

GREENE COUNTY, NEW YORK

**Financial Statements and Required Reports
Under the Uniform Guidance as of
December 31, 2018
with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

September 25, 2019

To the County Legislature of
Greene County, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and budgetary comparison for the general fund of Greene County, New York (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of Greene County Soil and Water Conservation District, Greene County Industrial Development Agency, or Greene Tobacco Asset Securitization Corporation, which represent 100 percent of the respective assets, net position, and revenues of the aggregate discretely presented component units.

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 did not audit the financial statements of Greene County Soil and Water Conservation District, Greene County Industrial Development Agency, or Greene Tobacco Asset Securitization Corporation, which represent 100 percent, of the respective assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Greene County Soil and Water Conservation District, Greene Industrial Development Agency, and Greene Tobacco Asset Securitization Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 entity'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 entity's internal control.

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INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibility (Continued)

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Change in Accounting Principle

As discussed in Note 3 to the financial statements, during 2018 the County adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of net pension liability (asset), and schedule of contributions – pension plans 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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INDEPENDENT AUDITOR'S REPORT (Continued)

Other Information (Continued)

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2019, on our consideration of the Greene County, New York'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 County'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 Greene County, New York's internal control over financial reporting and compliance.

Bonadio & Co., LLP

GREENE COUNTY, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2018

This Management Discussion and Analysis (MD&A) of Greene County, New York (County) provides a financial performance overview of the County's financial activities for the year ended December 31, 2018. This document should be read in conjunction with the County's financial statements.

Following this MD&A are the basic financial statements of the County together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements.

The County has a land area of 653 square miles, a population of approximately 49,000, and is located in eastern New York State. Its northern and southern boundaries are the Counties of Albany and Ulster respectively. Its western and eastern boundaries are the County of Delaware and the Hudson River, respectively. The County includes 14 towns and 5 villages including the Village of Catskill. The County is part of the Albany-Schenectady-Troy Metropolitan Statistical Area and is primarily agricultural and residential with some industrial and commercial properties.

GOVERNMENTAL ORGANIZATION

The County was founded in 1800 and the County seat is located in the Village of Catskill. The legislative body is the County Legislature, which consists of fourteen Legislators. The presiding officer is the Chairman of the Legislature appointed for a one-year term by the County Legislature.

Additional County offices are the County Clerk, District Attorney, Treasurer and Sheriff. The County Legislature appoints the Commissioner of Social Services, Public Works Commissioner, County Attorney, Budget Officer, Compliance Officer and the Clerk of the Board.

FINANCIAL HIGHLIGHTS

- The County's governmental net position increased \$8,533,885 as a result of this year's activity, which is illustrated in the Statement of Activities.
- The County's \$101,760,992 in governmental expenses were partially funded with charges for services of \$16,326,474, operating grants of \$24,779,086, capital grants of \$4,196,053 and general revenues of \$64,993,262, which is illustrated in the Statement of Activities.
- The 2018 final budget planned for a reduction in the General Fund balance of \$3,194,034; however, the County's actual revenues exceeded actual expenditures by \$3,435,816 resulting in not using the appropriated amount, which is illustrated in the Combined Statement of Revenue, Expenditures, Encumbrances, and Changes in Fund Equity - Budget and Actual - General Fund.
- The Net Other Post Employment Benefit Plan (OPEB) obligation for the County as of December 31, 2018 increased \$10,895,170, which is detailed in the notes to the financial statements. In connection with the OPEB obligation, the County implemented GASB 75 resulting in the recognition of a deferred outflow related to the OPEB obligation in the amount of \$10,898,923. The implementation of GASB 75 is detailed in the notes to the financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a set of financial statements and notes. The Statement of Net Position and the Statement of Activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements begin thereafter. For governmental activities, these statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

REPORTING THE COUNTY AS A WHOLE

Our analysis of the County as a whole begins with the Statement of Net Position. One of the most important questions asked about the County's finances is, "Is the County, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a manner that helps answer this question. These statements include all assets and, deferred outflows of resources and deferred inflows of resources, liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and changes in them. You can think of the County's net position – the difference between assets/deferred outflows of resources, and liabilities/deferred inflows of resources – as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

In the Statement of Net Position and the Statement of Activities, we divide the County into two kinds of activities:

- **Governmental activities** – Most of the County's basic services are reported here, including public safety, public works, economic assistance, health, parks, and general support. Property taxes, sales taxes, franchise fees, and state and federal grants finance most of these activities.
- **Component units** – The County includes three separate legal entities in its report – the Greene County Soil and Water Conservation District, the Greene Industrial Development Corporation, and the Greene Tobacco Asset Securitization Corporation. Although legally separate, these "component units" are important because the County is financially accountable for them. Information included in the accompanying financial statements regarding the component units has been derived from separately issued audited financial statements, which can be obtained from the Greene County Treasurer's Office.

REPORTING THE COUNTY'S MOST SIGNIFICANT FUNDS

Our analysis of the County's major funds provides detailed information about the most significant funds – not the County as a whole. Some funds are required to be established by State law or by bond covenants. Additionally, the County Legislature may establish other funds to help it control and manage resources for particular purposes. The County has three types of funds – Governmental, Fiduciary, and Proprietary.

- Governmental funds – Most of the County's basic services are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for expenditure. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash, as well as liabilities that will be paid using these resources. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be expended in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Positions and the Statement of Activities) and governmental funds in reconciliations to the fund financial statements.
- Fiduciary funds - Used to account for assets held by the County as an agent for individuals, private organizations, other governmental units, and/or other funds.
- Proprietary funds – When the County charges customers for the services it provides – whether to outside customers or to other units of the County – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the County's enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

THE COUNTY AS A WHOLE

The County's combined net position increased from \$36,364,180 to \$44,898,065. Net position may serve over time as one useful indicator of a government's financial condition. This reflects an increase over the 2017 net position amount. The County recorded \$149,918,034 in net Other Post Employment Benefit liability at December 31, 2018. A significant portion of the County's net position is capital assets (e.g. land, buildings, infrastructure, machinery, and equipment) less any related outstanding debt used to acquire those assets. The County uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Program expenses in 2018 for the County's Governmental Activities were \$101,760,992.

THE COUNTY AS A WHOLE (Continued)

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the County's governmental and business-type activities.

Table 1 Net Position (In Millions)

	Governmental Activities		
	<u>2018</u>	<u>2017 (Restated)</u>	<u>Percent Change</u>
Current and other assets	\$ 75.1	\$ 63.4	18%
Capital assets	<u>156.0</u>	<u>149.0</u>	5%
Total assets	<u>231.1</u>	<u>212.4</u>	9%
Deferred outflows of resources	<u>21.3</u>	<u>13.5</u>	58%
Other liabilities	20.1	16.6	21%
Long-term debt outstanding	<u>175.1</u>	<u>168.6</u>	4%
Total liabilities	<u>195.2</u>	<u>185.2</u>	5%
Deferred inflows of resources	<u>12.3</u>	<u>4.3</u>	186%
Net position:			
Investment in capital assets	138.3	134.9	3%
Restricted	0.1	0.2	-50%
Unrestricted	<u>(93.5)</u>	<u>(98.7)</u>	5%
Total net position	<u>\$ 44.9</u>	<u>\$ 36.4</u>	23%

THE COUNTY AS A WHOLE (Continued)

Table 2 Changes in Net Position (In Millions)

	Governmental Activities		Percent Change
	<u>2018</u>	<u>2017</u>	
Program revenue:			
Charges for services	\$ 16.3	\$ 15.9	3%
Operating grants	24.8	25.5	-3%
Capital grants	4.2	5.2	-19%
General revenue:			
Property taxes	30.0	28.7	5%
Other taxes	33.4	31.6	6%
Other general revenue	<u>1.6</u>	<u>2.6</u>	-38%
Total revenue	<u>110.3</u>	<u>109.5</u>	1%
Program expenses:			
General governmental support	14.4	11.4	26%
Education	6.8	6.9	-1%
Public safety	12.5	11.2	12%
Health	11.6	9.2	26%
Transportation	13.9	21.9	-37%
Economic Assistance and Opportunity	33.0	29.6	11%
Culture and recreation	0.4	0.5	-20%
Home and community services	8.7	8.0	9%
Debt service	<u>0.5</u>	<u>0.5</u>	0%
Total expenses	<u>101.8</u>	<u>99.2</u>	3%
Change in net position	<u>\$ 8.5</u>	<u>\$ 10.3</u>	-17%

THE COUNTY AS A WHOLE (Continued)

Table 3 presents the cost of each of the County's five largest governmental programs: economic assistance and opportunity, public safety, general support, transportation, and health – as well as each program's net cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

Governmental Activities (In Millions)				
	2018		2017	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Economic Assistance and Opportunity	\$ 33.0	\$ 17.0	\$ 29.6	\$ 13.6
Public safety	12.5	7.0	11.2	5.9
General support	14.4	9.9	11.4	6.7
Transportation	13.9	7.4	21.9	14.4
Home and Community Services	8.7	6.7	8.0	4.5
All others	<u>19.2</u>	<u>8.4</u>	<u>17.1</u>	<u>7.5</u>
Totals	<u>\$ 101.7</u>	<u>\$ 56.5</u>	<u>\$ 99.2</u>	<u>\$ 52.6</u>

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet) reported a combined fund balance of \$48,085,496, which was \$9,633,267 greater than last year's total of \$38,452,229. Included in this year's total change in fund balance are current surpluses of \$3,455,816, \$989,117, \$1,578,868 and \$482,905 in the County's General Fund, County Road Fund, Capital Projects Fund and Community Development Fund, respectively. The County budgeted for a \$3,194,034 deficit in the General Fund for 2018. Fund balance is traditionally used within the budget formula and balance the budget.

THE COUNTY'S FUNDS (Continued)

An overview of the Governmental Funds results for 2018 follows. This includes more detailed information about sources and uses of funds.

	2018		2017	
	Revenue	% of Total	Revenue	% of Total
Real property taxes	\$ 26.98	24.8%	\$ 27.00	24.6%
Real property tax items	3.05	2.8%	3.15	2.9%
Sales and use taxes	33.38	30.7%	31.65	28.8%
Departmental income	14.00	12.9%	13.36	12.2%
Intergovernmental charges	1.21	1.1%	1.34	1.2%
Use of money and property	0.20	0.2%	0.09	0.1%
Licenses and permits	0.05	0.0%	0.07	0.1%
Fines and forfeitures	0.30	0.3%	0.31	0.3%
Sale of property and comp. for loss	0.66	0.6%	0.72	0.7%
Miscellaneous local sources	0.03	0.0%	1.43	1.3%
State aid	17.67	16.2%	18.51	16.9%
Federal aid	11.31	10.4%	12.22	10.9%
Total revenue	<u>\$ 108.84</u>	<u>100.0%</u>	<u>\$ 109.85</u>	<u>100.0%</u>

	2018		2017	
	Expenditures	% of Total	Expenditures	% of Total
General governmental support	\$ 8.00	7.7%	\$ 8.13	7.9%
Education	8.07	7.7%	6.83	6.7%
Public safety	10.55	10.1%	9.51	9.3%
Health	8.73	8.4%	8.28	8.1%
Transportation	14.00	13.4%	16.04	15.6%
Economic Assistance and Opportunity	28.54	27.4%	27.85	27.1%
Culture and recreation	0.35	0.3%	0.45	0.4%
Home and community services	7.30	7.0%	7.36	7.2%
Employee benefits	16.48	15.6%	15.71	15.1%
Debt service - principal	1.68	1.6%	1.86	1.8%
Debt service - interest	0.50	0.5%	0.55	0.5%
Total expenditures	<u>\$ 104.21</u>	<u>100.0%</u>	<u>\$ 102.57</u>	<u>100%</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual charges to appropriations (expenditures) were \$6,419,31 less than the final budget amounts. The most significant favorable variances occurred in general government support (\$1,448,670) and economic assistance and opportunity (\$2,175,434) where their budgets exceeded actual expenditures by the amounts indicated.

Resources available for appropriation were \$3,825,121 greater than the final budgeted amount. The most significant favorable variances occurred in the County's sales and use tax items (\$3,380,488) and departmental income (\$1,406,086) where their revenues exceeded their budgets by the amounts indicated. These favorable variances were offset by an unfavorable variance in state aid of \$1,098,431. The sales tax variance is the result of the county budgeting conservatively for sales tax. Because the County calculated the town and village distribution amounts based upon the conservative County portion, there was a doubling effect on the variance. The departmental income increase was primarily the effect of fees for refuse and garbage in excess of budget by approximately \$1,500,000.

