

*COUNTY OF WAYNE, NEW YORK*

*BASIC FINANCIAL STATEMENTS*

*For Year Ended December 31, 2018*

**Raymond F. Wager, CPA, P.C.**  
Certified Public Accountants

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**Independent Auditors' Report**

To the Chairman and Members  
Of the Board of Supervisors  
County of Wayne, New York

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Wayne, New York, 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.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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 County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Wayne, New York, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

As described in Note II to the financial statements, the County adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, the beginning net position has been restated. Our opinion is not modified with respect to this matter.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information-General Fund, Schedule of Changes in the County's Total OPEB Liability and Related Ratio, Schedule of the County's Proportionate Share of the Net Position Liability, Schedule of County Contributions, and Note to Required Supplementary Information on pages 4–15 and 65–67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

The accompanying supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019 on our consideration of the County of Wayne, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Wayne, New York's internal control over financial reporting and compliance.



Rochester, New York  
June 26, 2019

# COUNTY OF WAYNE, NEW YORK

## Management's Discussion and Analysis

December 31, 2018

As management of the County of Wayne, New York we offer readers of the County of Wayne's financial statements this narrative overview and analysis of the financial activities of the County of Wayne, New York for the year ended December 31, 2018. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### FINANCIAL HIGHLIGHTS

- The assets of the County of Wayne, New York exceeded its liabilities at the close of the most recent year by \$167,020 (net position) which is an increase of \$12,497 from the prior year. Of this amount, \$75,377 (unrestricted net position) may be used by the government's ongoing obligations to citizens and creditors.
- As of the close of the current year, the County of Wayne's governmental funds reported combined ending fund balances of \$72,181, an increase of \$2,851 in comparison with the prior year. Approximately 66.7% of that amount, \$48,176, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current year, unassigned fund balance for the general fund was \$48,176 or 36.8% of total general fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County of Wayne, New York's basic financial statements. The County of Wayne's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** The *government-wide financial statements* are designed to provide readers with a broad overview of the County of Wayne's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the County of Wayne's assets and liabilities, with the difference between the two reported as *net position*.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County of Wayne, New York is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**Fund financial statements** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Wayne, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County of Wayne can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *government activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County of Wayne, New York maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is considered to be a major fund. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County of Wayne, New York adopts an annual appropriated budget for the general fund, county road fund, and road machinery fund. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with these budgets.

***Proprietary Fund.*** The County of Wayne, New York maintains a proprietary fund for the Wayne County Nursing Home, (Enterprise Fund), which is presented as a business-type activity in the entity wide financial statements and financed primarily through user charges.

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County of Wayne's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County of Wayne, New York, assets exceeded liabilities by \$167,020 at the close of the most recent year.

The largest portion of the County of Wayne's net position (52.6%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County of Wayne uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County of Wayne's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## COUNTY OF WAYNE'S NET POSITION

Amounts shown in thousands

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b><u>ASSETS:</u></b>						
Current and Other Assets	\$ 104,181	\$ 100,649	\$ 36,935	\$ 30,567	\$ 141,116	\$ 131,216
Noncurrent Assets	-	-	96	76	96	76
Capital Assets	107,410	107,117	3,491	5,442	110,901	112,559
<b>Total Assets</b>	<b><u>\$ 211,591</u></b>	<b><u>\$ 207,766</u></b>	<b><u>\$ 40,522</u></b>	<b><u>\$ 36,085</u></b>	<b><u>\$ 252,113</u></b>	<b><u>\$ 243,851</u></b>
<b><u>DEFERRED OUTFLOWS:</u></b>	<b><u>\$ 19,643</u></b>	<b><u>\$ 13,033</u></b>	<b><u>\$ 3,903</u></b>	<b><u>\$ 3,074</u></b>	<b><u>\$ 23,546</u></b>	<b><u>\$ 16,107</u></b>
<b><u>LIABILITIES:</u></b>						
Current Liabilities	\$ 21,469	\$ 20,848	\$ 2,998	\$ 3,546	\$ 24,467	\$ 24,394
Noncurrent Liabilities	48,204	58,788	14,534	17,428	62,738	76,216
<b>Total Liabilities</b>	<b><u>\$ 69,673</u></b>	<b><u>\$ 79,636</u></b>	<b><u>\$ 17,532</u></b>	<b><u>\$ 20,974</u></b>	<b><u>\$ 87,205</u></b>	<b><u>\$ 100,610</u></b>
<b><u>DEFERRED INFLOWS:</u></b>	<b><u>\$ 18,105</u></b>	<b><u>\$ 4,048</u></b>	<b><u>\$ 3,328</u></b>	<b><u>\$ 777</u></b>	<b><u>\$ 21,433</u></b>	<b><u>\$ 4,825</u></b>
<b><u>NET POSITION:</u></b>						
Net Investment in Capital						
Assets	\$ 94,741	\$ 93,411	\$ (6,893)	\$ (7,190)	\$ 87,848	\$ 86,221
Restricted	3,795	4,550	-	-	3,795	4,550
Unrestricted	44,920	39,154	30,457	24,598	75,377	63,752
<b>Total Net Position</b>	<b><u>\$ 143,456</u></b>	<b><u>\$ 137,115</u></b>	<b><u>\$ 23,564</u></b>	<b><u>\$ 17,408</u></b>	<b><u>\$ 167,020</u></b>	<b><u>\$ 154,523</u></b>

The *unrestricted net position* of \$75,377 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current year, the County of Wayne, New York is able to report positive balances in all three categories of net position, both for the governmental fund statements and the government wide statements.

There was an increase of \$5,766 in unrestricted net position reported in connection with the County of Wayne, New York's governmental activities. This increase was primarily a result of an increase in sales tax revenues collected and a decrease in the amount of the intergovernmental transfers made in 2018.

There was an increase of \$5,859 in unrestricted net position reported in connection with the County of Wayne, New York's business activities. This increase is a result of an intergovernmental transfer made in 2018.

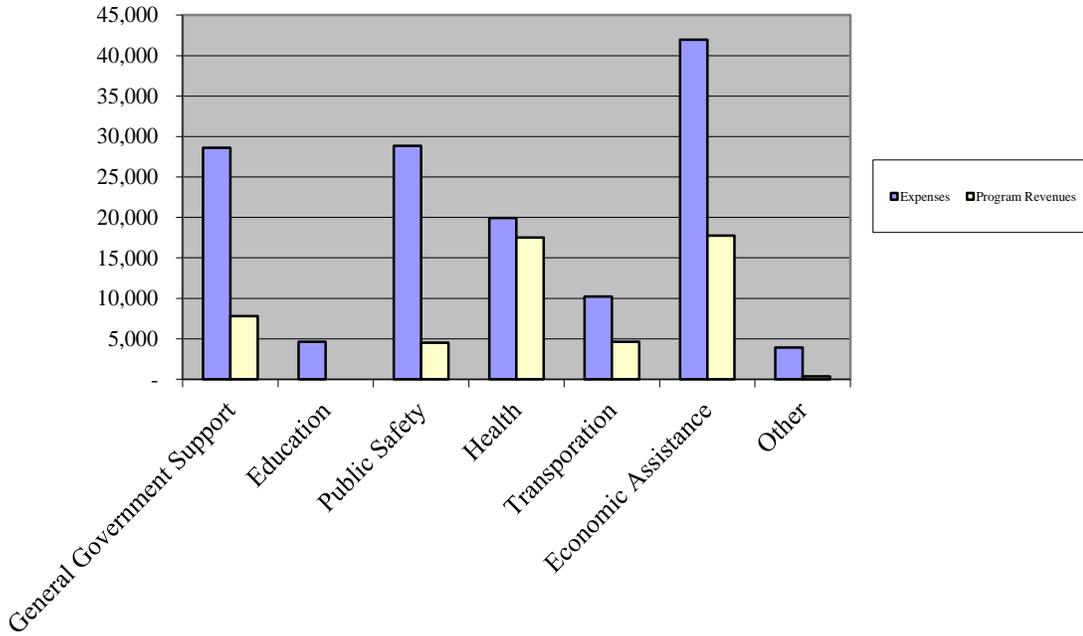
## COUNTY OF WAYNE'S CHANGE IN NET POSITION

Amounts shown in thousands

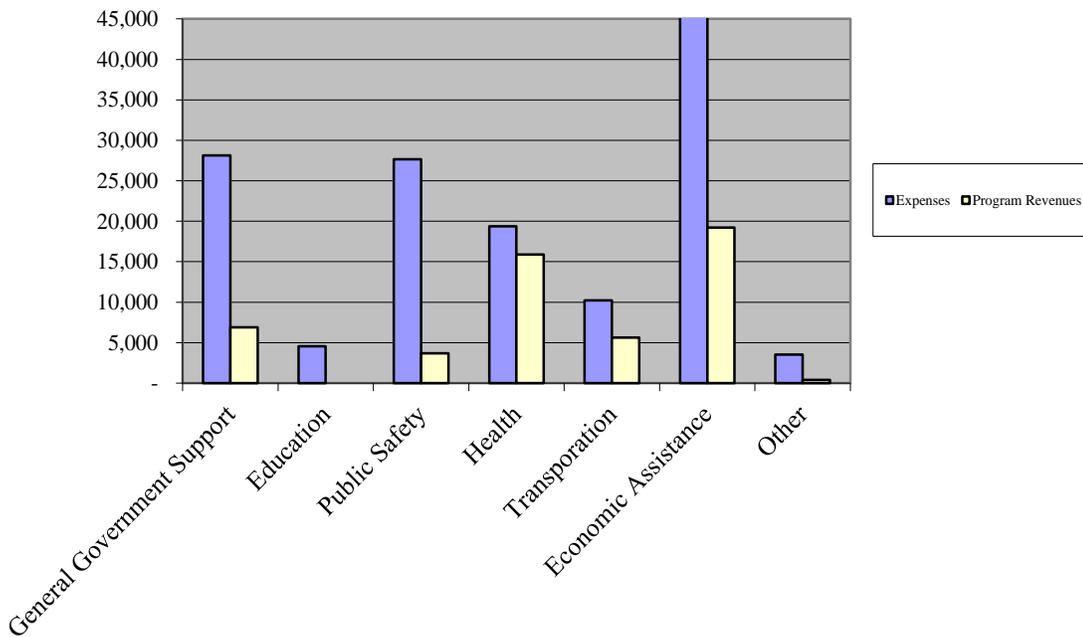
	Governmental		Business-Type		Total	
	Activities		Activities			
<b>REVENUES:</b>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Program Revenues -</b>						
Charges for Services	\$ 19,158	\$ 17,047	\$ 20,129	\$ 20,226	\$ 39,287	\$ 37,273
Operating Grants and Contributions	29,495	29,776	5,964	14,446	35,459	44,222
Capital Grants and Contributions	3,912	4,860	-	-	3,912	4,860
<b>General Revenues -</b>						
Property Taxes	42,694	42,987	-	-	42,694	42,987
Other Taxes	46,881	43,731	-	-	46,881	43,731
Other	2,651	2,694	290	38	2,941	2,732
<b>Total Revenues</b>	<b>\$ 144,791</b>	<b>\$ 141,095</b>	<b>\$ 26,383</b>	<b>\$ 34,710</b>	<b>\$ 171,174</b>	<b>\$ 175,805</b>
<b>EXPENSES:</b>						
General Government Support	\$ 28,597	\$ 28,151	\$ -	\$ -	\$ 28,597	\$ 28,151
Education	4,649	4,535	-	-	4,649	4,535
Public Safety	28,853	27,644	-	-	28,853	27,644
Health	19,918	19,366	20,546	22,026	40,464	41,392
Transportation	10,235	10,236	-	-	10,235	10,236
Economic Assistance	41,968	48,360	-	-	41,968	48,360
Culture and Recreation	1,160	1,098	-	-	1,160	1,098
Home and Community Services	2,009	1,646	-	-	2,009	1,646
Debt Service	742	778	-	-	742	778
<b>Total Expenses</b>	<b>\$ 138,131</b>	<b>\$ 141,814</b>	<b>\$ 20,546</b>	<b>\$ 22,026</b>	<b>\$ 158,677</b>	<b>\$ 163,840</b>
<b>EXCESS (DEFICIENCY) OF</b>						
<b>REVENUE OVER EXPENDITURES</b>						
<b>BEFORE TRANSFERS</b>	\$ 6,660	\$ (719)	\$ 5,837	\$ 12,684	\$ 12,497	\$ 11,965
<b>TRANSFERS:</b>						
County Subsidy	(320)	(1,265)	320	1,265	-	-
<b>INCREASE (DECREASE)</b>						
<b>IN NET POSITION</b>	<b>\$ 6,340</b>	<b>\$ (1,984)</b>	<b>\$ 6,157</b>	<b>\$ 13,949</b>	<b>\$ 12,497</b>	<b>\$ 11,965</b>

