

REPORT TO THE MEMBERS OF THE COUNCIL

GENESEE/FINGER LAKES REGIONAL PLANNING COUNCIL

DECEMBER 31, 2019

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May 12, 2020

To the Members of
Genesee/Finger Lakes Regional Planning Council
50 West Main Street, Suite 8107
Rochester, New York 14614-1816

Members of the Council:

We are pleased to present this report related to our audit of the financial statements of the Genesee/Finger Lakes Regional Planning Council (the G/FLRPC) as of and for the year ended December 31, 2019. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the G/FLRPC's financial reporting process.

This report is intended solely for the information and use of the Council Members and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to Genesee/Finger Lakes Regional Planning Council.

Very truly yours,

Freed Maxick CPAs, P.C.

Freed Maxick CPAs, P.C.

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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditors Communications with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with Regards to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States have been described to you in our arrangement letter dated February 13, 2020. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	Preferability of Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice. Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the G/FLRPC. The G/FLRPC did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.
	Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
	Management’s Judgments and Accounting Estimates Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached “Summary of Significant Accounting Estimates.”

Required Communications (Continued)

Area	Comments
Basis of Accounting	The basic financial statements were prepared on assumption that the entity will continue as a going concern.
Audit Adjustments	Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by the G/FLRPC are shown on the attached "Summary of Recorded Audit Adjustments."
Uncorrected Misstatements	We are not aware of any uncorrected misstatements, other than misstatements that are clearly trivial.
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed or were the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Letter Communicating an Other Matter	We have separately communicated an other matter identified during our audit of the financial statements. This communication is attached as Exhibit A.
Significant Written Communication Between Management and Our Firm	A copy of the representation letter provided to us, by management, is attached as Exhibit B.

**Genesee/Finger Lakes Regional Planning Council
 Summary of Significant Accounting Estimates
 Year Ended December 31, 2019**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the G/FLRPC's December 31, 2019 financial statements:

Estimate	Accounting Policy	Management's Estimation Process	Basis of Our Conclusions on Reasonableness of Estimate
Depreciation of Property, Plant & Equipment	Management depreciates property, plant and equipment over the estimated lives of the assets.	Useful lives were assigned based on the G/FLRPC's useful life policy. Management was consistent in calculating depreciation based on the useful lives assigned to each asset.	The methods and lives used to estimate depreciation expense appears reasonable.
Postemployment Benefit Liability, Deferred Outflows and Deferred Inflows of Resources	Management estimates the long-term postemployment benefit liability, deferred outflows and deferred inflows of resources based on information obtained from an interim actuarial valuation of G/FLRPC.	Management receives a full actuarial valuation every two years. Interim actuarial valuations are performed in alternate years. Management's most recent full valuation was completed as of December 31, 2018. Estimates for the postemployment benefits liability, deferred outflows and deferred inflows of resources are based on the actuarial report.	Management's process to estimate the postemployment benefit liability, deferred outflows and deferred inflows of resources appears reasonable.
Retirement System Liabilities, Deferred Outflows and Deferred Inflows of Resources, and Due to Retirement System	Management estimates the long-term retirement system liability, and deferred outflows and deferred inflows of resources based on information provided by the New York State Employees' Retirement System (ERS). Management estimates deferred outflows of resources, contributions subsequent to the measurement date and the accrual for the amount due to the retirement system based on 75% of the 2020 annual ERS invoice.	Estimates are based upon the annual invoice provided by ERS and additional information provided by the ERS.	Management's process to estimate retirement system liabilities, deferred outflows and deferred inflows of resources and amounts due to the retirement system appears reasonable.

**Genesee/Finger Lakes Regional Planning Council
 Summary of Recorded Audit Adjustments
 Year Ended December 31, 2019**

Account No	Name	Debit	Credit
300	Retained Earnings	216	
304	Restricted FB	25	
407	Interest Income		25
509	FICA/Medicare-Employer/GFL		184
523	State Retirement - Annual		32

To correct beginning equity in the GAIN fund for a prior year audit adjustment that had not been recorded as of 12/31/2019. To correct beginning equity in the general fund for an entry recorded after the trial balances were provided for the audit.