The final 2018 budget planned on a reduction in the General Fund balance of \$3,194,034; however, the actual operating surplus of \$3,455,816, resulted in a budget surplus of \$6,649,850, which is explained in the above analysis.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2018, the County had \$155,984,456 invested in a broad range of capital assets including equipment, buildings, roads, and bridges (see Table 5 below).

	Governmental Activities		Percent
	<u>2018</u>	<u>2017</u>	<u>Change</u>
Land and land improvements	\$ 2.1	\$ 2.1	0%
Buildings and improvements	53.0	53.0	0%
Machinery and equipment	19.6	18.1	8%
Improvements, other than buildings	0.5	0.3	67%
Infrastructure	230.4	222.2	4%
Construction work in progress	12.0	8.5	41%
Accumulated depreciation	<u>(161.6)</u>	<u>(155.2)</u>	4%
Totals	<u>\$ 156.0</u>	<u>\$ 149.0</u>	5%

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Debt

At year-end, the County had \$17,388,776 in bonds outstanding versus \$14,050,764 last year.

The County's other significant long-term liabilities consist of \$3,553,712 compensated absences, which represents vacation and sick pay due to eligible employees upon termination, Net pension liabilities resulting from GASB 68 and 71 of \$3,037,646 and \$149,918,034 of other post-employment benefits which represents the accrual for benefits other than pensions due employees upon termination resulting from the implementation of GASB 75.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County, like many Upstate New York counties, is continually challenged on a fiscal level by having property tax revenues capped by the State-mandated property tax cap while none of its expenditures, outside Medicaid, are capped. Unpredictable events such as weather events, energy cost shocks, and rapidly rising insurance costs require the County to be prepared for emergencies and difficult fiscal situations. The County's recent bond upgrade to Aa2, received in conjunction with the sale of the bonds for the new county jail, shows that Greene County is meeting these challenges in a positive manner. Changes in economic conditions nationally will have an impact on Greene County's finances. The County has been developing a fund to allow it to better absorb revenue losses from economic shocks in the future. Greene County has maintained expense growth below the rate of inflation for most of the last decade, demonstrating its commitment to fiscal responsibility.

In late June of 2011, the New York State Legislature approved to limit the annual growth of local property taxes to 2 percent or the rate of inflation. Several counties will be considering future budgets that call for property-tax increases several times the 2 percent limit due to the cost of providing services mandated by the state, like Medicaid and welfare programs, that are rising faster than the 2 percent cap. The cap also limits municipalities in improving its infrastructure such as roads and bridges, and capital improvements to water, sewer and public safety departments. The State Legislature must pass meaningful mandate relief and redefine the provisions of the tax cap in order to implement actual property tax reductions to our residents.

As in previous years, the County is required to pay the five villages and ten local school districts the unpaid 2017-2018 taxes by April 1, 2019. The amount due to schools, \$9,041,239, could further strain our cash reserves, depending on the status of property tax collection returns from the town tax collectors at that time. In April 2019, the County paid out an additional \$915,331 to villages in the County.

Our overall goal for fiscal year 2019 is to maintain continuous service to the residents of the County and where possible enhance services and keep any cost increase at a minimum. The County remains optimistic to maintain its level of services, minimize property tax increases and prevent reduction in County personnel.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the:

Greene County
County Administrators Office
411 Main Street
Catskill, NY 12414
(518) 719-3270

GREENE COUNTY, NEW YORK

STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Governmental Activities	Component Units
ASSETS:		
CURRENT ASSETS:		
Cash	\$ 42,938,686	\$ 7,046,829
Restricted cash	124,063	-
Investments - Restricted	-	666,658
Inventory	-	4,084
Taxes receivable, net of allowance for doubtful accounts	13,717,749	-
Accounts receivable	4,216,227	200,415
Tobacco settlement receivable	-	562,829
State and federal receivables, net of allowance for uncollectible amounts	11,061,486	-
Due from other governments	222,804	-
Due from fiduciary funds	40,866	-
Prepaid expenses	925,243	2,353
Real property held for resale or development	-	3,909,311
Notes receivable	1,817,200	-
Total current assets	75,064,324	12,392,479
NONCURRENT ASSETS:		
Capital assets, net	155,984,456	238,490
Total noncurrent assets	155,984,456	238,490
Total assets	231,048,780	12,630,969
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows of resources - ERS	10,060,633	383,613
Deferred outflows of resources - OPEB	10,898,923	-
Deferred outflows of resources - bond refunding	377,084	-
Total deferred outflows of resources	21,336,640	383,613
Total assets and deferred outflows of resources	\$ 252,385,420	\$ 13,014,582
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	\$ 5,761,059	\$ 38,272
Accrued expenses	842,677	115,750
Bonds payable, current portion	2,635,000	63,381
Installment purchase agreement, current portion	105,287	-
Due to other governments	9,984,633	4,774
Due to fiduciary funds	750,623	-
Unearned revenue	-	888,615
Total current liabilities	20,079,279	1,108,792
LONG-TERM LIABILITIES:		
Bonds and notes payable	14,753,776	14,340,594
Installment purchase agreement	217,972	-
Compensated absences	3,553,712	-
Judgments and claims	374,983	-
Workers' compensation liability	3,253,212	-
Net pension liability	3,037,646	100,324
Total other post employment benefits	149,918,034	-
Total long-term liabilities	175,109,335	14,440,918
Total liabilities	195,188,614	15,549,710
DEFERRED INFLOWS OF RESOURCES:		
Community development loan repayments	1,817,200	-
Deferred inflows of resources - pensions	10,481,541	365,438
Total deferred inflows of resources	12,298,741	365,438
Total liabilities and deferred inflows or resources	\$ 207,487,355	\$ 15,915,148
NET POSITION:		
Investment in capital assets	\$ 138,272,421	\$ -
Restricted	124,063	-
Unrestricted	(93,498,419)	(2,900,566)
TOTAL NET POSITION	\$ 44,898,065	\$ (2,900,566)

The accompanying notes are an integral part of these statements.

GREENE COUNTY, NEW YORK

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

		Program Revenue			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Component Units
PRIMARY GOVERNMENT:						
GOVERNMENTAL ACTIVITIES						
General governmental support	\$ 14,380,345	\$ 1,897,072	\$ 2,596,523	\$ -	\$ (9,886,750)	
Education	6,793,339	1,565,593	2,142,832	-	(3,084,914)	
Public safety	12,454,552	2,262,147	3,150,093	-	(7,042,312)	
Health	11,638,001	2,068,358	2,830,969	-	(6,738,674)	
Transportation	13,922,134	-	2,279,105	4,196,053	(7,446,976)	
Economic Assistance and Opportunity	33,011,618	6,721,617	9,299,899	-	(16,990,102)	
Culture and recreation	445,287	81,818	111,985	-	(251,484)	
Home and community services	8,658,636	1,729,871	2,367,680	-	(4,561,085)	
Interest	457,080	-	-	-	(457,080)	
TOTAL GOVERNMENTAL ACTIVITIES	\$ 101,760,992	\$ 16,326,476	\$ 24,779,086	\$ 4,196,053	(56,459,377)	
COMPONENT UNITS:						
Soil and Water Conservation District	1,794,784	1,665,582	153,882	-		\$ 24,680
Industrial Development Agency	872,115	507,497	-	-		(364,618)
Tobacco Asset Securitization Corporation	833,108	-	-	-		(833,108)
TOTAL COMPONENT UNITS	\$ 3,500,007	\$ 2,173,079	\$ 153,882	\$ -		(1,173,046)
GENERAL REVENUE:						
Real property taxes					24,703,790	-
Real property tax items					5,265,853	-
Sales and use taxes					33,380,488	-
Tobacco settlement revenue					-	427,870
Sale of property and compensation for loss					659,590	-
Use of money and property					210,860	47,618
Other sources					772,681	80,465
TOTAL GENERAL REVENUE					64,993,262	555,953
CHANGE IN NET POSITION					8,533,885	(617,093)
TOTAL NET POSITION - beginning of year, as previously reported					121,697,547	(2,283,473)
PRIOR PERIOD ADJUSTMENT (Note 2)					(85,333,367)	-
NET POSITION - beginning of year, as restated					36,364,180	(2,283,473)
TOTAL NET POSITION - end of year					\$ 44,898,065	\$ (2,900,566)

The accompanying notes are an integral part of these statements.

GREENE COUNTY, NEW YORK

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	<u>General</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	<u>Total</u>
ASSETS:				
Cash	\$ 31,444,946	\$ 5,155,130	\$ 5,720,499	\$ 42,320,575
Restricted cash	120,987	-	3,076	124,063
Taxes receivable, net of an allowance for uncollectible taxes	13,691,864	-	-	13,691,864
Accounts receivable	4,091,152	-	125,075	4,216,227
Due from other funds	1,367,773	115,634	3,369,088	4,852,495
State and federal receivables	6,510,111	4,199,547	351,828	11,061,486
Due from other governments	222,804	-	-	222,804
Prepaid expenditures	820,285	-	104,958	925,243
Notes receivable	-	-	1,817,200	1,817,200
Total assets	\$ 58,269,922	\$ 9,470,311	\$ 11,491,724	\$ 79,231,957
LIABILITIES:				
Accounts payable	\$ 3,888,638	\$ 1,382,305	\$ 384,787	\$ 5,655,730
Due to other funds	1,857,033	3,227,583	477,636	5,562,252
Due to other governments	9,977,761	5,840	1,032	9,984,633
Accrued liabilities	786,200	-	-	786,200
Total liabilities	16,509,632	4,615,728	863,455	21,988,815
DEFERRED INFLOWS OF RESOURCES:				
Community development loan repayments	-	-	1,817,200	1,817,200
Unearned revenue - PILOT	2,211,451	-	-	2,211,451
Unearned revenue - delinquent property taxes	5,128,995	-	-	5,128,995
Total deferred inflows of resources	7,340,446	-	1,817,200	9,157,646
FUND BALANCE:				
Nonspendable				
Prepaid expenditures	820,285	-	104,958	925,243
Total nonspendable fund balance	820,285	-	104,958	925,243
Restricted				
Restricted for liability	59,109	-	-	59,109
Restricted for repairs	-	-	15	15
Restricted for debt service	61,878	-	3,061	64,939
Total restricted fund balance	120,987	-	3,076	124,063
Assigned				
Appropriated for subsequent years expenditures	3,075,000	-	650,000	3,725,000
Unappropriated	182,434	-	68,500	250,934
Other assigned	12,930,685	4,854,583	7,984,535	25,769,803
Total assigned fund balance	16,188,119	4,854,583	8,703,035	29,745,737
Unassigned	17,290,453	-	-	17,290,453
Total fund balance (deficit)	34,419,844	4,854,583	8,811,069	48,085,496
Total liabilities, deferred inflows of resources, and fund balance	\$ 58,269,922	\$ 9,470,311	\$ 11,491,724	\$ 79,231,957

The accompanying notes are an integral part of these statements.

GREENE COUNTY, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>General</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	<u>Total</u>
REVENUE:				
Real property taxes	\$ 26,982,179	\$ -	\$ -	\$ 26,982,179
Real property tax items	3,054,402	-	-	3,054,402
Sales and use taxes	33,380,488	-	-	33,380,488
Departmental income	13,424,539	-	577,627	14,002,166
Intergovernmental charges	201,111	-	1,006,993	1,208,104
Use of money and property	198,128	-	1,909	200,037
Licenses and permits	47,012	-	-	47,012
Fines and forfeitures	299,726	(50)	-	299,676
Sale of property and compensation for loss	130,349	-	529,241	659,590
Miscellaneous local sources	229,094	(299,855)	101,745	30,984
State aid	13,514,054	1,817,733	2,332,990	17,664,777
Federal aid	<u>8,832,044</u>	<u>2,260,837</u>	<u>217,483</u>	<u>11,310,364</u>
Total revenue	<u>100,293,126</u>	<u>3,778,665</u>	<u>4,767,988</u>	<u>108,839,779</u>
EXPENDITURES:				
General governmental support	8,004,785	-	-	8,004,785
Education	6,606,102	1,465,045	-	8,071,147
Public safety	9,545,252	840,811	165,942	10,552,005
Health	8,727,549	-	-	8,727,549
Transportation	-	4,607,061	9,396,476	14,003,537
Economic Assistance and Opportunity	28,362,226	-	179,952	28,542,178
Culture and recreation	345,237	6,150	-	351,387
Home and community services	7,299,285	-	-	7,299,285
Employee benefits	13,467,414	-	3,010,536	16,477,950
Debt service - principal	1,129,795	-	548,100	1,677,895
Debt service - interest	<u>365,626</u>	<u>-</u>	<u>133,168</u>	<u>498,794</u>
Total expenditures	<u>83,853,271</u>	<u>6,919,067</u>	<u>13,434,174</u>	<u>104,206,512</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>16,439,855</u>	<u>(3,140,402)</u>	<u>(8,666,186)</u>	<u>4,633,267</u>
OTHER SOURCES (USES):				
Proceeds from issuance of debt	-	5,000,000	-	5,000,000
Interfund transfers in	14,770	2,738,985	10,439,457	13,193,212
Interfund transfers (out)	<u>(12,998,809)</u>	<u>-</u>	<u>(194,403)</u>	<u>(13,193,212)</u>
Total other sources (uses)	<u>(12,984,039)</u>	<u>7,738,985</u>	<u>10,245,054</u>	<u>5,000,000</u>
CHANGE IN FUND BALANCE	3,455,816	4,598,583	1,578,868	9,633,267
FUND BALANCE - beginning of year	<u>30,964,028</u>	<u>256,000</u>	<u>7,232,201</u>	<u>38,452,229</u>
FUND BALANCE - (deficit) end of year	<u>\$ 34,419,844</u>	<u>\$ 4,854,583</u>	<u>\$ 8,811,069</u>	<u>\$ 48,085,496</u>

The accompanying notes are an integral part of these statements.