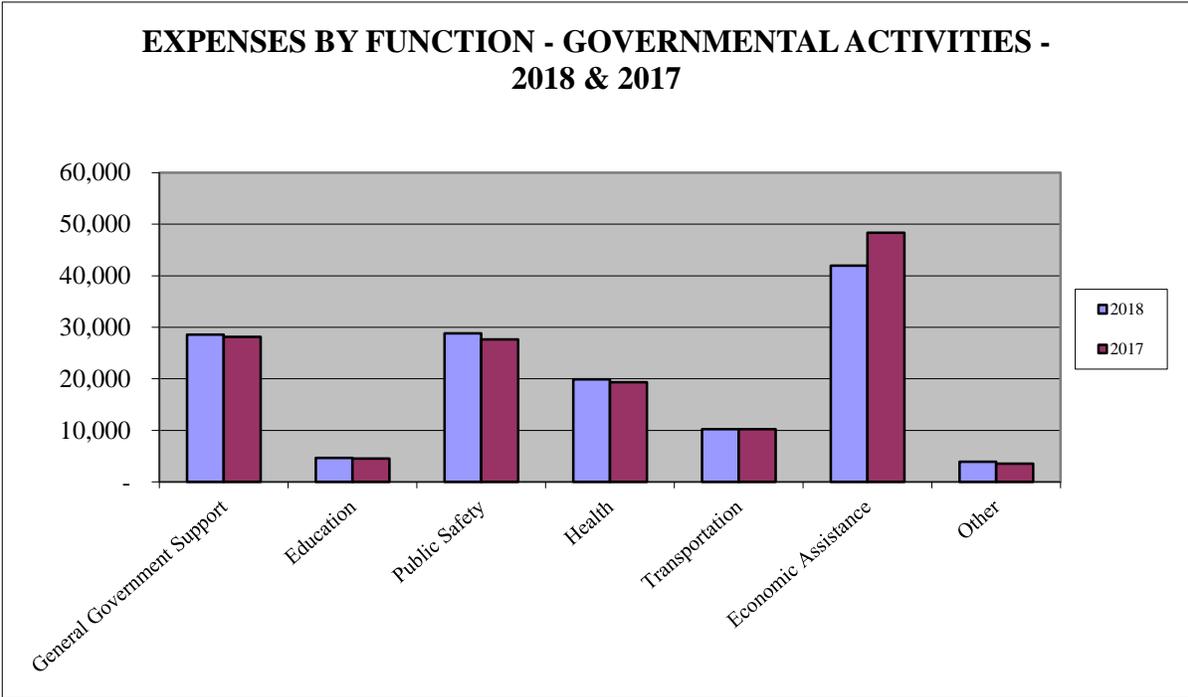
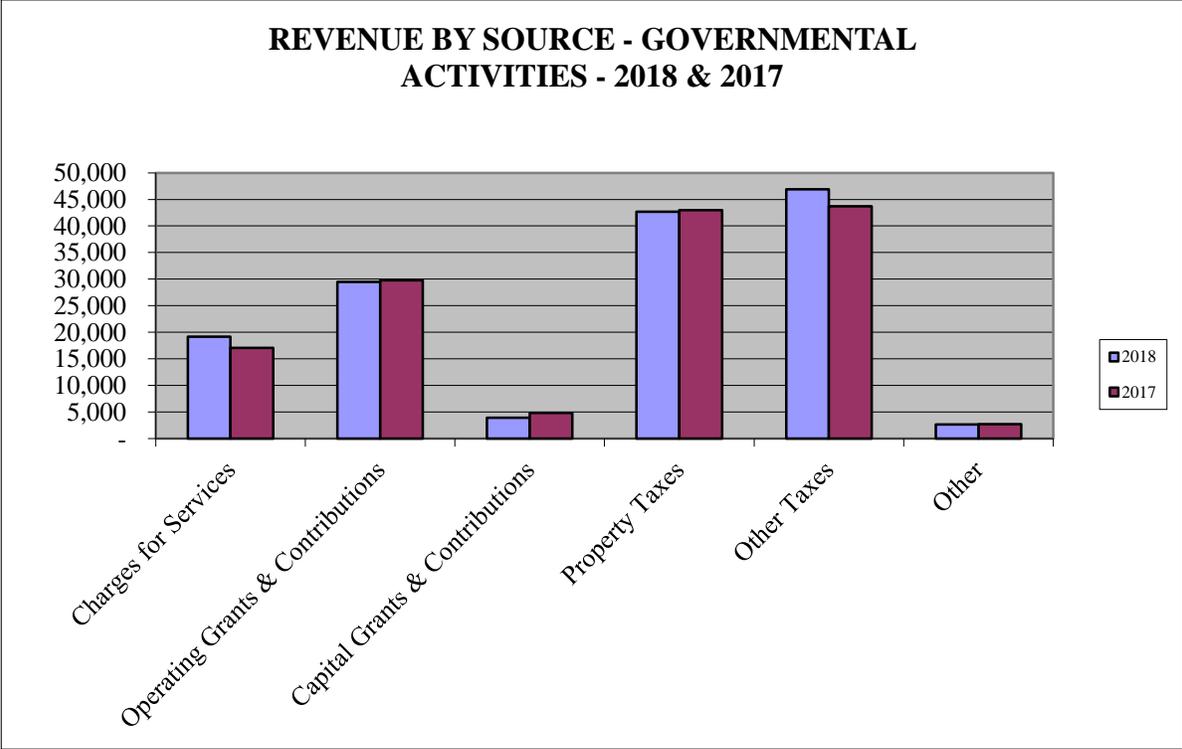
**Governmental activities** - Governmental activities increased the County of Wayne's net position by \$6,340 was primarily due to higher than anticipated sales tax revenues and underspending in the General Fund budget.

**EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL  
ACTIVITIES - 2018**



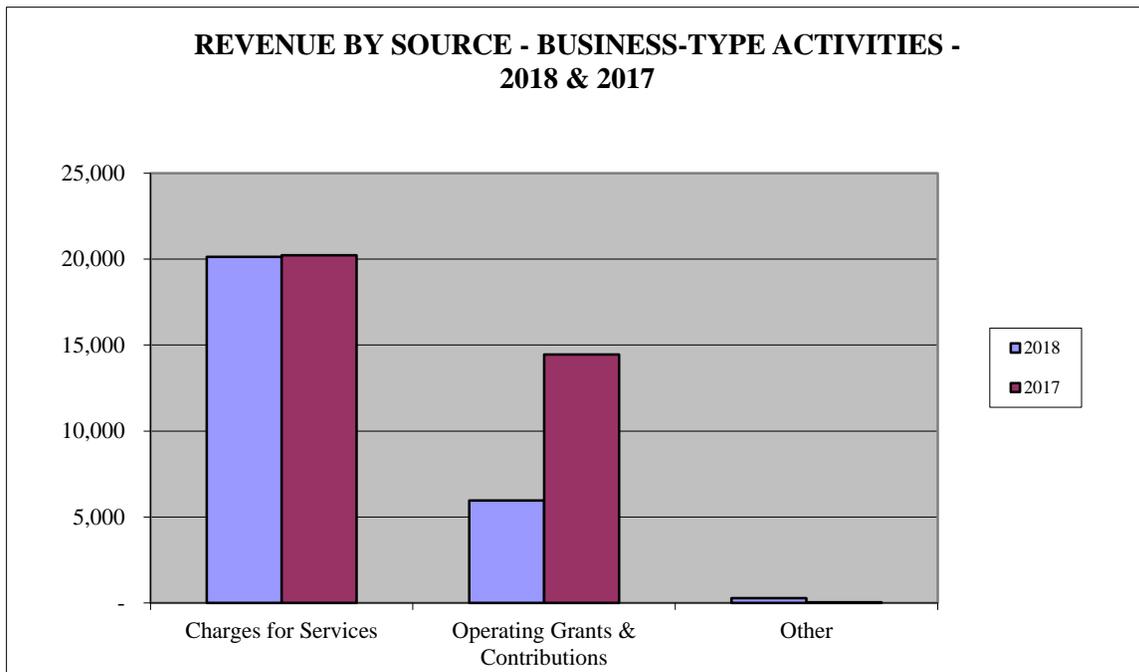
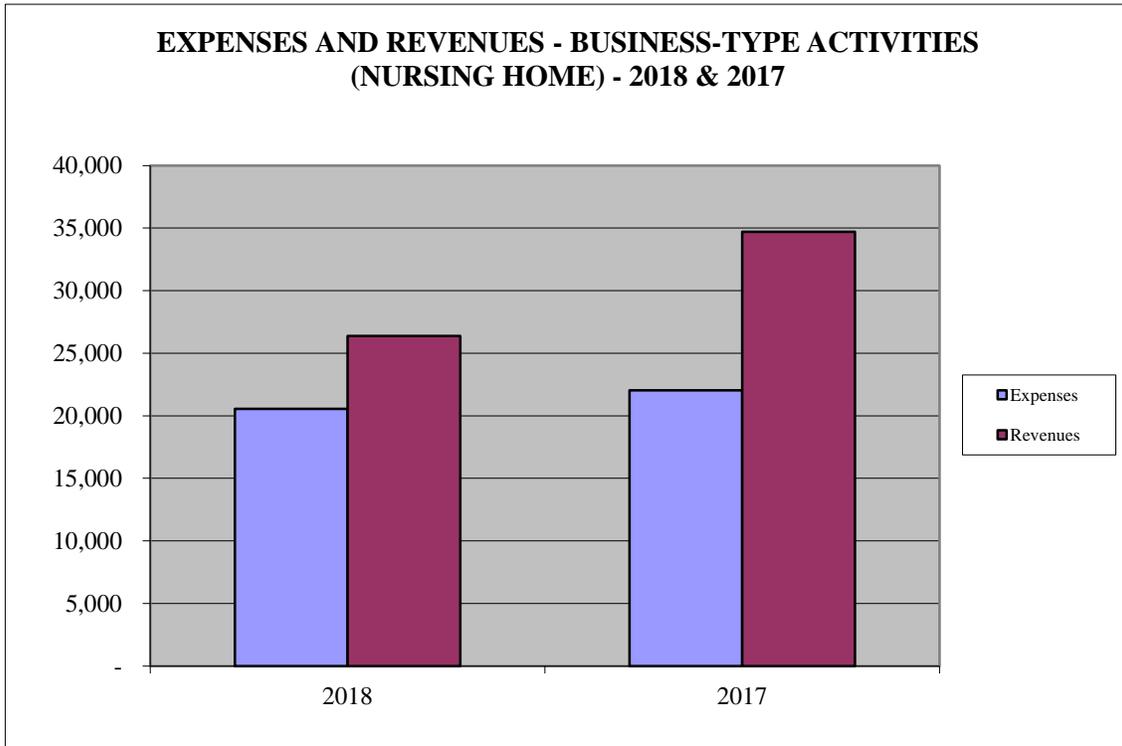
**EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL  
ACTIVITIES - 2017**

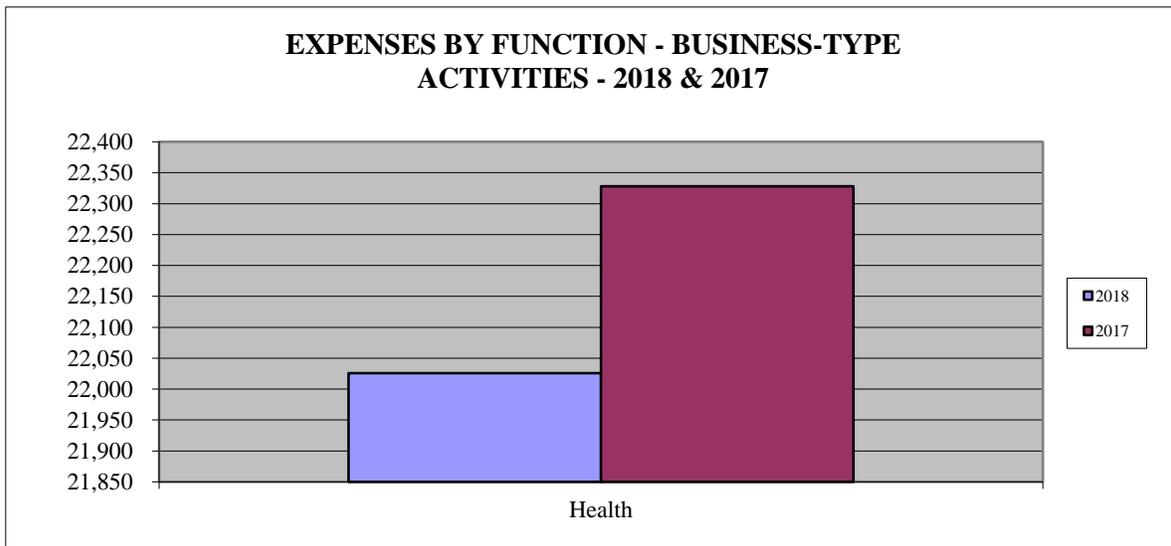




For the most part, increases in expenses closely paralleled inflation and growth in demand for services.

**Business-type activities** - Business-type activities increased the County of Wayne’s net position by \$6,157. This increase was primarily caused by an increase in unanticipated intergovernmental transfers.





**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

As noted earlier, the County of Wayne, New York uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** The focus of the County of Wayne’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County of Wayne’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the year.

As of the end of the current year, the County of Wayne, New York’s governmental funds reported combined ending fund balances of \$72,181, an increase of \$2,851 in comparison with the prior year. Approximately, 67% of this total amount \$48,176 constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of fund balance is *nonspendable, restricted or assigned* to indicate that it is not available for new spending because it has already been committed.

The general fund is the chief operating fund of the County of Wayne, New York. At the end of the current year, unassigned fund balance of the general fund was \$48,176, while total fund balance reached \$61,406. As a measure of the general funds liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 36.8% of total general fund expenditures, while total fund balance represents 46.9% of that same amount.

The fund balance of the County of Wayne’s general fund decreased by \$3,500 during the current year.