113	Due from Other Funds	205	
205	Unearned Revenue		257
213	Due to other funds		205
407	Interest Income	257	
533	Interfund transfer out	205	
534	Transfer in - GAIN Admin		205

To adjust GAIN fund activity to reflect current year activity related to interest income and administration fees, to balance the fund to zero income.

520	Professional Services	3,745	
520	Professional Services	833	
200	Accounts Payable		3,745
200	Accounts Payable		833

To adjust for items improperly excluded from accounts payable at 12/31/2019.

205	Unearned Revenue	105,319	
401	ESD Grant - Agriculture Development Grant		105,319

To recognize revenue earned upon issuance of the new GAIN loan.

Recently Issued Accounting Standards

The GASB has issued several statements not yet implemented by the G/FLRPC. The G/FLRPC's management has not yet determined the effect these Statements will have on the G/FLRPC's financial statements. However, the G/FLRPC plans to implement all standards by the required dates. The Statements which might impact the G/FLRPC are as follows:

Summary of GASB Statement No. 87, *Leases*

This Statement issued in June 2017 will be effective for the G/FLRPC with its fiscal year ending December 31, 2022. This Statement better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

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EXHIBIT A – LETTER COMMUNICATING AN OTHER MATTER

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Letter Communicating an Other Matter

To the Members of
Genesee/Finger Lakes Regional Planning Council
Rochester, New York 14614-1816

This letter includes comments and suggestions with respect to a matter that came to our attention in connection with our audit of the financial statements of Genesee/Finger Lakes Regional Planning Council (the G/FLRPC) as of and for the year ended December 31, 2019. This item is offered as a constructive suggestion to be considered part of the ongoing process of modifying and improving the G/FLRPC's practices and procedures.

Quickbooks Backup and Digital Documentation

Observation

During the audit, it was noted that the G/FLRPC did not have access to a backup of the QuickBooks file outside the office. While we note that the G/FLRPC may not typically need access to the QuickBooks file outside of the office, having a backup file maintained on a consistent basis could provide ease of access to information and would also provide an additional level of security to have a backup offsite.

In addition, we noted that with the upgraded version of the QuickBooks software, the G/FLRPC would have the capability to scan and upload supporting documentation related to individual transactions. For example, voucher or invoice support could be uploaded and attached to disbursement activity allowing viewing access of the documentation for oversight purposes and historical data.

Recommendation

We recommend that the G/FLRPC maintain a backup QuickBooks file offsite on a routine basis and evaluate the additional capabilities of the accounting software related to digital documentation.

This communication is intended solely for the information and use of management, members of the Council, and others within the G/FLRPC, and is not intended to be, and should not be, used by anyone other than these specified parties.

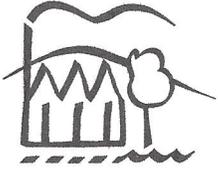
Freed Maxick CPAs, P.C.

Rochester, New York
May 12, 2020

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**EXHIBIT B – SIGNIFICANT WRITTEN COMMUNICATION BETWEEN
MANAGEMENT AND OUR FIRM**

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Genesee/Finger Lakes Regional Planning Council

Dr. TIMOTHY CUTLER, Acting Chair • TRACY DiFLORIO, Treasurer • DAVID S. ZORN, Executive Director

May 12, 2020

Freed Maxick CPAs, P.C.
100 Meridian Centre, Suite 310
Rochester, New York 14618

This representation letter is provided in connection with your audit of the basic financial statements of the Genesee/Finger Lakes Regional Planning Council (the G/FLRPC) as of and for the year ended December 31, 2019, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief that as of the date of the auditor's report:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated February 13, 2020, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions, including those with other organizations for which the nature and significance of their relationship with the G/FLRPC are such that exclusion would cause the reporting of the G/FLRPC's financial statements to be misleading or incomplete, including interfund transactions, interfund accounts and advances receivable and payable, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of the U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

8. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Net position and fund balance classifications.
 - b. Interfund transactions.
 - c. All significant estimates known to management that are required to be disclosed.
 - d. Deposits and investment securities category of custodial credit risk.
 - e. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
 - f. The effect on the financial statements of GASB pronouncements, which have been issued, but which we have not yet adopted.
9. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private that is not disclosed in the financial statement.
10. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are subject to the requirements of the Single Audit Act, because we have received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
11. We agree with the findings of specialists in evaluating the liability for postemployment benefits and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
12. We have no knowledge of any uncorrected misstatements in the financial statements.
13. We have adequately considered the qualifications of other auditors in determining the disclosures included in the financial statements with respect to certain pension information provided for the New York State and Local Employees' Retirement System.