GREENE COUNTY, NEW YORK

COMBINED STATEMENT OF REVENUE, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:				
Real property taxes	\$ 26,628,235	\$ 26,628,235	\$ 26,982,179	\$ 353,944
Real property tax items	3,225,000	3,225,000	3,054,402	(170,598)
Sales and use tax	30,000,000	30,000,000	33,380,488	3,380,488
Departmental income	12,015,953	12,018,453	13,424,539	1,406,086
Intergovernmental charges	178,450	178,450	201,111	22,661
Use of money and property	61,751	61,751	198,128	136,377
Licenses and permits	51,000	51,000	47,012	(3,988)
Fines and forfeitures	314,147	314,147	299,726	(14,421)
Sale of property and compensation for loss	115,000	147,170	130,349	(16,821)
Miscellaneous local sources	180,600	185,600	229,094	43,494
State aid	14,341,400	14,612,485	13,514,054	(1,098,431)
Federal aid	8,789,999	9,045,714	8,832,044	(213,670)
Total revenue	95,901,535	96,468,005	100,293,126	3,825,121
EXPENDITURES:				
General government support	9,189,415	9,453,455	8,004,785	1,448,670
Education	7,422,441	7,422,441	6,606,102	816,339
Public safety	9,783,125	10,250,821	9,545,252	705,569
Health	8,695,944	8,923,959	8,727,549	196,410
Transportation	-	-	-	-
Economic assistance and opportunity	30,322,681	30,537,660	28,362,226	2,175,434
Culture and recreation	332,204	521,123	345,237	175,886
Home and community services	7,274,599	7,383,368	7,299,285	84,083
Employee benefits	13,797,135	13,797,135	13,467,414	329,721
Debt service - principal	1,626,900	1,626,900	1,129,795	497,105
Debt service - interest	355,720	355,720	365,626	(9,906)
Total expenditures	88,800,164	90,272,582	83,853,271	6,419,311
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	7,101,371	6,195,423	16,439,855	10,244,432
OTHER SOURCES (USES):				
Interfund transfers (in)	-	-	14,770	14,770
Interfund transfers (out)	(9,389,457)	(9,389,457)	(12,998,809)	(3,609,352)
Total other sources (uses)	(9,389,457)	(9,389,457)	(12,984,039)	(3,594,582)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES, ENCUMBRANCES, AND OTHER USES	(2,288,086)	(3,194,034)	3,455,816	\$ 6,649,850
FUND BALANCE - beginning of year	30,964,028	30,964,028	30,964,028	
FUND BALANCE - end of year	\$ 28,675,942	\$ 27,769,994	\$ 34,419,844	

The accompanying notes are an integral part of these statements.

GREENE COUNTY, NEW YORK

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2018

Fund balance - All governmental funds	\$ 48,085,496
Amounts reported for governmental activities in the statement of net position are different due to the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	155,984,456
Deferred amount on bond refunding is considered an expenditure at the time of refunding, but is considered a deferred outflow of resources on the statement of net position	377,084
Deferred outflows of resources related to other postemployment benefits are related to future periods and; therefore, are not reported in the funds	10,898,923
GASB 68 related government wide activity	
Deferred outflows of resources	10,060,633
Net pension liability	(3,037,646)
Deferred inflows of resources	(10,481,541)
Long-term liabilities are not due and payable in the current period and are, therefore, not reported in the funds.	
Bonds and notes payable	(17,388,776)
Installment purchase agreement	(323,259)
Judgment and claims	(374,983)
Compensated absences	(3,553,712)
Other postemployment benefits	(149,918,034)
Deferral of income earned in the current year is recognized as revenue under the accrual basis of accounting.	7,340,446
Internal Service Fund consolidated in governmental activities in the government wide financial statements.	(2,714,545)
Debt interest expenditures are recorded on cash basis in the funds but on the accrual basis of accounting for governmental activities.	<u>(56,477)</u>
Net position of governmental activities	<u>\$ 44,898,065</u>

The accompanying notes are an integral part of these statements.

GREENE COUNTY, NEW YORK

**RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN NET POSITION
- GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Net changes in fund balance - Total governmental funds	\$ 9,633,267
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position, net of deletions	13,458,119
Depreciation is not recorded as a expenditure in the governmental funds, but is recorded in the statement of activities	(6,427,763)
Pension expense resulting from the GASB 68 related actuary reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities	75,599
Proceeds from long-term debt are recorded as revenues in the governmental funds but are recorded as increases of liabilities in the statement of position	(5,000,000)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position	1,575,000
Repayments on installment purchase debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position	102,895
Amortization of bond premium is not recorded in the governmental funds, but is recorded as an off-set to interest expense in the statement of activities	86,988
Amortization of loss on bond refunding is not recorded in the governmental funds, but is recorded as an addition to interest expense in the statement of activities	(47,136)
Property tax revenue is recorded to the extent it is received within 60 days of year-end for governmental funds, but in the statement of activities, this revenue is recorded as earned upon levy	(66,938)
Net activity of the internal service fund within the government-wide financials	641,677
Other postemployment benefits expense resulting from GASB 75 related OPEB actuary reporting is not recorded as an expenditure in the governmental funds but is recorded in the Statement of Activities	(5,304,081)
Accrual of long term liabilities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	
Judgment and claims	100,552
Compensated absences	(296,156)
Interest is accrued on the outstanding bonds on the statement of net position but is not recorded as an expenditure in the government funds	<u>1,862</u>
Change in net position - Governmental activities	<u>\$ 8,533,885</u>

The accompanying notes are an integral part of these statements.

GREENE COUNTY, NEW YORK

**STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2018**

ASSETS:	Internal Service Fund
Current assets:	
Cash	\$ 618,111
Accounts receivable	<u>25,885</u>
 Total assets	 <u><u>\$ 643,996</u></u>
 LIABILITIES:	
Current liabilities:	
Accounts payable	\$ 105,329
Due to other funds	<u>-</u>
	<u>105,329</u>
 Long-term liabilities:	
Workers' compensation liability	<u>3,253,212</u>
 Total liabilities	 <u>3,358,541</u>
 NET POSITION:	
Unrestricted	<u>(2,714,545)</u>
 Total liabilities and net position	 <u><u>\$ 643,996</u></u>

The accompanying notes are an integral part of these statements.

GREENE COUNTY, NEW YORK

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Internal Service Fund</u>
Operating revenue:	
Charges for services	\$ 1,500,021
Insurance recoveries	10,823
Other operating revenue	<u>741,697</u>
 Total operating revenue	 <u>2,252,541</u>
Operating expenses:	
Workers Compensation benefits	<u>1,611,689</u>
 Total operating expenses	 <u>1,611,689</u>
Income from operations	<u>640,852</u>
Non-operating revenue:	
Interest income	<u>825</u>
 Total non-operating revenue	 <u>825</u>
Excess of revenue over expenses before transfers	<u>641,677</u>
Change in net position	641,677
Net position - beginning of year	<u>(3,356,222)</u>
Net position - end of year	<u>\$ (2,714,545)</u>

The accompanying notes are an integral part of these statements.

GREENE COUNTY, NEW YORK

**STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Internal <u>Service Fund</u>
CASH FLOW FROM OPERATING ACTIVITIES:	
Cash received from providing services	\$ 2,326,532
Cash payments for claims and administration	<u>(2,467,007)</u>
Net cash flow used in operating activities	<u>(140,475)</u>
Investment and other income	<u>825</u>
Net cash flow from investing activities	<u>825</u>
DECREASE IN CASH	(139,650)
CASH - beginning of year	<u>757,761</u>
CASH - end of year	<u>\$ 618,111</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Income from operations	\$ 640,852
Adjustments to reconcile income from operations to net cash flow used in operating activities:	
Change in:	
Accounts receivable	73,991
Accounts payable	(218,843)
Due to other funds	-
Workers' compensation liability	<u>(636,475)</u>
Net cash flow used in operating activities	<u>\$ (140,475)</u>

The accompanying notes are an integral part of these statements.

GREENE COUNTY, NEW YORK

**STATEMENT OF NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2018**

	<i>Private Purpose Trusts</i>	<i>Agency</i>
ASSETS:		
Restricted cash	\$ 44,761	\$ 2,779,594
Due from governmental funds	-	750,623
Other assets	-	55,971
Total assets	<u>\$ 44,761</u>	<u>\$ 3,586,188</u>
LIABILITIES:		
Other liabilities	\$ -	\$ 3,545,322
Due to other funds	-	40,866
Total liabilities	<u>\$ -</u>	<u>\$ 3,586,188</u>
NET POSITION:		
Unassigned	<u>\$ 44,761</u>	

GREENE COUNTY, NEW YORK

**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<i>Private Purpose Trusts</i>
ADDITIONS:	
Gifts and contributions	\$ 20,840
Use of money and property	27
Total additions	<u>20,867</u>
DEDUCTIONS:	
Expenditures	<u>22,755</u>
NET INCREASE	(1,888)
NET POSITION - beginning of year	<u>46,649</u>
NET POSITION - end of year	<u>\$ 44,761</u>

The accompanying notes are an integral part of these statements.

GREENE COUNTY, NEW YORK

STATEMENT OF NET POSITION - COMPONENT UNITS
DECEMBER 31, 2018

	Greene County Soil and Water Conservation District	Greene Industrial Development Agency	Greene Tobacco Asset Securitization Corporation	Total
ASSETS:				
Cash	\$ 2,060,060	\$ 4,921,335	\$ 65,434	\$ 7,046,829
Investments - Restricted	-	-	666,658	666,658
Inventory	4,084	-	-	4,084
Accounts receivable, net of allowance for doubtful accounts	200,415	-	-	200,415
Tobacco settlement receivable	-	-	562,829	562,829
Due from other governments	-	-	-	-
Prepaid expenses	-	-	2,353	2,353
Real property held for resale or development	-	3,909,311	-	3,909,311
Capital assets, net	<u>205,557</u>	<u>32,933</u>	<u>-</u>	<u>238,490</u>
Total assets	<u>2,470,116</u>	<u>8,863,579</u>	<u>1,297,274</u>	<u>12,630,969</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to net pension liability	<u>292,654</u>	<u>90,959</u>	<u>-</u>	<u>383,613</u>
LIABILITIES:				
Current liabilities:				
Accounts Payable	18,757	13,515	4,000	36,272
Accrued expenses	33,549	45,425	36,776	115,750
Bonds and notes payable, current portion	-	63,381	-	63,381
Net pension liability	81,278	19,046	-	100,324
Due to other governments	-	4,774	-	4,774
Unearned revenue	<u>876,179</u>	<u>12,436</u>	<u>-</u>	<u>888,615</u>
	<u>1,009,763</u>	<u>158,577</u>	<u>40,776</u>	<u>1,209,116</u>
Long-term liabilities:				
Bonds and notes payable	<u>-</u>	<u>271,617</u>	<u>14,068,977</u>	<u>14,340,594</u>
Total liabilities	<u>1,009,763</u>	<u>430,194</u>	<u>14,109,753</u>	<u>15,549,710</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to net pension liability	<u>302,910</u>	<u>62,528</u>	<u>-</u>	<u>365,438</u>
NET POSITION				
Investment in capital assets	-	32,933	-	32,933
Restricted	228,155	-	-	228,155
Unrestricted	<u>1,221,942</u>	<u>8,428,883</u>	<u>(12,812,479)</u>	<u>(3,161,654)</u>
	<u>\$ 1,450,097</u>	<u>\$ 8,461,816</u>	<u>\$ (12,812,479)</u>	<u>\$ (2,900,566)</u>