**Proprietary fund** The County of Wayne, New York’s proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Nursing Home at the end of the year amounted to \$30,457. The increase in net position was \$6,157.

### GENERAL FUND BUDGETARY HIGHLIGHTS

- The tax levy decreased by 0.03%
- The tax rate decreased by 1.60%
- These amounts are within New York State tax cap statutes.

### BUDGETARY VARIANCES

The key factors for budget variances in the general fund are listed below along with explanations for each.

	<b>Budget Variance Original Vs. Amended</b>	
<b>Revenue Items:</b>		<b>Explanation for Budget Variance</b>
State and County Aid	(\$2,013)	Reclassification of budgeted revenues to reflect proper source
Federal Aid	\$3,429	Reclassification of budgeted revenues to reflect proper source
<b>Expenditure Items:</b>	<b>Budget Variance Original Vs. Amended</b>	<b>Explanation for Budget Variance</b>
Public Safety	\$1,475	Staffing and related benefits
Health	\$1,060	Staffing and expanded programs due to additional State funding
Economic Assistance & Opportunity	\$5,451	Funding for intergovernmental transfer
Transfers-Out	\$6,988	Funding of capital projects

	<b>Budget Variance Amended Vs. Actual</b>	
<b>Revenue Items:</b>		<b>Explanation for Budget Variance</b>
Non-Property Taxes	\$3,951	An increase in sales tax revenue
State and County Aid	(\$1,967)	Additional anticipated aid was not received
Federal Aid	(\$1,705)	Additional anticipated aid was not received

<b>Expenditure Items:</b>	<b>Budget Variance Amended Vs. Actual</b>	<b>Explanation for Budget Variance</b>
General Government Support	\$1,550	Expenditures were less than anticipated
Health	\$1,399	Behavioral costs were lower than anticipated
Economic Opportunity and Development	\$5,107	Administrative costs were lower than anticipated

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital assets** The County of Wayne, New York's capital assets for its governmental and business type activities as of December 31, 2018, amounts to \$110,901 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges. There were no major capital events during the current year. (Additional information can be found in Note V of the Notes to the Basic Financial Statements).

### COUNTY OF WAYNE'S CAPITAL ASSETS (net of depreciation)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Land	\$ 1,637	\$ 1,637	\$ 37	\$ 37	\$ 1,674	\$ 1,674
Buildings	39,788	40,899	2,870	4,739	42,658	45,638
Machinery and Equipment	5,818	5,459	584	666	6,402	6,125
Infrastructure	45,170	44,138	-	-	45,170	44,138
Construction in Progress	14,997	14,984	-	-	14,997	14,984
<b>Total Capital Assets</b>	<b><u>\$ 107,410</u></b>	<b><u>\$ 107,117</u></b>	<b><u>\$ 3,491</u></b>	<b><u>\$ 5,442</u></b>	<b><u>\$ 110,901</u></b>	<b><u>\$ 112,559</u></b>

**Long-term debt** At the end of the current year, the County of Wayne, New York had total bonded debt outstanding of \$69,844. The entire amount of debt is backed by the full faith and credit of the government. (Additional information can be found in Note VIII of the Notes to the Basic Financial Statements).

**COUNTY OF WAYNE’S OUTSTANDING DEBT**  
**General Obligations**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Serial Bonds	\$ 7,420	\$ 7,725	\$ 11,240	\$ 12,060	\$ 18,660	\$ 19,785
Energy Performance Contract	2,044	2,336	-	-	2,044	2,336
Capital Lease	3,205	3,645	-	-	3,205	3,645
Unamortized Bond Premium	-	-	481	572	481	572
Compensated Absences	4,159	4,016	227	228	4,386	4,244
OPEB Liability	23,867	23,922	2,600	2,606	26,467	26,528
Net Pension Liability	5,073	15,287	932	2,934	6,005	18,221
Resident funds held in Trust	-	-	96	76	96	76
Workers' Compensation Liability	7,693	7,027	807	1,317	8,500	8,344
<b>Total</b>	<b>\$ 53,461</b>	<b>\$ 63,958</b>	<b>\$ 16,383</b>	<b>\$ 19,793</b>	<b>\$ 69,844</b>	<b>\$ 83,751</b>

The County of Wayne’s total debt decreased by \$13,907 during the current year. This represents annual debt service on the general obligations of the County.

The County of Wayne, New York maintains an A+ rating from Standard & Poor’s for its general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 percent of the last five year average of total assessed value. The current debt limit for the County of Wayne is \$343 million which is significantly in excess of the County of Wayne’s outstanding general obligation debt.

**ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES**

- Increase in health insurance costs and contractually obligated wage increase combined with the tax cap were the main economic factors.
- The 2019 tax rate per thousand is \$7.90, which is up from \$7.75 in 2018, and \$7.88 in 2017.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County of Wayne’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Treasurer, 16 William Street, Lyons, New York, 14489.

**COUNTY OF WAYNE, NEW YORK**

**Statement of Net Position**

**December 31, 2018**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current assets -</b>			
Cash and cash equivalents	\$ 24,423,064	\$ 28,906,854	\$ 53,329,918
Investments	54,310,260	3,999,269	58,309,529
Receivables, net	23,139,370	3,565,798	26,705,168
Prepaid items	2,308,183	430,706	2,738,889
Inventories	-	32,456	32,456
<b>Total Current Assets</b>	<b>\$ 104,180,877</b>	<b>\$ 36,935,083</b>	<b>\$ 141,115,960</b>
<b>Noncurrent assets -</b>			
Custodial accounts	\$ -	\$ 96,062	\$ 96,062
<b>Total Noncurrent Assets</b>	<b>\$ -</b>	<b>\$ 96,062</b>	<b>\$ 96,062</b>
<b>Capital assets, net of accumulated depreciation -</b>			
Land	\$ 1,636,650	\$ 37,328	\$ 1,673,978
Land improvements	42,693	53,083	95,776
Buildings	39,745,542	2,817,205	42,562,747
Equipment	5,818,187	583,316	6,401,503
Infrastructure	45,170,258	-	45,170,258
Work in progress	14,996,888	-	14,996,888
<b>Total Capital Assets, Net</b>	<b>\$ 107,410,218</b>	<b>\$ 3,490,932</b>	<b>\$ 110,901,150</b>
<b>TOTAL ASSETS</b>	<b>\$ 211,591,095</b>	<b>\$ 40,522,077</b>	<b>\$ 252,113,172</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts for pension	\$ 16,964,062	\$ 3,088,791	\$ 20,052,853
Deferred amounts for OPEB	2,678,464	291,762	2,970,226
Deferred amounts on refunding bonds	-	522,301	522,301
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 19,642,526</b>	<b>\$ 3,902,854</b>	<b>\$ 23,545,380</b>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>\$ 231,233,621</b>	<b>\$ 44,424,931</b>	<b>\$ 275,658,552</b>
<b>LIABILITIES</b>			
<b>Current liabilities -</b>			
Accounts payable	\$ 1,374,863	\$ 438,871	\$ 1,813,734
Accrued liabilities	3,515,595	693,521	4,209,116
Due to other governments	11,152,039	-	11,152,039
Unearned revenues	168,362	16,576	184,938
Due in one year	5,257,774	1,848,628	7,106,402
<b>Total Current Liabilities</b>	<b>\$ 21,468,633</b>	<b>\$ 2,997,596</b>	<b>\$ 24,466,229</b>
<b>Noncurrent liabilities -</b>			
Patient funds held in trust	\$ -	\$ 96,062	\$ 96,062
Due in more than one year	48,203,651	14,438,361	62,642,012
<b>Total Noncurrent Liabilities</b>	<b>\$ 48,203,651</b>	<b>\$ 14,534,423</b>	<b>\$ 62,738,074</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 69,672,284</b>	<b>\$ 17,532,019</b>	<b>\$ 87,204,303</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources, pensions	\$ 18,105,469	\$ 3,328,356	\$ 21,433,825
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 18,105,469</b>	<b>\$ 3,328,356</b>	<b>\$ 21,433,825</b>
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS</b>	<b>\$ 87,777,753</b>	<b>\$ 20,860,375</b>	<b>\$ 108,638,128</b>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 94,741,218	\$ (6,892,628)	\$ 87,848,590
<b>Restricted for -</b>			
Capital reserves	95,371	-	95,371
Liability reserve	3,168,251	-	3,168,251
Other purposes	530,794	-	530,794
Unrestricted	44,920,234	30,457,184	75,377,418
<b>TOTAL NET POSITION</b>	<b>\$ 143,455,868</b>	<b>\$ 23,564,556</b>	<b>\$ 167,020,424</b>

**COUNTY OF WAYNE, NEW YORK**  
**Statement of Activities**  
**For the Year Ended December 31, 2018**

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Primary Government:</b>							
<b>Governmental Activities -</b>							
General government support	\$ 28,597,262	\$ 6,930,201	\$ 701,775	\$ 184,041	\$ (20,781,245)	\$ -	\$ (20,781,245)
Education	4,648,500	-	-	-	(4,648,500)	-	(4,648,500)
Public safety	28,853,407	2,142,761	2,022,799	330,493	(24,357,354)	-	(24,357,354)
Health	19,918,534	6,215,381	11,297,566	-	(2,405,587)	-	(2,405,587)
Transportation	10,234,675	1,074,781	161,413	3,397,877	(5,600,604)	-	(5,600,604)
Economic assistance and opportunity	41,967,966	2,642,380	15,115,775	-	(24,209,811)	-	(24,209,811)
Culture and recreation	1,159,921	137,813	195,837	-	(826,271)	-	(826,271)
Home and community services	2,009,098	15,000	-	-	(1,994,098)	-	(1,994,098)
Interest on long-term debt	741,553	-	-	-	(741,553)	-	(741,553)
<b>Total Governmental Activities</b>	<b>\$ 138,130,916</b>	<b>\$ 19,158,317</b>	<b>\$ 29,495,165</b>	<b>\$ 3,912,411</b>	<b>\$ (85,565,023)</b>	<b>\$ -</b>	<b>\$ (85,565,023)</b>
<b>Business-Type Activities -</b>							
Nursing home	\$ 20,545,481	\$ 20,129,297	\$ 5,963,592	\$ -	\$ -	\$ 5,547,408	\$ 5,547,408
<b>Total Business-Type Activities</b>	<b>\$ 20,545,481</b>	<b>\$ 20,129,297</b>	<b>\$ 5,963,592</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,547,408</b>	<b>\$ 5,547,408</b>
<b>Total Primary Government</b>	<b>\$ 158,676,397</b>	<b>\$ 39,287,614</b>	<b>\$ 35,458,757</b>	<b>\$ 3,912,411</b>	<b>\$ (85,565,023)</b>	<b>\$ 5,547,408</b>	<b>\$ (80,017,615)</b>
<b>General Revenues:</b>							
Property taxes					\$ 42,693,694	\$ -	\$ 42,693,694
Sales tax					46,881,288	-	46,881,288
Compensation for loss					1,459,703	-	1,459,703
Investment earnings					939,985	289,804	1,229,789
Miscellaneous					250,366	-	250,366
<b>Total General Revenues</b>					<b>\$ 92,225,036</b>	<b>\$ 289,804</b>	<b>\$ 92,514,840</b>
<b>Transfers</b>							
County subsidy					\$ (319,537)	\$ 319,537	\$ -
<b>Total General Revenues and Transfers</b>					<b>\$ 91,905,499</b>	<b>\$ 609,341</b>	<b>\$ 92,514,840</b>
Change in Net Position					\$ 6,340,476	\$ 6,156,749	\$ 12,497,225
<b>Net Position - Beginning, restated</b>					<b>137,115,392</b>	<b>17,407,807</b>	<b>154,523,199</b>
<b>Net Position - Ending</b>					<b>\$ 143,455,868</b>	<b>\$ 23,564,556</b>	<b>\$ 167,020,424</b>

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

**COUNTY OF WAYNE, NEW YORK**

**Balance Sheet**

**Governmental Funds**

**December 31, 2018**

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 13,557,250	\$ 10,865,814	\$ 24,423,064
Investments	54,310,260	-	54,310,260
Receivables, net	22,451,520	687,850	23,139,370
Prepaid items	2,153,535	154,648	2,308,183
<b>Total Assets</b>	<u>\$ 92,472,565</u>	<u>\$ 11,708,312</u>	<u>\$ 104,180,877</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities -</b>			
Accounts payable	\$ 1,025,160	\$ 349,703	\$ 1,374,863
Accrued liabilities	8,719,703	583,648	9,303,351
Due to other governments	11,152,039	-	11,152,039
Overpayments and collections in advance	6,142,984	-	6,142,984
<b>Total Liabilities</b>	<u>\$ 27,039,886</u>	<u>\$ 933,351</u>	<u>\$ 27,973,237</u>
<b>Deferred Inflows of Resources -</b>			
Deferred property taxes	\$ 4,026,347	\$ -	\$ 4,026,347
<b>Total Deferred Inflows of Resources</b>	<u>\$ 4,026,347</u>	<u>\$ -</u>	<u>\$ 4,026,347</u>
<b>Fund Balances -</b>			
Nonspendable	\$ 2,153,535	\$ 154,648	\$ 2,308,183
Restricted	3,699,045	95,371	3,794,416
Assigned	7,378,050	10,524,942	17,902,992
Unassigned	48,175,702	-	48,175,702
<b>Total Fund Balances</b>	<u>\$ 61,406,332</u>	<u>\$ 10,774,961</u>	<u>\$ 72,181,293</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 92,472,565</u>	<u>\$ 11,708,312</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	107,410,218
Deferred tax revenue reported in governmental funds is reported as revenue in the entity-wide statement of activities.	4,026,347
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(89,355)
Deferred inflows and outflows of resources amortized over multiple years are not reported in the funds. Those items included in the governmental activities in the statement of net position consist of:	
Deferred outflow - OPEB	2,678,464
Deferred outflow - pension	16,964,062
Deferred inflow - pension	(18,105,469)
The following long-term obligations are not due and payable in the current period, therefore are not reported in the governmental funds:	
OPEB liability	(23,867,094)
Bonds payable	(9,464,000)
Capital lease	(3,205,000)
Pension liability	(5,073,598)
<b>Net Position of Governmental Activities</b>	<u>\$ 143,455,868</u>