Information Provided

14. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the G/FLRPC from whom you determined it necessary to obtain audit evidence; and
 - d. Minutes of the meetings of the governing board and committees of board members, or summaries of actions of recent meetings for which minutes have not yet been prepared.
15. All transactions have been recorded in the accounting records and are reflected in the financial statements.
16. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
17. We have no knowledge of allegations of fraud or suspected fraud, affecting the G/FLRPC's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.

18. We have no knowledge of any allegations of fraud or suspected fraud affecting the G/FLRPC's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
19. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.
20. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
21. We have disclosed to you the identity of the G/FLRPC's related parties and all the related-party relationships and transactions of which we are aware.
22. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the G/FLRPC's ability to record, process, summarize, and report financial data.
23. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
24. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

25. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information.
 - e. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
26. With respect to the management's discussion and analysis, the schedule of the proportionate share of the net pension liability, the schedule of pension contributions, the schedule of changes in the total OPEB liability and related ratios and the budgetary comparison schedule, presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. Underlying significant assumptions or interpretations regarding the measurement or presentation of such information is adequately disclosed in the financial statements for pensions and other postemployment benefits.

Compliance Considerations

In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm that management:

1. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
2. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
3. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
4. Has identified and disclosed to the auditor there have been no instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
5. Has identified and disclosed to the auditor have been no instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
6. Is responsible 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.
7. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
8. Has a process to track the status of audit findings and recommendations, if applicable.
9. Has identified for the auditor there have been no previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
10. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, if applicable.
11. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including all management responsibilities; that we have overseen the services by designating Dave Zorn, Executive Director, who possesses suitable skill, knowledge, or experience; to evaluate the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we confirm:

1. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance.
2. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs.
3. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the G/FLRPC is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on our federal programs.
4. Management assumes responsibility for the Schedule of Expenditures of Federal Awards prepared by the auditor as a non-audit service in accordance with Uniform Guidance and ensures it includes all expenditures made during the period being audited for all awards provided by federal agencies in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance.

5. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance compliance audit.
6. Management has identified and disclosed to the auditor the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
7. Management has made available all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
8. Management has identified and disclosed to the auditor all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards or stated that there was no such noncompliance.
9. Management believes that the G/FLRPC has complied with the direct and material compliance requirements.
10. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
11. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.
12. Management has disclosed to the auditor any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of your report, if applicable.
13. Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
14. Management has provided the auditor with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions, if applicable.
15. Management has disclosed the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period,.
16. Management has disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report or stated that there were no such known instances.
17. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
18. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
19. The copies of federal program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.
20. If applicable, management has monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
21. If applicable, management has issued management decisions for audit findings that relate to federal awards it makes to subrecipients and that such management decisions are issued within six months of acceptance of the audit report by the FAC. Additionally, management has followed up to ensure that the subrecipient takes timely and appropriate action on all deficiencies detected through audits,

on-site reviews and other means that pertain to the federal award provided to the subrecipient from the pass-through entity.

22. If applicable, management has considered the results of subrecipient monitoring and audits, and has made any necessary adjustments to the auditee's own books and records.
23. Management has charged costs to federal awards in accordance with applicable cost principles.
24. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by Uniform Guidance.
25. The reporting package does not contain protected personally identifiable information.
26. Management will accurately complete the appropriate sections of the data collection form.
27. If applicable, management has disclosed all contracts or other agreements with service organizations.
28. If applicable, management has disclosed to the auditor all communications from service organizations relating to noncompliance at those organizations.



David Zorn
Executive Director

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