The accompanying notes are an integral part of these statements

GREENE COUNTY, NEW YORK

**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Greene County Soil and Water Conservation <u>District</u>	Industrial Development <u>Agency</u>	Greene Tobacco Asset Securitization <u>Corporation</u>	<u>Total</u>
Revenue:				
Departmental income	\$ 4,134	\$ 364,271	\$ -	\$ 368,405
Intergovernmental charges	1,661,448	143,226	-	1,804,674
Use of money and property	10,335	14,998	22,285	47,618
Tobacco settlement revenue	-	-	427,870	427,870
State aid	153,882	-	-	153,882
Other income	<u>52,691</u>	<u>27,774</u>	<u>-</u>	<u>80,465</u>
Total revenue	<u>1,882,490</u>	<u>550,269</u>	<u>450,155</u>	<u>2,882,914</u>
Expenses:				
General governmental support	-	325,052	30,919	355,971
Home and community services	1,794,784	-	-	1,794,784
Other expenses	-	529,090	-	529,090
Depreciation	-	7,921	-	7,921
Loss on sale of capital assets	-	-	-	-
Debt service - interest	<u>-</u>	<u>10,052</u>	<u>802,189</u>	<u>812,241</u>
Total expenses	<u>1,794,784</u>	<u>872,115</u>	<u>833,108</u>	<u>3,500,007</u>
Change in net position	87,706	(321,846)	(382,953)	(617,093)
NET POSITION - beginning of year	<u>1,362,391</u>	<u>8,783,662</u>	<u>(12,429,526)</u>	<u>(2,283,473)</u>
NET POSITION - end of year	<u>\$ 1,450,097</u>	<u>\$ 8,461,816</u>	<u>\$ (12,812,479)</u>	<u>\$ (2,900,566)</u>

The accompanying notes are an integral part of these statements.

GREENE COUNTY, NEW YORK

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Greene County, New York (the County) was established in 1800, and is governed by County law and other general laws of the State of New York. The Board of Legislators, which is the legislative body responsible for the overall operation of the County, consists of fourteen members representing nine legislative districts with each member's vote weighted on the basis of population. The Chairman of the County Legislature, elected by the board each year, is the Chief Executive Officer of the County, the County Treasurer, elected for a four-year term, is the Chief Fiscal Officer of the County, the County Clerk, Sheriff, and District Attorney are constitutional officials and are elected in accordance with constitutional provisions.

The County provides the following principal services: police and law enforcement, educational assistance for County residents attending community colleges, economic assistance and maintenance of County roads.

The accounting policies of the County conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the acceptable standards setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

Reporting Entity

The reporting entity consists of (a) the primary government, which is Greene County, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include a potential component unit in the County's reporting entity is based upon several criteria set forth in GAAP, including legal standing, fiscal dependency, financial accountability, selection of governing authority, ability to significantly influence operations, and the primary government's economic benefit from resources of the affiliated entity.

Based on the application of these criteria, the County has determined that Greene County Soil and Water Conservation District (District), the Greene County Industrial Development Agency (IDA), and the Greene Tobacco Asset Securitization Corp. (GTASC) are component units and their activities have been included in the financial reporting entity.

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Reporting Entity (Continued)

Component units of the County include the following:

Greene County Soil and Water Conservation District (District) – This component unit is a political subdivision established by the County Legislature for the purpose of improving and advancing conservation, wise use and orderly development of the soil, water and related natural resources of the County of Greene, New York.

Greene Industrial Development Agency (IDA) – The IDA is a Public Benefit Corporation created by State legislation to promote the economic welfare, recreational opportunities and prosperity of the County's inhabitants.

Greene Tobacco Asset Securitization Corp. (GTASC) - This component unit is a non-profit corporation created for the purpose of issuing bonds securitized solely from County Tobacco Settlement Revenues under the Purchase and Sale Agreement dated October 15, 2000, and to forward to the County net proceeds from the bond issuance.

Various joint ventures entered into between the County and other state and local governmental entities are excluded from the reporting entity.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities present financial information about the County's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenue includes charges paid by the recipients of goods or services offered by the programs, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

The accounts of the County are organized into funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The fund types used by the County are as follows:

Governmental Fund Types

Governmental funds are those in which most governmental functions of the County are reported. The acquisition, use, and balances of the County's expendable financial resources and the related liabilities (except those accounted for in the proprietary and fiduciary funds) are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position rather than upon determination of net income. The following are the County's governmental fund types:

The County reports the following governmental funds:

- General Fund (Major Fund) - The general fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in other funds.
- County Road Fund - Established to account for revenue and expenditures related to the construction and maintenance of County roads in accordance with New York State laws.
- Capital Projects (Major Fund) - The capital projects fund is used to account for financial resources used for the acquisition or construction of major capital projects (other than those reported in the proprietary fund type).
- Community Development Fund - Established to account for the expenditures relating to the promotion of economic development and prosperity of the County's inhabitants through the use of Community Development Block Grants.
- County Machinery Fund - Established to account for revenue and expenditures related to the purchase, repair, maintenance, and storage of highway machinery, tools, and equipment in accordance with New York State laws.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund Types

Proprietary funds are used to account for the County's on-going activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income. The County maintains the following proprietary funds:

Internal Service Fund - Used to account for special activities or services provided by one department to other departments or to other governments on a cost reimbursement basis. The Workers Compensation Fund is used to account for the County's self-insured Workers' Compensation Plan.

The County established a plan of self-insurance under the Workers' Compensation Law whereby other Towns and Villages can participate in the plan. Each participant is billed by the plan for its share of the estimated premium costs for the ensuing year. Any deficiencies in the amounts billed are added to the next year's bill.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the County as an agent for individuals, private organizations, other governmental units, and/or other funds because their resources do not belong to the County and are not available to be used.

There are two classes of fiduciary funds:

- Private Purpose Trust Funds: These funds are used to account for trust arrangements in which principal and income benefits annual third party awards established criteria govern the use of the funds and members of the County or representatives of the donors may serve on committees to determine who benefits.
- Agency Funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the County as agent for various groups and for payroll or employee withholding.

Basis of Accounting and Measurement Focus

The modified accrual basis of accounting is followed by the governmental while fiduciary funds and the component units utilize full accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recorded when it is susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or soon enough thereafter (within 60 days of year-end) to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, pension contributions, and compensated absences, are recorded when the liability is incurred, if measurable.

In applying the susceptible-to-accrual concept to state and federal aid, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of this revenue. In one, monies must be expended on the specific purpose or project before any amounts are recorded as revenue by the County; therefore, revenue is recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are generally reflected as revenue at the time of receipt.

Sales taxes collected and held by the state at year-end on behalf of the County are also recognized as revenue. Other revenue, except for property taxes (see Note 5), is recorded when received in cash because they are generally not measurable until actually received.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Basis of Accounting and Measurement Focus (Continued)

The accrual basis of accounting is used by the proprietary funds. Under the accrual basis of accounting, revenue is recorded when earned and expenses are recorded when incurred.

The Countywide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions in which the County gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Budgetary Data

General Budget Process

No later than November 1, the Budget Officer submits to the County Legislature a proposed tentative operating budget for the fiscal year commencing the following January 1. The operating budget includes expenditures and the means of financing them for all funds except the Capital Projects and the Soil and Water Conservation District. Public hearings are conducted to obtain taxpayers' comments. Prior to December 20, the budget is adopted by the County Legislature. The County Administrator is authorized to approve certain budget transfer requests within departments, within a fund; however, any revisions that alter total expenditures of any department or fund must be approved by the County Legislature. For year-end financial reporting, adjustments are made to actual results to conform with modified budget classifications and reflect year-end encumbrances.

Budgetary Basis of Accounting

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

The County Legislature has amended the 2018 budget, as follows:

	General Fund
Original adopted budget	\$ 97,549,403
Encumbrances carried forward	640,218
Appropriation adjustments	<u>1,472,418</u>
Amended budget	<u>\$ 99,662,039</u>

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances at year-end are reported as assigned reservations of fund balances since the commitments do not constitute expenditures or liabilities.

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash

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

The County does not typically purchase investments for a long enough duration to cause it to be believed that it is exposed to any material interest rate risk.

For purposes of reporting the statement of cash flows, the County includes all cash accounts and certificates of deposit that are not subject to withdrawal restrictions or penalties as cash on the accompanying balance sheet.

Accounts Receivable

The County establishes an allowance for doubtful accounts based on a review of outstanding amounts and the history of collections. All trade accounts and property taxes receivable are shown net of an allowance for doubtful accounts.

Due To/From Other Funds

The amounts reported on the Government Funds Balance Sheet for due to and due from other funds represents amounts due between different fund types (general, county road, county machinery, community development, economic development, and capital projects funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these notes.

Capital Assets, Net

Capital assets are reported at actual cost for acquisitions subsequent to January 1, 2011. For assets acquired prior to January 1, 2011, estimated historical costs were used. Donated assets are reported at estimated fair value at the time received. In accordance with GAAP, the County has retroactively capitalized pre-2011 infrastructure and related depreciation effective for the year ended December 31, 2018.

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Capital Assets, Net (Continued)

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 countywide statements are as follows:

<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>	
Land	\$5,000	N/A	N/A
Buildings and improvements	10,000	Straight-line	30
Vehicles and equipment	5,000	Straight-line	3-10
Land improvements	5,000	Straight-line	20
Infrastructure	(*)	Straight-line	10-50

(*) – Infrastructure utilized multiple capitalization thresholds based upon the type of infrastructure. They included; Roads \$100,000, bridges \$700,000, \$15,000-\$400,000 for culverts and \$100 for signage.

Compensated Absences

Pursuant to contractual agreements, County employees are entitled to accrue sick leave, vacation leave and personal leave. An individual who leaves the employment of the County is entitled to be paid for 100% unused vacation leave as follows:

All employees except Deputy Sheriffs, Solid Waste and the Highway Department are paid 100% of a maximum of 30 vacation days for a total of 240 hours for employees working a 40-hour workweek and 210 hours for employees working a 35-hour workweek.

All Deputy Sheriffs, Solid Waste and Highway Department employees are paid 100% of a maximum of 40 days for a total of 320 hours for a 40-hour workweek.

Upon death or retirement, unused sick leave shall be paid accordingly as follows:

All employees except Nurses, Solid Waste and the Highway Department employees are paid 75% of a maximum of 160 sick days, for a total of 1,280 hours paid at 75% for employees working a 40-hour work week and 1,120 hours paid at 75% for employees working a 35-hour work week.

Nurses are paid 50% of a maximum of 240 days, for a total of 1,680 hours paid at 50% for a 35-hour workweek.

Solid waste employees are paid 100% of 105 days, for a total of 840 hours paid at 100% for a 40-hour workweek.

The Highway Department employees are reimbursed at different rates. Employees hired before February 13, 1996 that had accrued at least 50 sick hours are reimbursed for a maximum of 120 days or 960 hours for a 40-hour workweek. They are reimbursed for the hours accrued by February 13, 1996 at 100% and the balance of unused sick time up to the maximum hours are paid at 50%.

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Compensated Absences (Continued)

Employees not grandfathered or hired after February 13, 1996 are paid 50% of a maximum of 240 days, for a total of 1,920 hours paid at 50% for a 40-hour workweek.

The estimated value of earned and unused leave credits in the amount of \$3,553,712 has been recorded as non-current government liability.

Pension Plan

The County participates in the New York State and Local Employees' Retirement System (ERS). ERS is a cost sharing multiple employer system that provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York serves as sole trustee and administrative head of the system. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The system issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12236.

Other Post-Employment Benefits

In addition to providing retirement benefits, the County provides certain health benefits for retired employees. Substantially all of the County's employees have the option of receiving these benefits that are provided by an insurance company upon retirement. At the fund level, the County recognizes the cost of providing these benefits as the premiums are paid.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balance Classifications

Net Position – Government Wide Statements

Net Position is displayed in three components:

- a) Net Investment in Capital Assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted Net Position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations for other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted Net Position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

The County's policy is to use restricted resources prior to utilizing unrestricted funds.

Fund Balance – Fund Financial Statements

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

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form legally or they are contractually required to be maintained intact. Non-spendable fund balance includes the prepaid items and inventory recorded in the component units.

Restricted fund balance – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The County has the following restricted fund balances.

Repair

Repair reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The County Legislature, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the general fund under restricted fund balance.

Debt Service

Mandatory reserve for debt service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of County property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of County property or capital improvement. The reserve is accounted for in the general fund under restricted fund balance.