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

**COUNTY OF WAYNE, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2018**

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
Real property and tax items	\$ 43,581,547	\$ -	\$ 43,581,547
Non-property taxes	46,881,288	-	46,881,288
Departmental income	15,396,610	-	15,396,610
Intergovernmental charges	725,750	953,596	1,679,346
Use of money and property	1,001,964	57,523	1,059,487
Licenses and permits	4,714	-	4,714
Fines and forfeitures	141,265	-	141,265
Sale of property and compensation for loss	1,246,130	53,755	1,299,885
Miscellaneous	2,214,987	12,077	2,227,064
Interfund revenues	607,021	793,372	1,400,393
State and county aid	16,204,341	3,876,586	20,080,927
Federal aid	13,075,739	250,910	13,326,649
<b>Total Revenues</b>	<b>\$ 141,081,356</b>	<b>\$ 5,997,819</b>	<b>\$ 147,079,175</b>
<b>Expenditures:</b>			
<b>Current -</b>			
General government support	\$ 29,469,005	\$ -	\$ 29,469,005
Education	4,648,500	-	4,648,500
Public safety	29,343,398	-	29,343,398
Health	20,704,027	-	20,704,027
Transportation	38,313	12,728,148	12,766,461
Economic assistance and opportunity	42,509,682	-	42,509,682
Culture and recreation	1,100,575	-	1,100,575
Home and community services	2,026,291	-	2,026,291
<b>Debt Service -</b>			
Debt service - principal	597,000	-	597,000
Debt service - interest and other charges	548,854	-	548,854
<b>Capital outlay -</b>	<b>-</b>	<b>514,534</b>	<b>514,534</b>
<b>Total Expenditures</b>	<b>\$ 130,985,645</b>	<b>\$ 13,242,682</b>	<b>\$ 144,228,327</b>
Excess (deficiency) of revenue over expenditures	\$ 10,095,711	\$ (7,244,863)	\$ 2,850,848
<b>Other Financing Sources and Uses:</b>			
Transfers - in	\$ 589,178	\$ 14,185,204	\$ 14,774,382
Transfers - out	(14,185,204)	(589,178)	(14,774,382)
<b>Total Other Financing Sources and Uses</b>	<b>\$ (13,596,026)</b>	<b>\$ 13,596,026</b>	<b>\$ -</b>
Net change in fund balances	\$ (3,500,315)	\$ 6,351,163	\$ 2,850,848
<b>Fund Balance - Beginning</b>	<b>64,906,647</b>	<b>4,423,798</b>	<b>69,330,445</b>
<b>Fund Balance - Ending</b>	<b>\$ 61,406,332</b>	<b>\$ 10,774,961</b>	<b>\$ 72,181,293</b>

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

**COUNTY OF WAYNE, NEW YORK**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2018**

**Net Change in Fund Balances - Total Governmental Funds** \$ 2,850,848

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

Governmental funds report capital outlay and the addition of assets as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and the addition of assets exceeded depreciation in the current period.

Addition of Assets, Net	\$ 5,270,316	
Depreciation	(4,976,779)	
		293,537

Bond and capital lease debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position. The following details these items as they effect the governmental activities:

Debt Repayment		1,037,000
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Deferred tax revenue reported in governmental funds is recorded in the entity-wide statement of activities. (887,853)

In the statement of activities, the health plan and OPEB liabilities are measured by the amount accrued during the year. In the governmental funds, expenditures for those items are measured by the amount actually paid. The following provides the difference of these items as presented in the governmental activities:

OPEB Liability	\$ 2,733,534	
Workers' Compensation Liability	217,135	
		2,950,669

(Increase) decrease in proportionate share of net pension asset/liability reported in the statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues and expenditures in the governmental funds

Employees' Retirement System		86,676
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 9,599

**Change in Net Position of Governmental Activities** \$ 6,340,476

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

**COUNTY OF WAYNE, NEW YORK**

**Statement of Net Position**

**Proprietary Funds**

**December 31, 2018**

	<b>Business - Type Activity</b>
	<b><u>Enterprise Fund</u></b>
	<b><u>Nursing</u></b>
	<b><u>Home</u></b>
<b>ASSETS:</b>	
<b>Current Assets -</b>	
Cash and cash equivalents	\$ 28,906,854
Investments	3,999,269
Receivables, net	3,565,798
Prepaid items	430,706
Inventories	32,456
<b>Total Current Assets</b>	<b>\$ 36,935,083</b>
<b>Noncurrent Assets -</b>	
Custodial accounts	\$ 96,062
<b>Capital Assets (Net of Accumulated Depreciation) -</b>	
Land	\$ 37,328
Land improvements	53,083
Buildings	2,817,205
Equipment	583,316
<b>Total Capital Assets, Net</b>	<b>\$ 3,490,932</b>
<b>TOTAL ASSETS</b>	<b>\$ 40,522,077</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred amounts for pension	\$ 3,088,791
Deferred amounts for OPEB	291,762
Deferred amounts on refunding bonds	522,301
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 3,902,854</b>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>\$ 44,424,931</b>
<b>LIABILITIES:</b>	
<b>Current Liabilities -</b>	
Accounts payable	\$ 438,871
Accrued liabilities	693,521
Unearned revenue	16,576
Due in one year	1,848,628
<b>Total Current Liabilities</b>	<b>\$ 2,997,596</b>
<b>Noncurrent Liabilities -</b>	
Patient funds held in trust	\$ 96,062
Due in more than one year	14,438,361
<b>Total Noncurrent Liabilities</b>	<b>\$ 14,534,423</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 17,532,019</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred inflows of resources, pensions	\$ 3,328,356
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 3,328,356</b>
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS</b>	<b>\$ 20,860,375</b>
<b>NET POSITION:</b>	
Net investment in capital assets	\$ (6,892,628)
Unrestricted	30,457,184
<b>TOTAL NET POSITION</b>	<b>\$ 23,564,556</b>

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

**COUNTY OF WAYNE, NEW YORK**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2018**

	<b>Business - Type Activity</b> <hr/> <b>Enterprise Fund</b> <b>Nursing</b> <b>Home</b>
<b>OPERATING REVENUES:</b>	
Charges for services, net	\$ 19,346,927
Adjustment of prior years' revenue, net	20,952
Other operating revenue	761,418
<b>TOTAL OPERATING REVENUES</b>	<hr/> <b>\$ 20,129,297</b> <hr/>
<b>OPERATING EXPENSES:</b>	
Personal services	\$ 7,852,979
Fringe benefits	2,875,689
Depreciation and amortization	2,040,698
NYS assessments	856,879
Contractual expenses	6,525,842
<b>TOTAL OPERATING EXPENSES</b>	<hr/> <b>\$ 20,152,087</b> <hr/>
<b>OPERATING INCOME OR (LOSS)</b>	<hr/> <b>\$ (22,790)</b> <hr/>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Interest	\$ 289,804
Interest expense	(393,394)
Intergovernmental transfer	5,963,592
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<hr/> <b>\$ 5,860,002</b> <hr/>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<hr/> <b>\$ 5,837,212</b> <hr/>
<b>NON-CAPITAL CONTRIBUTION:</b>	
County subsidy	\$ 319,537
<b>TOTAL NON-CAPITAL CONTRIBUTION</b>	<hr/> <b>\$ 319,537</b> <hr/>
<b>CHANGE IN NET POSITION</b>	<hr/> <b>\$ 6,156,749</b> <hr/>
<b>TOTAL NET POSITION, BEGINNING, restated</b>	<hr/> <b>17,407,807</b> <hr/>
<b>TOTAL NET POSITION, ENDING</b>	<hr/> <b>\$ 23,564,556</b> <hr/>

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

**COUNTY OF WAYNE, NEW YORK**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2018**

	<b>Business - Type Activity</b>
	<b><u>Enterprise Fund</u></b>
	<b>Nursing</b>
	<b><u>Home</u></b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	
Resident service revenue	\$ 20,140,273
Cash received from other operating revenue	1,040,766
Cash payments to suppliers	(7,721,895)
Cash payments to employees	(11,544,846)
<b>NET CASH (USED) BY OPERATING ACTIVITIES</b>	<b><u>\$ 1,914,298</u></b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u></b>	
County subsidy	\$ 319,537
Intergovernmental transfer for public nursing homes	5,963,592
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<b><u>\$ 6,283,129</u></b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>	
Purchases of property, plant and equipment	\$ (89,613)
Retirement of serial debt	(820,000)
Interest on serial debt	(436,976)
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b><u>\$ (1,346,589)</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>	
Interest received	\$ 289,804
Net cash (invested)/returned	(3,999,269)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b><u>\$ (3,709,465)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 3,141,373</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	<b><u>25,765,481</u></b>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b><u>\$ 28,906,854</u></b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b>	
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (22,790)</b>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Cash flows reported in other categories:	
Depreciation and amortization	2,040,698
Bad debt expense	120,776
Change in assets and liabilities:	
Current assets	651,349
Deferred outflows of resources	(878,888)
Current Liabilities	(540,664)
Non-current liabilities	(2,007,558)
Deferred inflows of resources	2,551,375
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>\$ 1,914,298</u></b>

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

**COUNTY OF WAYNE, NEW YORK**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2018**

	<b>Private Purpose Trust Fund</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 405,652	\$ 1,767,525
<b>TOTAL ASSETS</b>	<u>\$ 405,652</u>	<u><u>\$ 1,767,525</u></u>
 <b>LIABILITIES</b>		
Other liabilities	\$ 280	\$ 1,108,149
Disability trust	<u>-</u>	<u>659,376</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 280</u>	<u><u>\$ 1,767,525</u></u>
 <b>NET POSITION</b>		
Held for private purposes	<u>\$ 405,372</u>	
<b>TOTAL NET POSITION</b>	<u><u>\$ 405,372</u></u>	

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

**COUNTY OF WAYNE, NEW YORK**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2018**

	<b>Private Purpose Trust Fund</b>
<b>Additions</b>	
Contributions	\$ 106,723
<b>Total Additions</b>	\$ 106,723
 <b>Deductions</b>	
Other home and community	\$ 33,250
<b>Total Deductions</b>	\$ 33,250
Change in net position	\$ 73,473
<b>Net Position - Beginning</b>	331,899
<b>Net Position - Ending</b>	\$ 405,372

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

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**I. Summary of Significant Accounting Policies:**

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

**A. Financial Reporting Entity**

The County is governed by County law, general laws of the State of New York and various local laws and ordinances. The Board of Supervisors, which is the legislative body responsible for the overall operation of the County, consists of the fifteen supervisors representing the towns in the County with each members vote weighted on the basis of population in the district represented. The Chairman serves as chief executive officer and the Treasurer serves as chief financial officer of the County.

The County provides the following basic services: educational assistance, police and law enforcement, public health, highway maintenance, public transportation, economic assistance, economic opportunity and development, recreation facilities and programs, and library and community development.

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

**B. Basis of Presentation**

**1. Countywide Financial Statements**

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

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

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

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( I ) (Continued)**

The net costs by function are normally covered by general revenue (real property taxes and sales taxes).

In addition, as a general rule, interfund activity has been eliminated from the countywide financial statements, however, interfund services provided and used have not been eliminated in the process of consolidation.

This countywide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

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

**2. Fund Financial Statements**

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

Nonmajor funds are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

**3. Fund Categories**

**a. Governmental Funds**

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

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

**Special Revenue Funds** - are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( I ) (Continued)**

The special revenue funds of the County include the County Road and Road Machinery Funds.

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

*Major funds* include – The General Fund.

*Nonmajor funds* include – The Road Machinery Fund, the County Road Fund and the Capital Projects Fund.

**b. Proprietary Fund Types**

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

**Enterprise Funds** – are used to account for those operations of the Wayne County Nursing Home (Enterprise Fund), where the governing board has determined that cost of operations are to be financed through user charges.

The Wayne County Nursing Home’s statement of revenues, expenses, and changes in net position distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with principal ongoing operations. Operating expenses include the cost of services provided, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

**c. Fiduciary Funds**

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

**Agency Fund** - is custodial in nature and does not present results of operations or have measurement focus. The Agency Fund is accounted for using the accrual basis of accounting. This fund is used to account for assets such as, payroll withholdings, bail deposits, mortgage tax and sales tax that the government holds for others in an agency capacity awaiting distribution to other governmental agencies.

