLRPC'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 G/FLRPC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Freed Maxick CPAs, P.C.

Rochester, New York
May 12, 2020



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

To the Members of the
Genesee/Finger Lakes Regional Planning Council

Report on Compliance for Each Major Federal Program

We have audited the Genesee/Finger Lakes Regional Planning Council's (the G/FLRPC) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the G/FLRPC's major federal programs for the year ended December 31, 2019. The G/FLRPC's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the G/FLRPC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Freed Maxick CPAs, P.C.
Rochester, New York
May 12, 2020

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2019**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes no

Identification of major federal programs:

CFDA Number(s)

Name of Federal Program or Cluster

11.307

Economic Adjustment Assistance

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 750,000

Auditee qualified as low-risk auditee?

yes no

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings noted for the fiscal year ended December 31, 2019.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs noted for the fiscal year ended December 31, 2019.

**GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

I. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings noted for the fiscal year ended December 31, 2018.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs noted for the fiscal year ended December 31, 2018.

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