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Fund Balance – Fund Financial Statements (Continued)

Committed fund balance – Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority, i.e., the County Legislature. The County has no committed fund balances as of December 31, 2018.

Assigned fund balance – Includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance. Encumbrances reported in the general fund amounted to \$182,434 as of December 31, 2018.

Unassigned fund balance - Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the County.

Order of Fund Balance Spending Policy

The County's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

Property Taxes

County property taxes are levied annually no later than December 31 and become a lien on January 1. Accordingly, property tax is recognized as revenue in the year for which the levy is made, and to the extent that such taxes are received within the reporting period of sixty days thereafter. Delinquent property taxes not collected at year-end (excluding collections in the 60-day subsequent period) are included in deferred inflows of resources.

Interfund Transfers

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Short-term advances between funds are accounted for in the appropriate due from (to) other funds accounts. Transactions between funds that would be treated as revenues or expenditures if they involved organizations external to the governmental unit are accounted for as revenues or expenditures in the funds involved. Transactions that constitute reimbursements to a fund for expenditures initially made from that fund which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of the expenditure in the fund that is reimbursed. All other legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Insurance

The County assumes the risk for general liability. The County is involved in many pending tort claims against them, the ultimate outcomes of which cannot be reasonably determined. Therefore, judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

The County maintains a risk retention reserve which is included in the General Fund. The County also maintains a workers' compensation risk pool in which it predominately participates. In compliance with Government Accounting Standards Board (GASB) pronouncement Number 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, the County, based upon available data has estimated and recorded in the Internal Service Fund a workers' compensation premium liability. The County has also recorded an unbilled receivable for the same amount, less cash reserves at year-end. The estimate includes incurred but not reported claims as is required by accounting principles generally accepted in the United States of America.

Explanation of certain differences between governmental fund statements and government-wide statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the countywide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the statement of activities, compared with the current financial resources focus of the governmental funds.

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the County's governmental funds differ from "net position" of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories. The amounts shown below represent:

Long-Term Revenue Differences

Long-term revenue differences arise because governmental funds report revenue only when it is considered "available", whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Explanation of certain differences between governmental fund statements and government-wide statements (Continued)

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

2. STEWARDSHIP

The Internal Service Fund deficit is primarily the result of unfunded estimated future liabilities of the self-insured workers compensation fund. The County estimates current costs and charges its participants on a pay-as-you-go method.

The County annually assesses, with the assistance of an actuary, the current and estimated future claims of the fund and adjusts its reserves in accordance with that analysis. The County will continue to assess this estimate. These estimated future costs are not funded.

3. PRIOR PERIOD ADJUSTMENT – CUMMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

The County adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to certain postemployment benefits. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Accordingly, beginning net position, deferred outflows of resources and other postemployment benefits on the statement of net position were adjusted as noted in the following table:

	District Wide Statement of Net Position		
	Other Postemployment Benefits	Deferred Outflows	Net Position
Balance at December 31, 2017, as previously reported	\$ (48,381,663)	\$ -	\$ (121,697,547)
Restatement of beginning balance - Adoption of GASB Statement No. 75			
Increase to liability	<u>(90,641,201)</u>	<u>5,307,834</u>	<u>85,333,367</u>
Balance at December 31, 2017, as restated	<u>\$ (139,022,864)</u>	<u>\$ 5,307,834</u>	<u>\$ (36,364,180)</u>

4. CASH AND INVESTMENTS

Governmental Activities

As of December 31, 2018, all of the County's cash and investment balances were either insured or collateralized with securities held by the pledging financial institution's trust department in the County's name:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash, including trust funds	\$ 46,962,111	\$ 45,887,104
Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name	\$ 45,837,587	
Covered by FDIC insurance	<u>1,124,524</u>	
Total	<u>\$ 46,962,111</u>	

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 consists of the following:

General fund:

Cash on deposit for reserves	
Restricted for liability	\$ 59,109
Restricted for debt service	<u>61,878</u>
Total general fund restricted cash	<u>\$ 120,987</u>

County road fund:

Cash on deposit for reserves	
Restricted for debt service	<u>\$ 507</u>

Road machinery fund:

Cash on deposit for reserves	
Restricted capital improvement fund	\$ 2,554
Restricted for repairs	<u>15</u>
Total road machinery fund restricted cash	<u>\$ 2,569</u>

Fiduciary funds:

Cash on deposit for scholarships, private purpose trust funds,	<u>\$ 2,824,355</u>
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4. CASH AND INVESTMENTS (Continued)

Component Units – GTASC

Investments held by the fiscal agent consist of a Liquidity Reserve, Issuance, Turbo, Collection and Debt Service accounts.

The Liquidity Reserve account, administered by a trustee, was established and initially funded from bond proceeds. This account serves as collateral for the GTASC's bonds and is used to pay interest and required amortization payments in the event the GTASC defaults on the required annual principal and interest payments made from the Turbo and Debt Service accounts.

The Issuance Account, administered by a trustee, serves to cover any issuance costs associated with the Organization entering into new bond agreements.

The Turbo Account, administered by a trustee, serves to remit principal payments to bond holders

The Collection Account, administered by a trustee, serves to receive proceeds from tobacco companies under the Master Settlement Agreement. Funds are transferred to the Debt Service and Turbo Accounts to cover principal and interest payments, respectively. The Collection Accounts is also used to pay certain Trustee fees.

The Debt Service Account, administered by a trustee, serves to remit interest payments to bond service expenses.

Investments held by fiscal agents at year-end related to the August 2005 Series bonds consisted of money market funds as follows:

Liquidity Reserve	\$ 649,683
Turbo	5,102
Collection	283
Debt Service	<u>11,590</u>
Total Restricted Investments Held by Fiscal Agen	<u>\$ 666,658</u>

5. PROPERTY TAXES

County real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes are collected during the period January 1 to July 31 by the town tax collectors, thereafter by the County Treasurer's tax department. On March 1, interest is accrued on all unpaid taxes in accordance with real property law. Taxes for County purposes are levied together with taxes for town and special district purposes as a single bill. The towns and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the towns.

Unpaid village taxes levied on properties are turned over to the County for enforcement. Any such taxes remaining unpaid at year-end are re-levied as County taxes in the subsequent year.

5. PROPERTY TAXES (Continued)

At December 31, 2018, real property taxes receivable totaled \$13,691,864, which includes an allowance for uncollectible taxes at year-end of \$429,271. Current year returned school district and village taxes receivable are also included as liabilities to the school districts and village, which will be paid no later than February 28, 2018. \$5,128,995 of the remaining portion of taxes receivable has been classified as unearned tax revenue and represents an estimate of the outstanding taxes, which will not be collected within the first sixty (60) days of the subsequent year.

6. STATE AND FEDERAL RECEIVABLES

State and federal receivables are comprised of the following:

<u>Fund</u>	<u>Balance</u>	<u>Description</u>
General	<u>\$ 6,510,111</u>	Claims for reimbursement of expenditures in administering various health and social service programs net of related advances.
County Road	<u>\$ 351,828</u>	Claims for reimbursement of expenditures for various projects.
Capital Projects	<u>\$ 4,199,547</u>	Claims for reimbursement of expenditures for various capital projects.

Community Development Block Grants:

The County is the recipient of Community Development Block Grants to operate revolving loan funds. These funds are to be loaned to industry, not-for-profit organizations and individuals for the purpose of creating and retaining permanent jobs within the County. The balance of loans receivable and unearned revenue at December 31, 2018 of \$1,817,200 consists of loans that require periodic payments of principal and interest or interest only for loans that have not been fully drawn down, and have a rate of interest at one-half of prime plus one percent.

7. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance at January 1, 2018	Additions	Deletions	Balance at December 31, 2018
Primary Government:				
Land	\$ 2,106,302	\$ -	\$ -	\$ 2,106,302
Buildings and improvements	52,951,117	-	-	52,951,117
Vehicles and equipment	18,109,579	1,972,612	472,488	19,609,703
Improvements, other than buildings	297,614	207,304	-	504,918
Infrastructure	222,164,210	8,255,177	-	230,419,387
Construction work in progress	8,493,014	6,353,842	2,858,328	11,988,528
	304,121,836	16,788,935	3,330,816	317,579,955
Less: Accumulated depreciation	155,167,736	6,900,251	472,488	161,595,499
Total capital assets, net	<u>\$148,954,100</u>	<u>\$ 9,888,684</u>	<u>\$ 2,858,328</u>	<u>\$155,984,456</u>

Depreciation expense is allocated to specific functions as follows:

General government support	\$ 685,025
Public safety	561,669
Health	101,618
Transportation	5,057,208
Economic Assistance and Opportunity	222,066
Culture and recreation	21,124
Home and community	251,541
Depreciation expense	<u>\$ 6,900,251</u>

Component Units:	IDA	Soil & Water	Total
Land and land improvements	\$ -	\$ -	\$ -
Vehicle and equipment	38,139	884,525	922,664
Infrastructure	54,646	-	54,646
	92,785	884,525	977,310
Less: Accumulated depreciation	59,852	678,968	738,820
Total capital assets, net	<u>\$ 32,933</u>	<u>\$ 205,557</u>	<u>\$ 238,490</u>

8. LONG TERM DEBT

A summary of changes in long-term debt is as follows:

	Balance at January 1, 2018 <u>(Restated)</u>	<u>Increase</u>	<u>Decrease</u>	Balance at December 31, 2018	<u>Current</u>
<u>Governmental activities:</u>					
Bonds Payable:					
Serial Bonds	\$ 13,270,000	\$ 5,000,000	\$ 1,575,000	\$ 16,695,000	\$ 2,635,000
Installment debt	426,154	-	102,895	323,259	105,287
Unamortized premium on obligations	780,764	-	86,988	693,776	-
Total bonds payable	<u>14,476,918</u>	<u>5,000,000</u>	<u>1,764,883</u>	<u>17,712,035</u>	<u>2,740,287</u>
Other Liabilities:					
Other post employment benefits	139,022,864	10,895,170	-	149,918,034	-
Compensated absences *	3,257,556	296,156	-	3,553,712	-
Net pension liability *	9,221,947	-	6,184,301	3,037,646	-
Judgments and claims	<u>475,535</u>	<u>-</u>	<u>100,552</u>	<u>374,983</u>	<u>-</u>
Total other liabilities	<u>151,977,902</u>	<u>11,191,326</u>	<u>6,284,853</u>	<u>156,884,375</u>	<u>-</u>
Total	<u>\$166,454,820</u>	<u>\$ 16,191,326</u>	<u>\$ 8,049,736</u>	<u>\$174,596,410</u>	<u>\$ 2,740,287</u>

* Additions and deletions to compensated absences and net pension liability are shown net because it is impractical to determine these amounts separately

Interest on long term debt for the year was composed of:

Interest paid	\$ 498,794
Accrued interest, beginning of year	(58,339)
Accrued interest, end of year	56,477
Amortization of premium	(86,988)
Amortization of deferred costs	<u>47,136</u>
Total expense	<u>\$ 457,080</u>

The County's bonds are comprised of the following:

<u>Description</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Balance at 12/31/18</u>
Refunding - County Building	2011	\$ 9,597,000	1.5%-5%	2022	\$ 4,265,000
Refunding - Court House	2016	9,410,000	2.0%-4%	2028	7,430,000
Bond- Columbia-Greene Community College	2018	5,000,000	1.15-3.70%	2023	5,000,000
Installment debt	2017	<u>570,000</u>	2.50%	2021	<u>323,259</u>
Total general long-term debt		<u>\$ 24,577,000</u>			<u>\$ 17,018,259</u>

8. LONG TERM DEBT (Continued)

Installment debt payable

The County has entered into an installment purchase agreement to finance the cost of computer network equipment. The unpaid balance at December 31, 2018 was \$426,154. The terms of the agreement provide for repayment over 60 months including interest at a rate of 2.5%. Interest expenditures of \$2,187 were recorded in the fund financial statements in the general fund.

The County's future installment debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019	105,287	7,514	112,801
2020	107,734	5,067	112,801
2021	<u>110,238</u>	<u>2,562</u>	<u>112,800</u>
Total	<u>\$ 323,259</u>	<u>\$ 15,143</u>	<u>\$ 338,402</u>

The County's future bond debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019	2,740,287	554,152	3,294,439
2020	2,827,734	464,455	3,292,189
2021	2,915,238	364,375	3,279,613
2022	2,865,000	267,613	3,132,613
2023	1,735,000	195,588	1,930,588
2024-2028	<u>3,935,000</u>	<u>499,350</u>	<u>4,434,350</u>
Total	<u>\$ 17,018,259</u>	<u>\$ 2,345,533</u>	<u>\$ 19,363,792</u>

In 2016, the County defeased \$8,435,000 of certain maturities of the 2010 bond issue by placing new bond proceeds into an irrevocable escrow account to provide for future debt payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At December 31, 2018, \$8,060,000 of defeased bonds are still outstanding.