# COUNTY OF WAYNE, NEW YORK

## Notes to the Basic Financial Statements

December 31, 2018

(I) (Continued)

**Private Purpose Trust Funds** - are used to report resources legally held in trust for Public Health, Office of the Aging and D.A.R.E. Program donations received by the County. In addition, memorials and awards, such as the Dan Kane memorial and the Wayne County History Award are accounted for in the Private Purpose Trust Funds. Resources of these funds may be used to support these activities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### C. **Basis of Accounting/Measurement Focus**

#### 1. **Accrual**

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

#### 2. **Modified Accrual**

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

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( I ) (Continued)**

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

**D. Assets, Liabilities, and Net Position or Equity**

**1. Cash and Cash Equivalents**

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

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

Cash equivalents are stated at cost, which approximates fair value. Investments are reported at fair value based on quoted market prices. Investment income, including changes in the fair value of investments, is reported in operations.

**2. Cash Flows**

For the purpose of the statement of cash flows of proprietary funds prepared under the direct method, all highly liquid investments with an original maturity of three months or less are considered cash equivalents. Custodial accounts and restricted assets, if any, are not considered to be cash equivalents.

**3. Accounts Receivable**

**a. General**

Accounts receivable are stated net of an allowance for uncollectibles. The accounts receivable allowance for uncollectibles is based on historical collection experience. All amounts due from other governments are deemed fully collectible.

**b. Enterprise Funds**

Accounts receivable are stated net of an allowance for uncollectibles. Accounts for which no payments have been received for several months are considered delinquent, and when customary collection efforts are exhausted the account is written-off. The nursing home records an allowance for uncollectibles in anticipation of future write-offs. The allowance for uncollectibles is based on the nursing home's historical collection experience and review of outstanding accounts.

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

( I ) (Continued)

**4. Inventories and Prepaid Items**

Inventory at the Wayne County Nursing Home is stated at the lower of cost or market; principally on the first-in, first-out basis; and consists of general housekeeping, medical, and dietary supplies. Inventory purchases in all other funds are recorded as expenditures at the time of purchase and year-end balances are not maintained.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. The County currently accounts for prepaid items based on the consumption method.

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

**a. General**

Capital assets which include buildings, machinery and equipment, and infrastructure (i.e., roads, bridges, and similar items), purchased or acquired with an original cost of \$25,000 or more are reported at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. All infrastructure acquired prior to the implementation of GASB #34 has been included in Capital Assets. Depreciation on all assets is provided on the straight-line basis over the following useful lives:

<u>Class</u>	<u>Life in Years</u>
Buildings	15-50 Years
Machinery and Equipment	5-25 Years
Infrastructure	20-50 Years

**b. Enterprise Funds**

Property, plant and equipment acquired by the enterprise funds is stated at cost (or estimated historical cost), including interest capitalized during construction, where applicable. Contributed capital assets are recorded at fair market value at the date received. Depreciation has been provided using the straight-line method over the following estimated useful lives.

<u>Description</u>	<u>Estimated Lives</u>
<b><u>Health Facility -</u></b>	
Land Improvements	Varies 8-20 Years
Buildings and Improvements	Varies 5-40 Years
Machinery and Equipment	Varies 3-20 Years

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( I ) (Continued)**

When enterprise fund assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, and any resulting gain or loss is reflected in income for the period. Maintenance and repairs are charged to expense as incurred; significant renewals and improvements are capitalized.

**7. Unearned Revenue**

The County reports unearned revenues in its basic financial statements. Unearned revenue arises when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the County has legal claim to resources, the liability for deferred revenue is removed and revenue is recognized.

**8. Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The government may have three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the County-wide Statement of Net Position. This represents the effect of the net change in the County's proportion of the collective net pension asset or liability and difference during the measurement period between the County's contributions and its proportion share of total contributions to the pension system not included in pension expense. Lastly is the County's contributions to the pension system (ERS System) subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County may have two items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue-property taxes. The second item is related to pensions reported in the County-wide Statement of Net Position. This represents the effect of the net change in the County's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the County's contributions and its proportion share of total contributions to the pension systems not included in pension expense.

**9. Unexpended Balances**

Unexpended balances of appropriations lapse at the end of each year, except for capital projects. Project length financial plans are developed for each project.

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( I ) (Continued)**

**10. Accrued Liabilities and Long-Term Obligations**

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

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

**a. Compensatory Absences**

Pursuant to a resolution of the Board of Supervisors and contractual agreements, County employees are entitled to accrue a maximum of 180 days of sick leave, 30 days of vacation leave, and one day personal leave. An individual who leaves employment of the County is entitled to be paid for unused vacation leave. No payments are made for unused sick leave and personal leave.

The County accrues for compensated absences when incurred. The estimated liability for compensated absences is recorded as part of accrued liabilities in both the enterprise fund and the governmental fund types. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**b. Other Benefits**

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

In addition to providing pension benefits, the County provides post-employment health coverage to retired employees in accordance with the provision of various employment contracts in effect at the time of retirement. The County recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**(I) (Continued)**

**11. Encumbrances**

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

**12. Interfund Transfers**

The operations of the County include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The County typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

**13. Equity Classifications**

**a. Government-Wide Statements**

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

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

**b. Financial Statements – Fund Balance**

The County implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( I ) (Continued)**

1. **Nonspendable fund balance** – Amounts that are not in a spendable form (i.e. inventory or prepaids) or are legally or contractually required to be maintained intact.
2. **Restricted fund balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
3. **Assigned fund balance** – Amounts a government intends to use for a specific purpose; as indicated in the County’s operating policies, intent can be expressed by the governing body (County Legislature) or by an official (County Treasurer) to which the governing body delegates the authority. This category of fund balance also represents the residual amounts not otherwise reported as unspendable, or restricted in governmental funds outside of the General Fund.
4. **Unassigned fund balance** – Amounts that are available for County purposes pursuant to any Law restrictions. Any positive amounts are reported only in the general fund. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the County’s practice to use the most restrictive funds first in the following order: restricted, assigned and unassigned as they are needed.

**E. New Accounting Standards**

The County has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2018, the County implemented the following new standards issued by GASB:

The GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

GASB has issued Statement 85, *Omnibus 2018*.

GASB has issued Statement 86, *Certain Debt Extinguishment Issues*.

COUNTY OF WAYNE, NEW YORK

Notes to the Basic Financial Statements

December 31, 2018

( I ) (Continued)

**F. Future Changes in Accounting Standards**

GASB has issued Statement 83, *Certain Asset Retirement Obligations*, which will be effective for reporting periods beginning after June 15, 2018.

GASB has issued Statement 84, *Fiduciary Activities*, which will effective for the periods beginning after December 15, 2018.

GASB has issued Statement 87, *Leases*, which will be effective for the periods beginning after December 15, 2019.

GASB has issued Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*, which will be effective for reporting periods beginning after December 15, 2019.

GASB has issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for reporting periods beginning after December 15, 2019

GASB has issued Statement 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, which will be effective for reporting periods beginning after December 15, 2018.

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

**II. Restatement of Net Position**

For the year ended December 31, 2018, the County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The County's net position has been restated as follows:

	<b>Countywide Statements</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Net position beginning of year, as previously stated	\$ 160,465,728	\$ 19,921,149
Increase to OPEB liability	(23,350,336)	(2,513,342)
Net position beginning of year, as restated	<u>\$ 137,115,392</u>	<u>\$ 17,407,807</u>

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**III. Changes in Accounting Principles**

For the year ended December 31, 2018, the County implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The implementation of the statement requires Counties to report Other Postemployment Benefits (OPEB) liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB. See Note II for the financial statement impact of implementation of the Statements.

**IV. Cash and Cash Equivalents:**

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. While the County does not have a specific policy for custodial credit risk, New York State statutes govern the County's investment policies, as discussed previously in these notes.

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

Uncollateralized	\$	-
Collateralized with securities held by the pledging financial institution,		41,779,779
Collateralized within trust department or agent		20,291,151
<b>Total</b>	<b>\$</b>	<b><u>62,070,930</u></b>

Restricted cash represents cash, cash equivalents, and investments where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and investments as of year-end included \$3,794,416 in the governmental funds and \$405,652 in the fiduciary funds.

**V. Investments:**

The County's investments are recorded at fair value and have been categorized based upon a fair market value.

The following table presents information about the County's investments measured at fair market value as of December 31, 2018:

	<b>2018</b>	
	<b><u>Cost</u></b>	<b><u>Market Value</u></b>
US Treasury Bills	\$ 9,997,311	\$ 9,997,311
US Treasury Notes	48,676,305	48,058,334
Accrued interest	253,884	253,884
<b>Total</b>	<b><u>\$ 58,927,500</u></b>	<b><u>\$ 58,309,529</u></b>

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( V ) (Continued)**

**Credit risk:** In compliance with the State Law, County investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and obligations issued by other municipalities and authorities within the State.

**Concentration of Credit risk:** To promote competition in rates and service cost, and to limit the risk of institutional failure, County deposits and investments are placed with multiple institutions. The County's investment policy limits the amounts that may be deposited with any one financial institution at \$50 Million.

**Interest rate risk:** The County has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates. While the County carries investments with a maximum maturity of two years, maturity dates are staggered so that a portion of the investments mature every 90 days.

**VI. Real Property Taxes Receivable:**

Real property taxes for the County are levied together with taxes for town and special district purposes on January 1, and are due within 30 days. In 2018, these taxes attached as an enforceable lien on property on October 10. The towns and special districts receive the full amount of their levies annually. The County assumes enforcement responsibility for all unpaid taxes in the towns and special districts. Unpaid village and school district taxes are turned over to the County for collection; any such taxes remaining unpaid at year end are relieved as County taxes in the subsequent year.

The balance of the taxes receivable, net at December 31, 2018 consists of the following:

Taxes receivable, overdue	\$ 2,707,822
Taxes receivable, current	2,887,442
Returned school taxes	4,249,481
Delinquent village	593,142
Property acquired	96,451
<b>Total</b>	<b><u><u>\$ 10,534,338</u></u></b>

At December 31, 2018, uncollected real property taxes of \$10,534,338 which includes land held for resale of \$96,451. Current year returned village and school taxes of \$4,842,623 are offset by liabilities to the villages and school districts which will be paid no later than April 15, 2018. The remaining portion of tax assets is offset by deferred tax revenue of \$4,026,347 (and represents an estimate of the tax liens which will not be collected within the first sixty days of the subsequent year).

The County is permitted by the New York State Constitution to levy taxes up to 1.5% of the most recent five-year average full valuation of taxable real property. In 2018, the County has a legal limit of \$343,686,000.

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**VII. Accounts Receivable:**

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

<u>Receivables</u>	<u>General</u>	<u>Road Machinery</u>	<u>County Road</u>	<u>Capital</u>	<u>Nursing Home</u>	<u>Total</u>
Accounts	\$ 2,066,691	\$ 37,844	\$ 1,413	\$ -	\$ 3,771,111	\$ 5,877,059
Taxes	5,691,715	-	-	-	-	5,691,715
State & Federal	7,354,944	82,159	374,855	191,579	-	8,003,537
Returned School and Village Taxes	4,842,623	-	-	-	-	4,842,623
Other governments	2,880,889	-	-	-	-	2,880,889
<b>Gross Receivables</b>	<b>\$ 22,836,862</b>	<b>\$ 120,003</b>	<b>\$ 376,268</b>	<b>\$ 191,579</b>	<b>\$ 3,771,111</b>	<b>\$ 27,295,823</b>
Less: Allowance for uncollectibles	(385,342)	-	-	-	(205,313)	(590,655)
<b>Net Total Receivables</b>	<b>\$ 22,451,520</b>	<b>\$ 120,003</b>	<b>\$ 376,268</b>	<b>\$ 191,579</b>	<b>\$ 3,565,798</b>	<b>\$ 26,705,168</b>

**VIII. Change in Capital Assets:**

**A. Governmental Activities**

A summary of changes in capital assets follows:

<u>Type</u>	<u>Balance 1/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2018</u>
<b><u>Capital assets not being depreciated:</u></b>				
Land	\$ 1,636,650	\$ -	\$ -	\$ 1,636,650
Work in progress	14,983,846	184,041	(170,999)	14,996,888
<i>Total capital assets not being depreciated</i>	<u>\$ 16,620,496</u>	<u>\$ 184,041</u>	<u>\$ (170,999)</u>	<u>\$ 16,633,538</u>
<b><u>Other capital assets:</u></b>				
Buildings and improvements	\$ 63,725,151	\$ 630,037	\$ -	\$ 64,355,188
Machinery and equipment	12,935,288	1,231,311	(133,103)	14,033,496
Infrastructure	152,530,639	3,458,672	(1,708,000)	154,281,311
Land improvements	704,411	-	-	704,411
<i>Total other capital assets</i>	<u>\$ 229,895,489</u>	<u>\$ 5,320,020</u>	<u>\$ (1,841,103)</u>	<u>\$ 233,374,406</u>
<b><u>Less accumulated depreciation for:</u></b>				
Buildings and improvements	\$ 22,875,048	\$ 1,734,598	\$ -	\$ 24,609,646
Machinery and equipment	7,476,532	856,168	(117,391)	8,215,309
Infrastructure	108,392,457	2,379,562	(1,660,966)	109,111,053
Land improvements	655,267	6,451	-	661,718
<i>Total accumulated depreciation</i>	<u>\$ 139,399,304</u>	<u>\$ 4,976,779</u>	<u>\$ (1,778,357)</u>	<u>\$ 142,597,726</u>
<i>Other capital assets, net</i>	<u>\$ 90,496,185</u>	<u>\$ 343,241</u>	<u>\$ (62,746)</u>	<u>\$ 90,776,680</u>
<b>Total</b>	<b><u>\$ 107,116,681</u></b>	<b><u>\$ 527,282</u></b>	<b><u>\$ (233,745)</u></b>	<b><u>\$ 107,410,218</u></b>