On December 7, 2000, the GTASC issued \$8,115,000 variable rate bonds. These bonds were part of the \$227,130,000 New York Counties Tobacco Trust I, Tobacco Settlement Pass-Through Bonds, Series 2000. The GTASC's bonds consist of serial bonds maturing in the years 2002 through and including 2015, fixed term bonds maturing in the years 2016 through and including 2019 and flexible term bonds maturing in the years 2020 through and including 2042. The GTASC bonds are secured by the Tobacco Settlement Revenues acquired from the County by investment earnings on the Liquid Reserve Account and on other accounts established under the bond agreement. The 2000 Bond Series was paid off in 2005.

8. LONG TERM DEBT (Continued)

On August 25, 2005, the GTASC issued \$11,672,040 variable rate bonds. These bonds were part of the \$414,798,208 New York County Tobacco Trust IV, Tobacco Settlement Pass-Through Bonds, Series 2005 N-151. The GTASC's bonds consist of \$10,805,000 of current interest turbo bonds maturing in the years 2006 through and including 2045 and capital appreciation bonds of \$867,040. There is no scheduled payment of principal or interest on the capital appreciation bonds in the required schedule. Interest accrues on the capital appreciation bonds and is not payable until GTASC's bonds are paid in full. The GTASC's bonds are secured by the Tobacco Settlement Revenues acquired from the County and by investment earnings on the Liquidity Reserve Account and on other accounts established under the bond agreement. The payment of interest and principal on these bonds started in 2006. The optional schedule shown below assumes that \$1,870,000 in additional principal payments will be made in 2017. It is more likely than not that, the full amount will not be paid in 2017 and as a result, the interest presented could be significantly higher.

On November 29, 2005, the GTASC issued \$1,240,800 in variable rate bonds. These bonds were part of the \$199,375,348 New York Counties Tobacco trust V, Tobacco Settlement Pass-Through Bonds, Series 2005 N-184. The GTASC's bonds consist of turbo bonds maturing in the years 2026 through and including 2060. The GTASC's bonds are collateralized by the Tobacco Settlement Revenues acquired from the County and by investment earnings on the Liquidity Reserve Account and on other accounts established under the bond agreement. The projected start date for the payment of these bonds and interest is anticipated to start in the year 2026, when a portion of the August 2005 has been paid off.

The GTASC bonds are comprised of the following:

<u>Description</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Balance at 12/31/18</u>
Tobacco Settlement Bonds - 2005 Series	8/25/2005	\$ 11,672,040	variable	2045	\$ 10,668,986
Tobacco Settlement Bonds - 2005 Series	11/25/2005	<u>1,204,040</u>	variable	2060	<u>3,399,991</u>
Total general long-term debt		<u>\$ 12,876,080</u>			<u>\$ 14,068,977</u>

8. LONG TERM DEBT (Continued)

Future Debt Service Requirements are as follows:

Required Schedule:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
Year ending December 31,			
2019	\$ -	\$ 434,200	\$ 434,200
2020	-	434,200	434,200
2021	-	434,200	434,200
2022	-	434,200	434,200
2023	125,000	431,231	556,231
2024-2028	1,220,000	2,001,081	3,221,081
2029-2033	1,565,000	1,657,375	3,222,375
2034-2038	2,010,000	1,212,250	3,222,250
2039-2043	2,585,000	641,375	3,226,375
2044-2045	1,220,000	61,750	1,281,750
	<u>8,725,000</u>	<u>7,741,862</u>	<u>16,466,862</u>
Capital appreciation bonds	867,040	-	867,040
Capital appreciation bonds' interest	962,799	-	962,799
Current year interest accrued on the capital appreciation bonds	114,147	-	114,147
November 2005 Series	3,399,991	-	3,399,991
Total	<u>\$ 14,068,977</u>	<u>\$ 7,741,862</u>	<u>\$ 21,810,839</u>

Flexible Option Schedule

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
Year ending December 31,			
2019	\$ 2,965,000	\$ 415,100	\$ 3,380,100
2020	675,000	271,125	946,125
2021	725,000	236,125	961,125
2022	770,000	198,750	968,750
2023	820,000	159,000	979,000
2024-2028	2,770,000	212,250	2,982,250
	<u>8,725,000</u>	<u>1,492,350</u>	<u>10,217,350</u>
Capital appreciation bonds 2045-2055	1,943,986	-	1,943,986
November 2005 Series	3,399,991	-	3,399,991
Total	<u>\$ 14,068,977</u>	<u>\$ 1,492,350</u>	<u>\$ 15,561,327</u>

9. RETIREMENT BENEFITS

Plan Description

The County participates in the New York State and Local Employees' Retirement System (ERS) and the Public Employees' Group Life Insurance Plan. This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller adopts and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be found at: <http://www.osc.state.ny.us/retire/publications/index.php> or obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

Funding Policy

The System is non-contributory for employees who joined the New York State and Local Employees' Retirement System prior to July 27, 1976, the majority of which are no longer active. After this date, employees contributed 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010, generally contribute 3% of their salary for the entire length of service. Starting April 1, 2013, all new hires are subject to a scaling contribution rate based on their annual salary. The basis for contributions made is as follows:

<u>Wages</u>	<u>Contribution Rate</u>
\$45,000 or less	3.00%
\$45,000.01 to \$55,000	3.50%
\$55,000.01 to \$75,000	4.50%
\$75,000.01 to \$100,000	5.75%
More than \$100,000	6.00%

For the first 3 years of membership, Tier 6 employees' contribution rate is based on annual wages. Thereafter, the contribution rate is based on what employees earned 2 years prior.

Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

2018	\$ 3,389,076
2017	\$ 3,377,679
2016	\$ 3,622,713

9. RETIREMENT BENEFITS (Continued)

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

At December 31, 2018, the County reported a net pension liability of \$3,037,646 for its proportionate share of the NYERS net pension liability. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation April 1, 2017. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2018, the County's proportion was .0941192% for NYERS, which was an decrease of .0040261%, from its proportion at share measured at December 31, 2017.

For the year ended December 31, 2018, the County recognized pension expense of \$3,298,717 for NYERS. At December 31, 2018, The County reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,083,430	\$ 895,306
Changes of Assumptions	2,014,210	-
Net difference between projected and actual earnings on pension plan investments	4,411,940	8,708,727
Changes in proportion and differences between the County's contributions and proportionate share of contributions	9,246	877,508
Contributions subsequent to the measurement date	2,541,807	-
	<u>\$ 10,060,633</u>	<u>\$ 10,481,541</u>

9. RETIREMENT BENEFITS (Continued)

\$2,541,807 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:	
2019	288,538
2020	256,907
2021	(2,373,785)
2022	(1,134,376)
2023	-
	<u>\$ (2,962,716)</u>

Actuarial Assumptions

The plan's total pension liability at March 31, 2018 was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liability to March 31, 2018.

The actuarial valuation used the following actuarial assumptions for the NYSERS:

Inflation	2.50%
Salary scale	3.8% indexed by service
Projected COLAs	1.3% compounded annually
Decrement	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014
Investment Rate of Return	7.0% compounded annually, net of investment expenses

Long-term Rate of Return

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

9. RETIREMENT BENEFITS (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2018 are summarized in the following table:

Asset Type	Target Allocations in %	Long Term Expected Real Rate of Return
Domestic Equity	36%	4.55%
International Equity	14%	6.35%
Private Equity	10%	7.50%
Real Estate	10%	5.55%
Absolute Return Strategies	2%	3.75%
Opportunistic Portfolio	3%	5.68%
Real Assets	3%	5.29%
Bonds & Mortgages	17%	1.31%
Cash	1%	-0.25%
Inflation-Indexed Bonds	4%	1.25%
	<u>100%</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. Based upon the assumptions, the Plan'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 presents The County's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what The County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate:

	1 % Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Proportionate Share of Net Pension liability (asset)	\$ <u>22,983,647</u>	\$ <u>3,037,646</u>	\$ <u>(13,835,874)</u>

9. RETIREMENT BENEFITS (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2018 for ERS follow:

	Pension Plan's Fiduciary Net Position	County's proportionate share of Plan's Fiduciary Net Position	County's allocation percentage as determined by the Plan
Total pension liability	\$ 183,400,590,000	\$ 172,615,168	0.0941192%
Net position	(180,173,145,000)	(169,577,522)	0.0941192%
Net pension liability (asset)	<u>\$ 3,227,445,000</u>	<u>\$ 3,037,646</u>	0.0941192%
Fiduciary net position as a percentage of total pension liability	98.24%	98.24%	

10. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The County provides certain health care benefits for retired employees of the County. The County administers the Retirement Benefits Plan (the "Retirement Plan") as a single-employer defined benefit Other Post-employment Benefit Plan (OPEB).

Sheriffs and Deputies are assumed to be covered under 552, a 20 year plan with the New York State Employees Retirement System. It is assumed these employees will not retire before age 62 before attaining 20 years of service.

Corrections employees are assumed to be covered under 890, a 25 year plan with the New York State Employees' Retirement System. It is assumed these employees will not retire before age 62 before attaining 25 years of service.

All other employees are assumed covered under Tier 4 of the New York State Employees' Retirement System, with early retirement available at age 55 with 5 years of service, and unreduced benefits at age 62 with 5 years or age 55 with 30 years of service. It is assumed these employees will not retire before age 65 before attaining 10 years of service.

The Retirement Plan can be amended by action of the County subject to applicable collective bargaining and employment agreements. The number of retired employees currently eligible to receive benefits at December 31, 2018, was approximately 350. The Retirement 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.

Benefits Provided

In general, the County provides health insurance and vision coverage for retired employees and their survivors. The benefit terms are dependent on which contract or employment agreement each employee falls under. The specifics of each contract or employment agreement are on file at the County and are available upon request.

10. OTHER POST EMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefits	527
Inactive employees entitled to but	
not yet receiving benefits	-
Active employees	<u>432</u>
Total participants	<u>959</u>

Total OPEB Liability

The County's total OPEB liability of \$149,918,034 was measured as of December 31, 2017 and was determined by an actuarial valuation as of January 1, 2017.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Payroll Growth	3.00%
Discount Rate	3.44% as of December 31, 2018
Healthcare Cost Trend Rates	PPO Pre-Medicare - 6.20% for 2018, decreasing to an ultimate rate of 4.00%
	Forever Blue Medicare - 3.30% for 2018, decreasing to an ultimate rate of 4.10%
	Vision - 5.00% for 2018, decreasing to an ultimate rate of 3.9%
Share of Benefit-Related Costs	The County pays between 50% and 100% of the premium for medical and vision benefits based on the participants hire date and specific collective bargaining agreements and employment agreements.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were determined based on the Sex-distinct RP-2006 Base Mortality Tables with projection Scale MP-2017.

Changes in the Total OPEB Liability

Balance at December 31, 2017, as restated	<u>\$ 139,022,864</u>
Changes for the Year	
Service cost	3,834,824
Interest	5,300,632
Changes of benefit terms	-
Changes in assumptions or other inputs	7,067,548
Differences between expected and actual experience	-
Benefit payments	<u>(5,307,834)</u>
Net changes	<u>10,895,170</u>
Balance at December 31, 2018	<u>\$ 149,918,034</u>

10. OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability (Continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 3.78% in 2017 to 3.44% in 2018.

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

The following presents the total OPEB liability of the County, as well as the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.44%) or 1 percentage point higher (4.44%) than the current discount rate:

	1% Decrease (2.44%)	Current Discount (3.44%)	1% Increase (4.44%)
Total OPEB Liability	<u>\$174,116,477</u>	<u>\$149,918,034</u>	<u>\$ 130,528,192</u>

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

The following presents the total OPEB liability of the County, as well as the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	Healthcare		
	1% Decrease (*)	Current Discount (*)	1% Increase (*)
Total OPEB Liability	<u>\$127,850,146</u>	<u>\$149,918,034</u>	<u>\$ 177,954,958</u>

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

For the year ended December 31, 2018, the County recognized OPEB expense of \$10,611,195. At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 5,461,287	\$ -
Benefit payments subsequent to measurement date	<u>5,437,636</u>	<u>-</u>
Total	<u>\$ 10,898,923</u>	<u>\$ -</u>

10. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

<u>Fiscal Year Ending June</u>	<u>Amount</u>
2019	\$ 1,606,261
2020	1,606,261
2021	1,606,261
2022	642,504
2023	-
Thereafter	-
	<u>\$ 5,461,287</u>

11. JOINTLY GOVERNED ORGANIZATIONS

Columbia-Greene Community College

The operation of Columbia-Greene Community College is undertaken jointly with Columbia County, under the provisions of Article 126 of the Education Law, and is excluded from the County's financial statements. The College is administered by a Board of Trustees. The majority of the trustees are County Board appointees, apportioned between the two Counties. The Counties are responsible for College costs not funded through state aid or tuition and have individually issued bonds for capital costs. The Counties also assume liability of any College operating fund deficit, should any operating fund deficit be incurred.