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

( VIII ) ( Continued )

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

**Governmental Activities:**

General government support	\$	385,100
Public safety		872,110
Transportation		2,809,938
Health		671,211
Economic assistance and opportunity		128,579
Culture and recreation		91,794
Home and community service		18,047
<b>Total Depreciation Expense</b>	<b>\$</b>	<b><u>4,976,779</u></b>

**B. Business-Type Activities**

A summary of changes in capital assets follows:

<u>Type</u>	<u>Balance</u> <u>1/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2018</u>
<b><u>Capital assets not being dereciated:</u></b>				
Land	\$ 37,328	\$ -	\$ -	\$ 37,328
<i>Total capital assets not being depreciated</i>	\$ 37,328	\$ -	\$ -	\$ 37,328
<b><u>Other capital assets:</u></b>				
Buildings and improvements	\$ 27,102,067	\$ 33,988	\$ -	\$ 27,136,055
Machinery and equipment	2,660,441	55,626	-	2,716,067
Land improvements	95,822	-	-	95,822
<i>Total other capital assets</i>	\$ 29,858,330	\$ 89,614	\$ -	\$ 29,947,944
<b><u>Less accumulated depreciation for:</u></b>				
Buildings and improvements	\$ 22,421,917	\$ 1,896,933	\$ -	\$ 24,318,850
Machinery and equipment	1,995,000	137,751	-	2,132,751
Land improvements	36,725	6,014	-	42,739
<i>Total accumulated depreciation</i>	\$ 24,453,642	\$ 2,040,698	\$ -	\$ 26,494,340
<b><i>Other capital assets, net</i></b>	<b>\$ 5,404,688</b>	<b>\$ (1,951,084)</b>	<b>\$ -</b>	<b>\$ 3,453,604</b>
<b>Total</b>	<b>\$ 5,442,016</b>	<b>\$ (1,951,084)</b>	<b>\$ -</b>	<b>\$ 3,490,932</b>

**Proprietary Fund Net Investment in Capital Assets – Deficit**

The component of net position consists of capital assets, net of accumulated depreciation and amortization, reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. At December 31, 2018, the net investment in capital assets was a deficit balance of \$6,892,628.

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**IX. Interfund Revenues and Expenditures:**

The composition of Interfund balances as of December 31, 2018, is as follows:

	<b><u>Interfund Revenues</u></b>	<b><u>Interfund Expenditures</u></b>
General Fund	\$ 589,178	\$ 14,185,204
County Road Fund	6,517,677	-
Capital Fund	6,988,280	589,178
Road Machinery Fund	679,247	-
<b>Total government activities</b>	<b><u>\$ 14,774,382</u></b>	<b><u>\$ 14,774,382</u></b>

Transfers among funds are provided as part of the annual budget process. They facilitate annual contributions to the County Road, Road Machinery, Nursing Home, and Capital Projects Fund as the County does not routinely allocate a portion of the tax levy for the operation of these funds.

**X. Long-Term Obligations:**

The Board of Supervisors adopted a Debt Management Policy providing for the types of debt which may be issued, the maximum amount of debt allowed, the purpose for which the County may issue debt and other financial objectives.

- A. At December 31, 2018 the total outstanding noncurrent obligations of the County aggregated \$69,844,476.
- B. **Serial Bonds** - The County borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the County have been issued for both governmental and business-type activities. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities. Enterprise Fund debt is liquidated with Enterprise Fund income.

Total long-term interest expense amounted to \$1,134,947 for the 2018 year.

- C. **Other Long-Term Obligations** - In addition to the above long-term debt, the County has the following noncurrent obligations:

Energy Performance Contract, Capital Leases, Compensated Absences, Net Pension Liability, Unamortized Bond Premiums, Resident Funds Held in Trust, OPEB Liability, and Workers' Compensation Liability

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

( X ) (Continued)

**D. Changes in Noncurrent Liabilities** - The following is a summary of long-term obligations outstanding at December 31, 2018:

	Balance			Balance <u>12/31/18</u>	Classified As	
	<u>01/01/18</u>	<u>Additions</u>	<u>Deletions</u>		<u>Current</u>	<u>Non-Current</u>
<b><u>Governmental Activities:</u></b>						
Serial Bonds	\$ 7,725,000	\$ -	\$ 305,000	\$ 7,420,000	\$ 320,000	\$ 7,100,000
Energy Performance Contract	2,336,000	-	292,000	2,044,000	292,000	1,752,000
Capital Lease	3,645,000	-	440,000	3,205,000	465,000	2,740,000
Compensated Absences	4,015,693	2,550,185	2,406,802	4,159,076	2,462,739	1,696,337
OPEB Liability	23,922,164	-	55,070	23,867,094	-	23,867,094
Net Pension Liability	15,287,092	-	10,213,494	5,073,598	-	5,073,598
Workers' Compensation Liability	7,027,243	665,414	-	7,692,657	1,718,035	5,974,622
<b>Total Governmental Activities Long- Term Obligations</b>	<b>\$ 63,958,192</b>	<b>\$ 3,215,599</b>	<b>\$ 13,712,366</b>	<b>\$ 53,461,425</b>	<b>\$ 5,257,774</b>	<b>\$ 48,203,651</b>
<b><u>Business-Type Activities:</u></b>						
Serial Bonds	\$ 12,060,000	\$ -	\$ 820,000	\$ 11,240,000	\$ 815,000	\$ 10,425,000
Unamortized Bond Premium	571,864	-	91,003	480,861	-	480,861
Compensated Absences	228,064	-	1,157	226,907	226,907	-
Net Pension Liability	2,934,246	-	2,001,559	932,687	-	932,687
Workers' Compensation	1,317,106	-	510,385	806,721	806,721	-
Resident Funds Held in Trust	76,036	20,026	-	96,062	-	96,062
OPEB Liability	2,605,812	-	5,999	2,599,813	-	2,599,813
<b>Total Business-Type Activities Long- Term Obligations</b>	<b>\$ 19,793,128</b>	<b>\$ 20,026</b>	<b>\$ 3,430,103</b>	<b>\$ 16,383,051</b>	<b>\$ 1,848,628</b>	<b>\$ 14,534,423</b>

Liquidation of the net pension obligation and the liability for claims and judgments occurs through the governmental fund budget process and will be financed by the real property tax levy, general County revenues or in the case of business-type activities through patient charges. The net pension obligation and the liability for judgments and claims are liquidated in the fund where the liability was incurred. Thus, the General Fund satisfies most liabilities for the governmental activities. In regard to business-type activities, the corresponding liability is allocated to the proprietary fund.

**E. Serial Bonds Payable** - The County issues general obligation bonds in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The amount to be provided for payment of long-term liabilities represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

( X ) (Continued)

Serial bonds due in varying amounts to the date of maturity, outstanding at December 31, 2018 are as follows:

<u>Purpose</u>	<u>Original Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Amount Outstanding 12/31/2018</u>
<b><u>Governmental Activities:</u></b>				
<b><u>Serial Bonds</u></b>				
Public Improvement - ARRA	\$ 9,810,000	6.127%-7.207%	12/10/2034	<u>\$ 7,420,000</u>
<b><u>Energy Performance Contract</u></b>				
Energy Upgrades	\$ 2,920,000	3.93%	12/10/2025	<u>\$ 2,044,000</u>
<b><u>Business-Type Activities:</u></b>				
<b><u>Serial Bonds</u></b>				
Public Improvement	\$ 23,181,503	4.125%-4.250%	6/1/2032	\$ 2,550,000
Public Improvement	\$ 13,015,000	2.00%-5.00%	6/1/2029	8,690,000
<b>Total Business-Type Activities</b>				<u>\$ 11,240,000</u>

Annual debt service requirements to maturity for the general government obligation bonds are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>	
	<u>Bonds Principal</u>	<u>Energy Performance Contracts Principal</u>	<u>Total Interest</u>	<u>Bonds Principal</u>	<u>Total Interest</u>
2019	\$ 320,000	\$ 292,000	\$ 536,316	\$ 815,000	\$ 408,350
2020	330,000	292,000	523,164	805,000	384,050
2021	350,000	292,000	506,301	795,000	360,050
2022	365,000	292,000	488,416	790,000	330,350
2023	385,000	292,000	469,765	795,000	292,700
2024-28	2,235,000	584,000	1,688,758	3,930,000	984,550
2029-33	2,800,000	-	812,404	3,310,000	282,337
2034	635,000	-	44,380	-	-
<b>Total</b>	<u>\$ 7,420,000</u>	<u>\$ 2,044,000</u>	<u>\$ 5,069,504</u>	<u>\$ 11,240,000</u>	<u>\$ 3,042,387</u>

At December 31, 2018, \$20,704,000 was subject to the constitutional debt limit and represented approximately 6.02% of the debt limit. In the opinion of management, the County has complied with all significant debt covenants at December 31, 2018.

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

( X ) (Continued)

Interest on long-term debt for December 31, 2018 was composed of:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Interest paid	\$ 548,854	\$ 436,975
<u>Less:</u> amortization of accrued bond premium	-	(91,003)
<u>Plus:</u> amortization of deferred outflows	-	50,155
<u>Less:</u> interest accrued in the prior year	(98,954)	(37,781)
<u>Plus:</u> interest accrued in the current year	291,653	35,048
<b>Total interest expense</b>	<b>\$ 741,553</b>	<b>\$ 393,394</b>

- F. Capital Leases** - Through its governmental funds, the County leases a building from the Lyons Community Health Initiatives Corporation for various County departments. The lease agreement has been determined to be a capital lease for accounting purposes under the criteria established by GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Accordingly, the lease has been recorded at the present value of its future minimum lease payments as of the inception date.

Capital assets acquired through capital leases are as follows:

	<b>Governmental Activities</b>
<u>Assets</u>	
Buildings	\$ 9,155,000
<u>Less:</u> Accumulated Depreciation	(4,623,275)
<b>Total</b>	<b>\$ 4,531,725</b>

The future minimum lease obligation and the net present value of the minimum lease payments as of December 31, 2018, were as follows:

	<b>Amount</b>
<b>Year Ending December 31</b>	
2019	\$ 642,877
2020	642,070
2021	639,875
2022	641,292
2023	646,045
2024	643,856
Total Minimum Lease Payments	\$ 3,856,015
Less: Amount Representing Interest	(651,015)
<b>Present Value of Minimum Lease Payments</b>	<b>\$ 3,205,000</b>

COUNTY OF WAYNE, NEW YORK

Notes to the Basic Financial Statements

December 31, 2018

XI. **Fund Balances/Net Position:**

A. **Fund Balances**

1. **Nonspendable**

The County has the following nonspendable funds:

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

2. **Restricted**

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

**Liability Reserve** - created to set aside money for the payment of liability and property claims.

**Unemployment Reserve** - created to set aside money for the payment of unemployment expenses.

**Repair Reserve** - to be used for emergency repair and replacement of major mechanical systems and roofs in and on major County assets.

**Capital Reserve** – to be used for future funding of capital construction costs.

**STOP DWI Reserve** - contains accumulated excess of STOP DWI fines less STOP DWI expenses.

**Retirement Contribution Reserve** - to be used to finance retirement contributions.

3. **Assigned**

The County has the following assigned funds:

General Fund –	1. Appropriated for taxes
	2. Encumbrances
Road Machinery Fund -	1. Year End Equity
	2. Encumbrances
County Road Fund -	1. Year End Equity
	2. Encumbrances
Capital Projects Fund –	1. Year End Equity

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

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

( XI ) ( Continued )

The specific purposes for the most significant amounts of open outstanding encumbrances at December 31, 2018 are as follows:

<u>General Fund</u>	<u>Total</u>
Juvenile Delinquent Care	\$ 618,675
State Training School	750,000
<b>Total General Fund</b>	<b><u>\$ 1,368,675</u></b>

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

**4. Unassigned**

Unassigned funds include the residual classification for the County's general fund and all spendable amounts not contained in other classifications. The County's general fund is the only fund that reports a positive fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The following table summarizes the County's governmental fund balances:

<u>FUND BALANCE:</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
<u>Nonspendable -</u>				
Prepaid items	\$ 2,153,535	\$ -	\$ 154,648	\$ 2,308,183
<u>Restricted -</u>				
Liability	\$ 3,168,251	\$ -	\$ -	\$ 3,168,251
Unemployment	47,219	-	-	47,219
Repair	285,616	-	-	285,616
Capital improvements	-	-	95,371	95,371
Stop DWI	197,959	-	-	197,959
<b>Total Restricted</b>	<b>\$ 3,699,045</b>	<b>\$ -</b>	<b>\$ 95,371</b>	<b>\$ 3,794,416</b>
<u>Assigned -</u>				
Appropriated for taxes	\$ 5,071,285	\$ -	\$ -	\$ 5,071,285
General Support	144,661	7,156,012	-	7,300,673
Public Safety	134,579	928,308	-	1,062,887
Health Services	83,124	-	-	83,124
Transportation	-	-	2,440,622	2,440,622
Economic Opportunity and Development	1,933,214	-	-	1,933,214
Other	11,187	-	-	11,187
<b>Total Assigned</b>	<b>\$ 7,378,050</b>	<b>\$ 8,084,320</b>	<b>\$ 2,440,622</b>	<b>\$ 17,902,992</b>
<b><u>Unassigned</u></b>	<b>\$ 48,175,702</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48,175,702</b>
<b>TOTAL FUND BALANCE</b>	<b><u>\$ 61,406,332</u></b>	<b><u>\$ 8,084,320</u></b>	<b><u>\$ 2,690,641</u></b>	<b><u>\$ 72,181,293</u></b>

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( XI ) (Continued)**

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

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

	<b><u>Total</u></b>
Unemployment Reserve	\$ 47,219
Repair Reserve	285,616
Stop DWI Reserve	197,959
<b>Total Net Position - Restricted for Other Purposes</b>	<b><u>\$ 530,794</u></b>

**XII. Tax Abatement:**

The County of Wayne Industrial Development Agency enters into various property tax and sales tax abatement programs for the purpose of Economic Development. As a result the County's property tax revenue was reduced \$622,803. The County received payment in lieu of tax (PILOT) payments totaling \$421,735 to help offset the property tax reduction.

The County of Wayne Industrial Development Agency also provided sales tax abatement which totaled \$44,518. The County's proportionate share of that exemption reduced sales tax revenue.

The County of Wayne enters into various property tax programs for the purpose of Economic Development. As a result the County's property tax revenue was reduced \$2,025,592. The County received payment in lieu of tax (PILOT) payments totaling \$1,950,200 to help offset the property tax reduction.

The Town of Walworth enters into various property tax programs for the purpose of Economic Development. As a result the County's property tax revenue was reduced \$50,302. The County received payment in lieu of tax (PILOT) payments totaling \$0 to help offset the property tax reduction.

The Town of Savannah enters into various property tax programs for the purpose of Economic Development. As a result the County's property tax revenue was reduced \$3,606. The County received payment in lieu of tax (PILOT) payments totaling \$2,398 to help offset the property tax reduction.

The Town of Galen enters into various property tax programs for the purpose of Economic Development. As a result the County's property tax revenue was reduced \$4,048. The County received payment in lieu of tax (PILOT) payments totaling \$5,516 to help offset the property tax reduction.

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**XIII. General Information and Pension Plans:**

**A. General Information About Pension Plan**

**1. Plan Description**

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

**2. Benefits Provided**

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

*Tier 1 and 2*

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

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

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( XIII ) (Continued)**

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

*Tier 3, 4, 5*

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

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

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

*Tier 6*

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

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

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( XIII ) (Continued)**

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

*Special Plans*

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

*Ordinary Disability Benefits*

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

*Accidental Disability Benefits*

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

*Ordinary Death Benefits*

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

*Post-Retirement Benefit Increases*

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

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

( XIII ) ( Continued )

**3. Contributions**

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

<b>Prepayment Due</b>	
<b><u>Date</u></b>	<b><u>ERS</u></b>
December 15, 2018	\$ 6,379,831
December 15, 2017	\$ 6,509,723
December 15, 2016	\$ 6,722,740

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

At December 31, 2018, the County reported a liability of \$6,006,285 for its proportionate share of the 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 an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2018, the County's proportion was 0.1861 percent for ERS.

For the year ended December 31, 2018 the County recognized pension expense of \$6,349,815. At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( XIII ) (Continued)**

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 2,142,247	\$ 1,770,273
Changes of assumptions	3,982,663	-
Net difference between projected and actual earnings on pension plan investments	8,723,654	17,219,617
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	216,981	2,443,935
<b>Subtotal</b>	<b>\$ 15,065,545</b>	<b>\$ 21,433,825</b>
County's contributions subsequent to the measurement date	4,987,308	-
<b>Grand Total</b>	<b>\$ 20,052,853</b>	<b>\$ 21,433,825</b>

The County reported \$4,987,308 as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<b><u>Year</u></b>	<b><u>Amount</u></b>
2019	\$ 4,289
2020	372,124
2021	(4,739,565)
2022	(2,005,128)
<b>Total</b>	<b>\$ (6,368,280)</b>

**1. Actuarial Assumptions**

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( XIII ) (Continued)**

	<u><b>ERS</b></u>
Measurement date	March 31, 2018
Actuarial valuation date	April 1, 2018
Interest rate	7.00%
Salary scale	3.80%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience
Inflation rate	2.50%

Annuitant mortality rates are based on Society of Actuaries Scale MP-2014 System's experience with adjustments for mortality improvements based on MP-2018.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

<u><b>Long Term Expected Rate of Return</b></u>	
	<u><b>ERS</b></u>
Measurement date	March 31, 2018
<u><b>Asset Type -</b></u>	
Domestic equity	4.55%
International equity	6.35%
Private equity	7.50%
Real estate	5.55%
Absolute return strategies *	3.75%
Opportunistic portfolios	5.68%
Real assets	5.29%
Bonds and mortgages	1.31%
Cash	-0.25%
Inflation-indexed bonds	1.25%
Alternative investments	0.00%
Domestic fixed income securities	0.00%
Global fixed income securities	0.00%
Short-term	0.00%

The real rate of return is net of the long-term inflation assumption of 2.5%

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

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( XIII ) (Continued)**

**2. Discount Rate**

The discount rate used to calculate the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the County's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6%) or 1-percentagepoint higher (8%) than the current rate:

	<b>1% Decrease <u>(6%)</u></b>	<b>Current Assumption <u>(7%)</u></b>	<b>1% Increase <u>(8%)</u></b>
Employer's proportionate share of the net pension asset (liability)	\$ (45,445,172)	\$ (6,006,285)	\$ 27,357,437

**4. Pension Plan Fiduciary Net Position**

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

	<b>(In Thousands)</b>
	<b><u>ERS</u></b>
Measurement date	March 31, 2018
Employers' total pension liability	\$ 183,400,590
Plan net position	180,173,145
Employers' net pension asset/(liability)	\$ (3,227,445)
Ratio of plan net position to the employers' total pension asset/(liability)	98.24%

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**XIV. Postemployment Benefits**

**A. General Information About the OPEB Plan**

*Plan Description* – The County’s defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the County. The plan is a single-employer defined benefit OPEB plan administered by the County. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the County Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided* – The County provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the County offices and are available upon request.

*Employees Covered by Benefit Terms* – At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	265
Active Employees	804
<b>Total</b>	<b><u>1,069</u></b>

**B. Total OPEB Liability**

The County’s total OPEB liability of \$26,466,907 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

*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	2.2 percent
Salary Increases	2.5 percent, average, including inflation
Discount Rate	3.44 percent
Healthcare Cost Trend Rates	6.00 percent for 2018, decreasing 0.1 percent per year to an ultimate rate of 3.84 percent for 2077 and later years
Retirees' Share of Benefit-Related Costs	various percent of projected health insurance premiums for retirees

The discount rate was based on Bond Buyer Weekly 20-Bond GO Index.

Mortality rates were based on the RP-2014 Mortality Table, as appropriate, with adjustments for mortality improvements based on Scale MP-2014, and projected forward with scale MP-2017.

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

(XIV) (Continued)

**C. Changes in the Total OPEB Liability**

Balance at December 31, 2017	<b>\$</b>	<u>26,527,976</u>
<b><u>Changes for the Year -</u></b>		
Service cost	\$	356,290
Interest		975,165
Changes in assumptions or other inputs		779,942
Benefit payments		<u>(2,172,466)</u>
Net Changes	\$	<u>(61,069)</u>
<b>Balance at December 31, 2018</b>	<b>\$</b>	<b><u>26,466,907</u></b>

Changes of benefit terms reflect a change to the provisions of the Superintendent plan.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.78 percent in 2017 to 3.44 percent 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 what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.44 percent) or 1-percentage-point higher (4.44 percent) than the current discount rate:

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b><u>(2.44%)</u></b>	<b><u>(3.44%)</u></b>	<b><u>(4.44%)</u></b>
Total OPEB Liability	\$ 29,011,937	\$ 26,466,907	\$ 24,281,312

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates* – The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (2.84 percent) or 1-percentage-point higher (4.84 percent) than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
	<b>(5.00%</b>	<b>(6.00%</b>	<b>(7.00%</b>
	<b>Decreasing</b>	<b>Decreasing</b>	<b>Decreasing</b>
	<b><u>to 2.84%</u></b>	<b><u>to 3.84%</u></b>	<b><u>to 4.84%</u></b>
Total OPEB Liability	\$ 23,965,488	\$ 26,466,907	\$ 29,389,420

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

( XIV ) (Continued)

**D. 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 \$1,426,108. At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>
Differences between expensed and actual experience	\$ -
Changes of assumptions	685,289
<b>Subtotal</b>	<b>\$ 685,289</b>
County's contributions subsequent to the measurement date	2,284,937
<b>Total</b>	<b>\$ 2,970,226</b>

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

<u>Year</u>			
2019	\$	94,653	
2020		94,653	
2021		94,653	
2022		94,653	
Thereafter		306,677	
<b>Total</b>	<b>\$</b>	<b>685,289</b>	

**XV. Deferred Compensation Plan**

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

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**XVI. Risk Management:**

**A. Health Plan**

Wayne County, New York participates in a Health Plan Trust which was established between the Wayne County Board of Supervisors and the Board of Trustees of the Wayne County Health Care Plan Trust on January 1, 2000 and shall continue in existence from year to year.

The purpose of the Trust, and the general nature of its business is established and maintained, pursuant to Article 44 of the Insurance Law of the State of New York, and employee welfare (Plan), self-funding in whole or in part, or insuring in whole or in part, health benefit coverage for eligible employees. The Trust's goal is to improve health benefits at a reduced cost to the taxpayers of the employers, pursuant to the provisions of Section 119-0 of the New York State General Municipal Law and Section 501(c)(9) of the Internal Revenue Code.

A new employer who seeks membership in the Plan shall be accepted upon majority vote of the Board of Trustees and subject to the terms and conditions established by the Board of Trustees. The current participants in the plan include seven Towns, one Authority, and the County. Participants in the Plan can withdraw upon mutual consent of the Plan and employer after three years of participation in the Plan. Written notice must be given that acknowledges mutual agreement of withdrawal. In addition, an employer may unilaterally withdraw from the Plan after three years if the employer's contributions exceed the billed rate of the New York State licensed commercial insurer providing equivalent coverage. If withdrawal occurs before three years, the employer shall remain liable to pay the balance of its share of contributions. If surplus funds exist at termination, the balance will be paid over to a successor health plan or an insurance company to provide benefits for eligible employers and employees. The Plan is a risk sharing pool and all monies paid into the Plan shall be pooled and administered as a common fund. If surplus funds exist at the end of any year, the distribution of such funds shall be determined by the Board of Trustees.

The Plan purchases, on an annual basis, stop-loss insurance policies to limit its exposure for claims paid within any one year.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. During the year ended December 31, 2018, the County incurred premiums or contribution expenditures totaling \$9,941,192.

The Plan was audited for the year ended December 31, 2018 and the audit report is available at the Wayne County Administrative Offices.

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

( XVI ) ( Continued )

**B. Workers' Compensation**

The County, along with all the towns and villages within the County, participated in a self-insured workers' compensation fund which is accounted for within the General Fund of the County since the County is the major participant.

Current membership of the Plan includes 35 participants from various municipal entities. The Plan is administered by Wayne County and utilizes a third party administrator who is responsible for processing claims, estimating liabilities and providing actuarial services. The Plan participants are charged an annual assessment which is allocated in light of comparative experience and relative exposure based on the estimated total liability of the participating members actuarially computed each year.

The Plan purchases, on an annual basis, stop-loss insurance to limit exposure for claims paid.

This program establishes a liability for both reported and unreported self-insured events, which includes estimates of both future payments of losses and related claim adjustment expense. The following represents changes in those aggregate liabilities for both Governmental and Proprietary activities ended December 31:

	<u>Governmental</u>	<u>Proprietary</u>
Unpaid claims and claim adjustment liabilities at beginning of year	<u>\$ 7,027,243</u>	<u>\$ 1,317,106</u>
Incurred claim and claim adjustment expenditures:		
Provision for insured events of the current year	\$ 240,182	\$ 45,748
Increases/(decreases) in provision for insured events of prior years	<u>2,259,227</u>	<u>(206,801)</u>
Total incurred claim and claim adjustment expenditures	<u>\$ 2,499,409</u>	<u>\$ (161,053)</u>
Less payments:		
Claim and claim adjustment expenditures attributable to insure events of the current year	\$ 240,182	\$ 45,748
Claim and claim adjustment expenditures attributable to insure events of prior years	<u>1,593,813</u>	<u>303,584</u>
Total payments	<u>\$ 1,833,995</u>	<u>\$ 349,332</u>
<b>Total Unpaid Claims and Claim Adjustments</b>		
<b>Liabilities at the End of the Year</b>	<u><b>\$ 7,692,657</b></u>	<u><b>\$ 806,721</b></u>

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

( XVI ) (Continued)

**C. Other**

The County has elected to be partially self-insured for unemployment, general liability, malpractice, and automobile insurance. The County has several commercially purchased third party insurance policies in place for certain of these risks as well. Maximum coverage under the policies ranges from \$50,000 to \$5,000,000 and there has been no change in coverage under such policies during the past year. In 2018, the County paid \$60,625 in claims relating to these self-insurance programs. In addition, as of December 31, 2018, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable. Settlements have not exceeded coverage under the policies during the past three years. Self-insurance activity is recorded in the General Fund.