The counties' governing boards also retain certain budgetary approval powers. The counties' share of the College's operating budgets is based on enrollment. For the 2014-2015 fiscal year Greene County's share of the unfunded portion of the operating budget was 45% and Columbia County's was 55%.

The County's share of the operating costs for the year ended December 31, 2018 was \$6,606,102. Separate financial statements are issued for the college and can be found at:

Columbia-Greene Community College
4400 Route 23B
Hudson, NY 12534

Capital District Regional Off-Track Betting Corporation

Capital District Regional Off-Track Betting Corporation is a public benefit corporation occupying a seventeen county region, established in 1973 under the provisions of Chapters 346 and 347 of the Laws of the State of New York. The Board consists of one representative from each of the seventeen participating municipalities.

Separate financial statements are issued for the OTB and can be found at:

Capital District Regional Off-Track Betting Corporation
510 Smith Street
Schenectady, NY 12305

12. INTERFUND ACTIVITY

During the course of normal operations, the County records numerous transactions between funds including expenditures for the provision of services, as well as transfers between funds to finance various projects or debt payments.

Individual interfund receivable and payable balances arising from these transactions as of December 31, 2018, were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ 1,367,773	\$ 1,857,033
County road	2,612,921	434,649
County machinery	756,167	42,987
Capital projects	115,634	3,227,583
Trust & Agency	<u>750,623</u>	<u>40,866</u>
Total	<u>\$ 5,603,118</u>	<u>\$ 5,603,118</u>

Interfund transfers throughout the year ended December 31, 2018, were as follows:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General fund	\$ 14,770	\$ 12,998,809
County road fund	9,113,420	179,633
County machinery	1,326,037	-
Capital projects	2,738,985	-
Community development	<u>-</u>	<u>14,770</u>
Total	<u>\$ 13,193,212</u>	<u>\$ 13,193,212</u>

13. TAX ABATEMENT

All real property in New York is subject to taxation unless specific legal provisions grant it exempt status. Real property tax exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other such considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the real property tax law, the Agriculture and Markets Law to the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas others pertain only to some of these purposes. Yet another difference involves the extent of local government autonomy: while some exemptions are mandated by state law, others are subject to local option and/or local determination of eligibility criteria.

13. TAX ABATEMENT (Continued)

The County has nine real property tax abatement agreements entered into by the IDA. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) in compliance with Tax Exemption Policy. PILOT's are granted in accordance with various activities such as new construction, purchasing of an existing facility, or the improvement or expansion of an existing facility. There are also policies for recapture of PILOTs should the applicant not meet certain criteria. The amount property tax abated in the County for the year ended December 31, 2018 was \$5,214,857.

14. COMMITMENTS AND CONTINGENCIES

Pending Litigation

The County has been named, in the normal course of operations, as a defendant in numerous claims of an indeterminate amount. In the opinion of the County, after considering all relevant facts, the ultimate losses not covered by insurance resulting from such litigation would be immaterial in relation to the financial position of the County.

Self-Insurance

The County sponsors and participates in a self-insurance plan for workers' compensation under Local Law No. 1 and 2, 1956, pursuant to Article 5 of the Workers' Compensation Law. The plan is open to any eligible municipality, school district, or public entity for participation. At December 31, 2018, there were 42 participants, including the County.

The County is responsible for administration of the plan and its reserves. Participant contributions, which are financed on a pay-as-you-go basis, are financed on an estimated claim basis with excess contributions transferred to the reserve at the end of the fiscal year. Liabilities are recorded when it is probable that a loss has been incurred and the amount of loss can be reasonably estimated. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using expected future investment yield assumptions of 3%. These liabilities are recorded at their present value of \$3,253,212 in the countywide statement of net position, which represents the portion to be liquidated with expendable and available financial resources as of December 31, 2018. Benefits and awards expenditures for the year ended December 31, 2018, were \$1,611,689.

Grant Programs

The County participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The County believes, based upon its review of current activity and prior experience, the amount of disallowances resulting from these audits, if any, will not be significant to the County's financial position or results of operations.

Public Health Reimbursement

The County Public Health Department recognizes revenue when earned based upon tentative rates that are subject to audit and retroactive adjustment by third-party payers. There has been no provision made in these financial statements for future audit settlements or rate adjustments.

14. COMMITMENTS AND CONTINGENCIES (Continued)

Tobacco Settlement

The State of New York is estimated to receive approximately \$25 billion over the next 25 years as a result of a comprehensive settlement among 46 states and U.S. territories and all the major tobacco companies. The settlement represents reimbursement to the State for medical costs incurred, primarily paid by Medicaid, from treating smoking-related illnesses. Since the counties of the State and New York City pay a share of Medicaid costs, the State has apportioned approximately half the settlement funds to these localities.

Construction Commitments

The County has various commitments with contractors for the completion of capital projects.

15. SUBSEQUENT EVENT

The County began construction of a new jail in June 2019. The total estimated cost of the new facility is \$47 million and is partially funded by \$39 million bond that closed in August of 2019. The remaining \$8 million will be contributed by the County.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

GREENE COUNTY, NEW YORK

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total OPEB Liability										
Service cost	\$ 3,834,824									
Interest	5,300,632									
Changes of benefit terms	-									
Differences between expected and actual experience	-									
Changes in assumptions	7,067,548									
Benefit payments	(5,307,834)									
Total change in total OPEB liability	10,895,170									
Total OPEB liability - beginning	139,022,864									
Total OPEB liability - ending	\$ 149,918,034									
 Covered-employee payroll	 \$ 24,444,550									
 Total OPEB liability as a percentage of covered-employee payroll	 613.30%									

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate 3.40%

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

GREENE COUNTY, NEW YORK

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Proportion of the net pension liability (asset)	0.0941192%	0.0981453%	0.0982945%	0.0974331%						
Proportionate share of the net pension liability (asset)	\$ 3,037.6	\$ 9,221.9	\$ 15,776.5	\$ 3,291.5						
Covered-employee payroll	\$ 22,232.5	\$ 21,408.1	\$ 22,175.6	\$ 21,207.1						
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	13.66%	43.08%	71.14%	15.52%						
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.2%	94.7%	90.7%	98.0%						

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

GREENE COUNTY, NEW YORK

SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 3,389.1	\$ 3,377.7	\$ 3,622.7	\$ 3,915.0	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.					
Contributions in relation to the contractually required contribution	3,389.1	3,377.7	3,622.7	3,915.0						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -						
Covered-employee payroll	\$ 22,232.5	\$ 21,408.1	\$ 22,175.6	\$ 21,207.1						
Contributions as a percentage of covered-employee payroll	15.24%	15.78%	16.34%	18.46%						

The accompanying notes are integral part of these schedules.

SUPPLEMENTARY INFORMATION

GREENE COUNTY, NEW YORK

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

	County Road	County Machinery	Community Development	Total
ASSETS:				
Cash	\$ 2,502,643	\$ 557,294	\$ 2,660,562	\$ 5,720,499
Restricted cash	507	2,569	-	3,076
Accounts receivable	1,467	123,608	-	125,075
Due from other funds	2,612,921	756,167	-	3,369,088
State and federal receivables	351,828	-	-	351,828
Prepaid expenditures	92,970	11,988	-	104,958
Notes receivable	-	-	1,817,200	1,817,200
Total assets	\$ 5,562,336	\$ 1,451,626	\$ 4,477,762	\$ 11,491,724
LIABILITIES:				
Accounts payable	\$ 198,598	\$ 180,731	\$ 5,458	384,787
Due to ERS	-	-	-	-
Due to other governments	-	-	1,032	1,032
Due to other funds	434,649	42,987	-	477,636
Total liabilities	633,247	223,718	6,490	863,455
DEFERRED INFLOWS OF RESOURCES:				
Community development loan repayments	-	-	1,817,200	1,817,200
Total deferred inflows of resources	-	-	1,817,200	1,817,200
FUND BALANCE:				
Nonspendable				
Prepaid expenditures	92,970	11,988	-	104,958
Total nonspendable fund balance	92,970	11,988	-	104,958
Restricted				
Restricted for repairs	-	15	-	15
Restricted for debt service	507	2,554	-	3,061
Total restricted fund balance	507	2,569	-	3,076
Assigned				
Appropriated for subsequent years expenditures	400,000	250,000	-	650,000
Unappropriated	-	68,500	-	68,500
Other assigned	4,435,612	894,851	2,654,072	7,984,535
Total assigned fund balance	4,835,612	1,213,351	2,654,072	8,703,035
Unassigned	-	-	-	-
Total fund balance	4,929,089	1,227,908	2,654,072	8,811,069
Total liabilities, deferred inflows of resources, and fund balance	\$ 5,562,336	\$ 1,451,626	\$ 4,477,762	\$ 11,491,724

GREENE COUNTY, NEW YORK

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

	County Road	County Machinery	Community Development	Total
REVENUE:				
Departmental income	\$ -	\$ -	\$ 577,627	\$ 577,627
Intergovernmental charges	-	1,006,993	-	1,006,993
Use of money and property	1,450	459	-	1,909
Sale of property and compensation for loss	1,735	527,506	-	529,241
Miscellaneous local sources	-	101,745	-	101,745
State aid	2,332,990	-	-	2,332,990
Federal aid	-	117,483	100,000	217,483
Total revenue	2,336,175	1,754,186	677,627	4,767,988
EXPENDITURES:				
Public safety	165,942	-	-	165,942
Transportation	7,018,624	2,377,852	-	9,396,476
Economic Assistance and Opportunity	-	-	179,952	179,952
Employee benefits	2,544,217	466,319	-	3,010,536
Debt service - principal	444,150	103,950	-	548,100
Debt service - interest	107,912	25,256	-	133,168
Total expenditures	10,280,845	2,973,377	179,952	13,434,174
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(7,944,670)	(1,219,191)	497,675	(8,666,186)
OTHER SOURCES (USES):				
Interfund transfers in	9,113,420	1,326,037	-	10,439,457
Interfund transfers (out)	(179,633)	-	(14,770)	(194,403)
Total other sources (uses)	8,933,787	1,326,037	(14,770)	10,245,054
CHANGE IN FUND BALANCE	989,117	106,846	482,905	1,578,868
FUND BALANCE - beginning of year	3,939,972	1,121,062	2,171,167	7,232,201
FUND BALANCE - end of year	\$ 4,929,089	\$ 1,227,908	\$ 2,654,072	\$ 8,811,069

The accompanying notes are integral part of these schedules.

GREENE COUNTY, NEW YORK

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

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass through Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture/ Passed through New York State Department of Social Services State Administrative Matching Grant for Supplemental Nutrition Assistance Program	10.561	NA	\$ <u>59,898</u>
Total U.S. Department of Agriculture			<u>59,898</u>
Department of Housing and Urban Development/ Passed through State Department of Housing and Community Renewal/ Community Development Block Grants	14.228	N/A	100,000
Community Development Block Grant - Direct Award	14.228	N/A	<u>23,921</u>
Total U.S. Department of Housing and Urban Development			<u>33,921</u>
U.S. Department of Transportation/ Passed through New York State Department of Transportation/ Highway Planning and Construction	20.205	various	<u>39,848</u>
Total U.S. Department of Transportation			<u>39,848</u>
U.S. Department of Education/ Passed through State Department of Education/ Special Education- Grants for Infants and Families	84.181	C-31635GG	<u>2,687</u>
Total U.S. Department of Education			<u>2,687</u>
U.S. Department of Health and Human Services/ Passed through New York State Department of Health/ Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	1608-11	62,299
Family Planning Service	93.217	C-027023	35,116 *
Immunization Grant	93.268	C-028294	28,999
Medicaid Assistance Program	93.778	NA	360,000 **
Maternal and Child Health Services Block Grant to the States	93.994	C-028294	8,676
Maternal and Child Health Services Block Grant to the States	93.994	C-027023	24,503
Maternal and Child Health Services Block Grant to the States	93.994	C-32663GG	<u>20,778</u>
Subtotal Federal CFDA Number 93.994			<u>50,957</u>

The accompanying notes are an integral part of this
schedule.

GREENE COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass through Number</u>	<u>Federal Expenditures</u>
Passed through New York State Office of Temporary and Disability Assistance/			
Family Planning Service	93.217	NA	25,568 *
Temporary Assistance For Needy Families	93.558	NA	3,257,412
Child Support Enforcement (Title IV-D)	93.563	NA	219,879
Low Income Home Energy Assistance	93.568	NA	2,852,236
Child Care and Development Block Grant (A)	93.575	NA	469,606
Foster Care - Title IV E	93.658	NA	1,607,708
Adoption Assistance	93.659	NA	394,923
Social Services Block Grant	93.667	NA	501,080
Medical Assistance Program	93.778	NA	899,129 **
			<u>10,227,541</u>
<i>Aging Cluster</i>			
Passed through New York State Office for the Aging			
Special Programs for Aging, Title III, Part B - Grants for Supportive Services for Senior Centers	93.044	NA	54,512
Passed through New York State Office of Temporary and Disability Assistance			
Nutrition Services Incentive Program	93.053	NA	<u>39,105</u>
<i>Subtotal Aging Cluster</i>			<u>93,617</u>
Passed through New York State Office for the Aging			
Medicare Enrollment Assistance Program	93.071	NA	13,121
Special Programs for Aging, Title III, Part C1 - Nutrition service	93.045	NA	75,378
Special Programs for Aging, Title III, Part C2 - Nutrition service	93.045	NA	<u>38,178</u>
<i>Subtotal Federal CFDA Number 93.045</i>			<u>113,556</u>
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779	N/A	33,121
Special Programs for Aging, Title III, Part D - Disease Prevention and Health Promotion	93.043	NA	4,080
Special Programs for Aging, Title III, Part E - Older Americans Act	93.052	NA	<u>29,062</u>
			<u>33,142</u>
Passed through State Office of Alcoholism and Substance Abuse Services/			
Prevention and Treatment of Substance Abuse Block Grant	93.959	NA	<u>276,841</u>
<i>Total U.S. Department of Health and Human Services</i>			<u>11,329,310</u>
Corporation for National and Community Service/			
Retired and Senior and Volunteer Program	94.002	NA	<u>40,000</u>
<i>Total Corporation for National and Community Service</i>			<u>40,000</u>
<i>U.S. Department of Homeland Security/</i>			
Passed through New York State Division of Homeland Security and Emergency Services			
Emergency Management Performance Grants	97.042	C198643	448,416
Emergency Management Performance Grants	97.042	C198263	139,634
Emergency Management Performance Grants	97.042	T970875	<u>23,317</u>
<i>Subtotal Federal CFDA Number 97.042</i>			<u>611,367</u>
Homeland Security Grant Program	97.067	C198492	1,953,076
Homeland Security Grant Program	97.067	C970850	16,411
Homeland Security Grant Program	97.067	C970860	31,880
Homeland Security Grant Program	97.067	C970870	<u>30,416</u>
<i>Subtotal Federal CFDA Number 97.067</i>			<u>2,031,783</u>
<i>Total U.S. Department of Homeland Security</i>			<u>2,643,150</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 15,361,814</u>
* Subtotal CFDA Number 93.217	<u>\$ 58,684</u>		
** Subtotal CFDA Number 93.778	<u>\$ 1,259,129</u>		

The accompanying notes are an integral part of this schedule.

REQUIRED REPORTS UNDER THE UNIFORM GUIDANCE

GREENE COUNTY, NEW YORK

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

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Greene County, New York (County), under programs of the federal government for the year ended December 31, 2018. The information in the 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). Because the Schedule presents only a portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows for the County.

2. BASIS OF ACCOUNTING

Expenditures reported in the Schedule are presented in conformity with accounting principles generally accepted in the United States and amounts presented are derived from the County's general ledger.

3. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent that such costs are included in the federal financial reports used as the source document for the data presented.

The County has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. MATCHING COSTS

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

5. SUB-RECIPIENTS

No amounts were provided to sub-recipients.

6. NONCASH AWARDS

A significant portion of federal award programs do not involve cash awards to the County. The value of these noncash awards has been recorded as expenditures on the Statement of Expenditures of Federal Awards. Those relating to the County are as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
U.S. Department of Health and Human Services:		
Family Planning Services	93.217	\$ 58,684
Low Income Home Energy Assistance		
Value of NYS Comptroller expenditures	93.568	\$ 2,226,950

**INDEPENDENT AUDITOR'S 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**

September 25, 2019

To the County Legislature of Greene County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and budgetary comparison information for General Fund of Greene County, New York (County) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 25, 2019. Our report includes a reference to other auditors who audited the financial statements of the Greene County Soil and Water Conservation District, Greene County Industrial Development Agency, and Greene Tobacco Asset Securitization Corporation, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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(Continued)

INDEPENDENT AUDITOR'S 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 (Continued)

Internal Control over Financial Reporting (Continued)

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

Compliance and Other Matters

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

Purpose of this Report

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

Bonadio & Co., LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

September 25, 2019

To the County Legislature of Greene County:

Report on Compliance for Each Major Federal Program

We have audited Greene County, New York's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2018. The County's major federal programs are identified in the summary of 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 County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, 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 County's compliance with those requirements; and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

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(Continued)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**
(Continued)

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 County's internal control over compliance.

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

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

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

Bonadio & Co., LLP

GREENE COUNTY, NEW YORK

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

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements 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 programs:

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

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

Unmodified

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

☐ yes ☒ no

Identification of major programs:

CFDA Number(s)

93.558

Name of Federal Program or Cluster

Temporary Assistance for Needy Families

GREENE COUNTY, NEW YORK

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2018**

Section I—Summary of Auditor's Results (Continued)

Dollar threshold used to
distinguish between type A
and type B programs:

\$750,000

Auditee qualified as low-risk
auditee?

 X yes no

Section II—Financial Statement Findings

No findings were noted.

Section III—Federal Award Findings and Questioned Costs

We noted no instances of significant deficiencies, material weaknesses, or noncompliance, including questioned costs, that are required to be reported under the Uniform Guidance.

September 25, 2019

To the County Legislature
County of Greene, New York:

We have audited the financial statements of the governmental activities, the, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of the County of Greene, New York (County) for the year ended December 31, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 28, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. During the year ended December 31, 2018, the County adopted the following accounting policy:

As discussed in the footnotes to the financial statements, the County adopted GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 addresses accounting and financial reporting for other postemployment benefits (OPEB) provided to employees of state and local governmental employers. The statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The implementation also required the restatement of beginning net position, which is described in the notes to the financial statements. Also, the footnote describing OPEB provided has been modified and additional required supplementary information was added.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the County's financial statements were:

- Management's estimate of compensated absences is based upon unused hours of vacation and the estimated rate of pay.
- Management's estimate of allowance for doubtful accounts is based on judgments regarding the amount of accounts and taxes receivable that will be uncollectible.

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- Management's estimate of the depreciable lives of capital assets are based on judgments regarding the length of time an asset will provide value to the County.
- Management's estimate of other post-employment benefits is based on an actuarial calculation from a third party actuary.
- Management's estimate of unreported health claims is based on a calculation of prior claim history.
- Management's estimate of the state and federal aid receivable as it pertains to FEMA. This amount is based on expenditures made by the county and subsequently submitted for review to FEMA. There could be costs disallowed, though that amount is not estimable.
- Estimates related to the net pension asset, deferred outflows, net pension liability, and deferred inflows are based on actuarial information from audited financial statements of the pensions.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of long-term debt describes the types and maturity of the various debt instruments used by the County to finance operations.
- The disclosure of other post-employment describes the assumptions used and the components of the actuarial determined obligation.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated the date of this letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and the schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of net pension liability (asset) and schedule of contributions – pension plans which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on schedule of expenditures of federal awards and the combining statements for nonmajor funds which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the County Legislature and management of the County of Greene, New York and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bonadio & Co., LLP

Bonadio & Co., LLP

GREENE COUNTY, NEW YORK
State Transportation Assistance Expended
For the Year Ended
December 31, 2018
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE STATE
TRANSPORTATION ASSISTANCE PROGRAM; REPORT ON INTERNAL
CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF STATE
TRANSPORTATION ASSISTANCE EXPENDED REQUIRED BY DRAFT PART
43**

September 25, 2019

To the Chairman and Members of the County Legislature of
Greene County, New York:

Report on Compliance for Each Major State Transportation Program

We have audited Greene County, New York's (the County's) compliance with the types of compliance requirements described in the Draft Part 43 of the New York State Codification of Rules and Regulations (Draft Part 43 of NYCRR) that could have a direct and material effect on the state transportation assistance programs tested for the year ended December 31, 2018. The County's state transportation assistance program tested is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the State Transportation Assistance Expended.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and the terms and conditions of state awards applicable to its state transportation assistance programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's state transportation program tested 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 Draft Part 43 of NYCRR. Those standards and the Draft Part 43 of NYCRR 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 the state transportation assistance program tested occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Major state transportation program. However, our audit does not provide a legal determination on the County's compliance.

Opinion on Each Major State Transportation Program

In our opinion, the County complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on its state transportation assistance programs for the year ended December 31, 2018.

(Continued)

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE STATE TRANSPORTATION ASSISTANCE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED REQUIRED BY DRAFT PART 43 (Continued)

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the type of requirements that could have a direct and material effect on the state transportation assistance program tested to determine the auditing procedures are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the state transportation assistance program tested and to test and report on internal control over compliance in accordance with Draft Part 43 of NYCRR, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state transportation assistance 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 reasonable possibility that material noncompliance with a type of compliance requirement of a state transportation assistance 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 state transportation assistance 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 Draft Part 43 of NYCRR. Accordingly, this report is not suitable for any other purpose.

Schedule of State Transportation Assistance Expended

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated September 25, 2019 which contained unmodified opinions on those financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to September 25, 2019. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's financial statements. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Draft Part 43 of NYCRR and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE STATE TRANSPORTATION ASSISTANCE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED REQUIRED BY DRAFT PART 43 (Continued)

Schedule of State Transportation Assistance Expended (Continued)

The 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 state transportation assistance expended is fairly stated in all material respects in relation to the basic financial statements as a whole.

Bonadio & Co., LLP

GREENE COUNTY, NEW YORK

**SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Program Title</u>	<u>NYS DOT Contract Ref. Number</u>	<u>Expenditures</u>
Consolidated Local Street and Highway Improvement Program (CHIPS) Capital Reimbursement Component	950000	\$ 2,332,990
State Transit Operating Assistance	003	191,808
Bridge Preservation (Project 78)	D033945	1,336
Cauterskill Bridge (Project 86)	D034730	16,611
Palenville and Mansion Street Sidewalks (Project 89)	D035249	-
CR 06 Bridge (Project 90)	D035295	13,598
CR 12 Bicycle Lane (Project 91)	D035296	7,771
CR 23B Over the Shingle Kill (Project 94)	D035607	11,129
Total		<u>\$ 2,575,243</u>

The accompanying notes are an integral part of this schedule.

GREENE COUNTY, NEW YORK

NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED DECEMBER 31, 2018

1. GENERAL

The accompanying Schedule of State Transportation Assistance Expended of Greene County, New York (the County) presents the activity of all financial assistance provided by the New York State Department of Transportation. The County's reporting entity is defined in the County's financial statements. The information in the Schedule is presented in accordance with the requirements of the Draft Part 43 of the NYCRR. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

2. BASIS OF ACCOUNTING

The accompanying Schedule of State Transportation Assistance Expended is presented using the modified accrual basis of accounting, as described in the County's financial statements. Negative amounts shown on the Schedule represents adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent they are included in the New York State financial reports used as the source for the data presented.

4. MATCHING COSTS

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

5. NON-CASH ASSISTANCE

The County did not receive any non-cash assistance for the year ended December 31, 2018.

GREENE COUNTY, NEW YORK

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR STATE TRANSPORTATION
ASSISTANCE EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 2018**

A. SUMMARY OF AUDIT RESULTS

1. Internal control over state transportation assistance expended:
 - No material weaknesses were identified.
 - No significant deficiencies were identified.
2. The independent auditor's report on compliance for each major state transportation assistance program, and on internal control over compliance and report on schedule of state transportation assistance expended, expressed an unmodified opinion and did not disclose any material noncompliance with the state transportation major programs.
3. The program tested was:
 - Consolidated Local Street and Highway Improvement Program (CHIPS) – Capital Reimbursement Component

**B. FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

There were no current year findings and there were no prior year findings.

C. COMPLIANCE FINDINGS AND QUESTIONED COSTS

There were no current year findings.