All claims are evaluated under the criteria established in GASB No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. The following represents changes in the aggregate liabilities for the partially self-insured programs referred to above for year ended December 31:

	<u>2018</u>
Unpaid claims and claim adjustment liabilities at beginning of year	\$ <u>          -</u>
Incurred claim and claim adjustment expenditures:	
Provision for insured events of the current year	\$ <u>    60,625</u>
Less payments:	
Claim and claim adjustment expenditures attributable to insure events of the current year	\$ <u>    60,625</u>
<b>Total unpaid claims and claim adjustments liabilities at the end of the year</b>	<b>\$ <u>          -</u></b>

**XVII. Contingent Liabilities:**

**A. Economic Assistance and Opportunity Programs**

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

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

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

( XVII ) (Continued)

**B. Federal and State Funded Programs**

The County participates in a number of Federal and New York State grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial. Expenditures disallowed by completed audits have generally been immaterial in nature and, accordingly, have been reflected as adjustments to revenues in the year the expenditure was determined to be unallowable.

**C. Litigation**

The County is subject to lawsuits in the ordinary conduct of its affairs. As of the end of the year the County does not believe that the pending suits, individually or in the aggregate, are likely to have a material adverse effect on the financial conditions of the County.

**XVIII. Related Organizations:**

**A. Wayne County Industrial Development Agency (IDA)**

The IDA is a Public Benefit Corporation created by state legislation to promote the economic welfare, opportunities, and prosperity of the County's inhabitants. The IDA was established to promote and assist in acquiring or constructing various business and recreational facilities in Wayne County, New York. Members of the IDA are appointed by the Wayne County Board of Supervisors, however, the Board of Supervisors exercise no oversight responsibility for management of the IDA or accountability for fiscal matters. The County is not liable for any IDA indebtedness.

An audit of the IDA's financial statements for the year ended December 31, 2018 has been performed by an other auditor. The auditor's report was unmodified, that is, the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America. Pertinent financial data related to the IDA for the year ended December 31, 2018 is as follows:

Total Assets	\$	5,308,641
Total Deferred Outflows	\$	54,422
Total Liabilities	\$	201,439
Total Deferred Inflows	\$	16,831
Total Net Position	\$	5,144,793
Total Revenues-2018	\$	640,936
Total Expenditures-2018	\$	209,456

Complete financial statements for the IDA may be obtained at the entity's administrative office located at 16 William Street, Lyons, New York 14489.

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

( XVIII ) (Continued)

**B. Wayne County Economic Development Corporation (EDC)**

The EDC is a Public Benefit Corporation created by state legislation to promote the economic welfare, opportunities, and prosperity of the County's inhabitants. The EDC was established to promote and assist in acquiring or constructing various business and recreational facilities in Wayne County, New York. Members of the EDC are appointed by the Wayne County Board of Supervisors, however, the Board of Supervisors exercise no oversight responsibility for management of the EDC or accountability for fiscal matters. The County is not liable for any EDC indebtedness.

An audit of the EDC's financial statements for the year ended December 31, 2018 has been performed by an other auditor. The auditor's report was unmodified, that is, the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America. Pertinent financial data related to the EDC for the year ended December 31, 2018 is as follows:

Total Assets	\$	4,361,121
Total Liabilities	\$	502,376
Total Net Position	\$	3,858,745
Total Revenues-2018	\$	939,680
Total Expenditures-2018	\$	883,403

Complete financial statements for the EDC may be obtained at the entity's administrative office located at 16 William Street, Lyons, New York 14489.

**C. Wayne County Civic Facility Development Corporation**

The Wayne County Civic Facility Development Corporation (CFDC) is a Nonprofit Local Development Corporation created by state legislation to promote the economic welfare, opportunities, and prosperity of the County's inhabitants. The CFDC was established to promote and assist in acquiring or constructing various business and recreational facilities in Wayne County, New York. Members of the CFDC are appointed by the Wayne County Board of Supervisors, however, the Board of Supervisors exercise no oversight responsibility for management of the CFDC or accountability for fiscal matters. The County is not liable for any CFDC indebtedness.

An audit of the CFDC's financial statements for the year ended December 31, 2018 has been performed by an other auditor. The auditor's report was unmodified, that is, the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America. Pertinent financial data related to the CFDC for the year ended December 31, 2018 is as follows:

Total Assets	\$	139,771
Total Net Position	\$	139,771
Total Revenues-2018	\$	-
Total Expenditures-2018	\$	4,486

Complete financial statements for the CFDC may be obtained at the entity's administrative office located at 16 William Street, Lyons, New York 14489.

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( XVIII ) (Continued)**

**D. Wayne County Regional Land Bank Corporation**

The Wayne County Regional Land Bank Corporation (WCRLBC) is a Nonprofit Local Development Corporation created by state legislation to address the problems of vacant, abandoned, derelict, contaminated, or tax delinquent property in Wayne County. The WCRLBC was established for the acquisition and disposition of real property and returning that property to productive use in Wayne County, New York. Members of the WCRLBC are appointed by the Wayne County Board of Supervisors, however, the Board of Supervisors exercise no oversight responsibility for management of the WCRLBC or accountability for fiscal matters. The County is not liable for any WCRLBC indebtedness.

Audited financial statements for the year ended December 31, 2018 were not available as of the date of this report. Summary financial information from WCRLBC's unaudited financial statements for the year ended December 31, 2018 is as follows:

Total Assets	\$	235,897
Total Liabilities	\$	-
Total Net Position	\$	235,897
Total Revenues-2018	\$	250,000
Total Expenditures-2018	\$	14,103

Complete financial statements for the WCRLBC may be obtained at the entity's administrative office located at 9 Pearl Street, Lyons, New York 14489.

**E. Wayne County Water and Sewer Authority**

The Wayne County Water and Sewer Authority (the Authority), a public benefit corporation, was created by special legislation, Chapter 685 of the Laws of 1987 (NYS Public Authorities Laws 199-aa et seq.). Members of the Authority's Board of Directors are appointed by the Board of Supervisors. The Directors of the Authority have sole responsibility for management of the Authority and full accountability for fiscal matters. The Authority has the powers necessary to plan, finance, operate, and manage water systems in the County. The Authority provides a structure for planning and implementing improvements in the availability, reliability, and quality of public water supplies in the County.

An audit of the Authority's financial statements for the year ended December 31, 2018 has been performed by Raymond F. Wager, CPA, P.C., a division of Mengel Metzger Barr and Co., LLP. The auditor's report was unmodified, that is, the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America. Pertinent financial data related to the Authority for the year ended December 31, 2018 is as follows:

**COUNTY OF WAYNE, NEW YORK**

**Notes to the Basic Financial Statements**

**December 31, 2018**

**( XVIII ) (Continued)**

Total Assets	\$	19,262,013
Total Deferred Outflows	\$	872,463
Total Liabilities	\$	3,647,980
Total Deferred Inflows	\$	774,213
Total Net Position	\$	15,712,283
Total Revenues-2018	\$	8,510,165
Total Expenses-2018	\$	8,511,346

Complete financial statements for the Authority may be obtained at the entity's administrative office located at 3377 Daansen Road, Walworth, New York 14568.

**XIX. Subsequent Events:**

On April 4, 2019 the County issued a serial bond for capital improvements in the amount of \$6,550,000 at 2.0%-3.0% which matures April 1, 2029.

**COUNTY OF WAYNE, NEW YORK**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For The Year Ended December 31, 2018**

	<b>Original Budget (Incl. Carryover Encumbrances)</b>	<b>Budget (Amended)</b>	<b>Actual</b>	<b>Encumbrances</b>	<b>Variance</b>
<b>Revenues:</b>					
Real property and tax items	\$ 43,020,511	\$ 43,020,511	\$ 43,581,547	\$ -	\$ 561,036
Non-property taxes	42,130,000	42,930,000	46,881,288	-	3,951,288
Departmental income	14,358,696	14,519,573	15,396,610	-	877,037
Intergovernmental charges	378,865	378,865	725,750	-	346,885
Use of money and property	374,903	374,903	1,001,964	-	627,061
Licenses and permits	10,000	10,000	4,714	-	(5,286)
Fines and forfeitures	176,000	176,000	141,265	-	(34,735)
Sale of property and compensation for loss	1,237,022	1,237,022	1,246,130	-	9,108
Miscellaneous	2,380,687	2,626,811	2,214,987	-	(411,824)
Interfund revenues	719,688	719,688	607,021	-	(112,667)
State and county aid	20,185,280	18,171,568	16,204,341	-	(1,967,227)
Federal aid	11,350,659	14,780,426	13,075,739	-	(1,704,687)
<b>Total Revenues</b>	<b>\$ 136,322,311</b>	<b>\$ 138,945,367</b>	<b>\$ 141,081,356</b>	<b>\$ -</b>	<b>\$ 2,135,989</b>
<b>Expenditures:</b>					
<b><u>Current:</u></b>					
<b><u>General government support -</u></b>					
Legislative	\$ 1,129,757	\$ 1,157,628	\$ 1,111,664	\$ 3,769	\$ 42,195
Judicial	3,985,190	4,170,662	3,632,256	46,059	492,347
Finance and taxation	1,711,861	1,720,107	1,548,877	350	170,880
Staff	3,099,770	3,194,983	2,966,360	29,065	199,558
Shared services	6,452,502	6,519,757	6,157,383	65,418	296,956
Special items	14,543,053	14,025,062	13,677,453	-	347,609
Miscellaneous	375,012	375,012	375,012	-	-
<b>Total general government support</b>	<b>\$ 31,297,145</b>	<b>\$ 31,163,211</b>	<b>\$ 29,469,005</b>	<b>\$ 144,661</b>	<b>\$ 1,549,545</b>
<b><u>Education -</u></b>					
Community college	\$ 4,500,000	\$ 5,000,000	\$ 4,648,500	\$ -	\$ 351,500
<b>Total education</b>	<b>\$ 4,500,000</b>	<b>\$ 5,000,000</b>	<b>\$ 4,648,500</b>	<b>\$ -</b>	<b>\$ 351,500</b>
<b><u>Public safety -</u></b>					
Law enforcement	\$ 21,597,241	\$ 22,941,983	\$ 22,813,526	\$ 128,457	\$ -
Traffic control	218,069	218,096	143,791	-	74,305
Fire prevention	273,221	228,338	199,799	-	28,539
Public safety	5,704,476	5,879,865	5,283,990	6,122	589,753
Miscellaneous	902,292	902,292	902,292	-	-
<b>Total public safety</b>	<b>\$ 28,695,299</b>	<b>\$ 30,170,574</b>	<b>\$ 29,343,398</b>	<b>\$ 134,579</b>	<b>\$ 692,597</b>
<b><u>Health -</u></b>					
Public health	\$ 9,753,277	\$ 9,941,428	\$ 9,516,040	\$ 2,124	\$ 423,264
Mental health	11,034,638	11,906,701	10,849,736	81,000	975,965
Miscellaneous	338,251	338,251	338,251	-	-
<b>Total health</b>	<b>\$ 21,126,166</b>	<b>\$ 22,186,380</b>	<b>\$ 20,704,027</b>	<b>\$ 83,124</b>	<b>\$ 1,399,229</b>

**COUNTY OF WAYNE, NEW YORK**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2018**

	<b>Original Budget (Incl. Carryover Encumbrances)</b>	<b>Budget (Amended)</b>	<b>Actual</b>	<b>Encumbrances</b>	<b>Variance</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<u>Transportation -</u>					
Bus operations	\$ 38,378	\$ 38,378	\$ 38,313	\$ -	\$ 65
Total transportation	\$ 38,378	\$ 38,378	\$ 38,313	\$ -	\$ 65
<u>Economic assistance and opportunity -</u>					
Social services	\$ 39,105,186	\$ 43,406,487	\$ 37,989,751	\$ 1,927,608	\$ 3,489,128
Economic opportunity	1,554,983	2,583,413	1,069,076	1,715	1,512,622
Publicity and tourism	446,454	449,285	432,439	-	16,846
Veteran services	310,355	316,484	283,702	-	32,782
Consumer affairs	121,581	122,930	118,773	-	4,157
Program for the aging	2,045,462	2,156,432	2,100,855	3,891	51,686
Miscellaneous	515,086	515,086	515,086	-	-
Total economic assistance and opportunity	\$ 44,099,107	\$ 49,550,117	\$ 42,509,682	\$ 1,933,214	\$ 5,107,221
<u>Culture and recreation -</u>					
Parks	\$ 433,287	\$ 558,784	\$ 440,988	\$ 10,972	\$ 106,824
Recreation and culture	627,932	667,060	633,981	215	32,864
Miscellaneous	25,606	25,606	25,606	-	-
Total culture and recreation	\$ 1,086,825	\$ 1,251,450	\$ 1,100,575	\$ 11,187	\$ 139,688
<u>Home and community services -</u>					
General environment	\$ 851,411	\$ 988,821	\$ 844,910	\$ -	\$ 143,911
Natural resources	888,822	1,154,301	1,154,301	-	-
Miscellaneous	27,080	27,080	27,080	-	-
Total home and community services	\$ 1,767,313	\$ 2,170,202	\$ 2,026,291	\$ -	\$ 143,911
<b>Debt Service:</b>					
Debt service - principal	\$ 597,000	\$ 597,000	\$ 597,000	\$ -	\$ -
Debt service - interest and other charges	549,438	549,438	548,854	-	584
Total debt service	\$ 1,146,438	\$ 1,146,438	\$ 1,145,854	\$ -	\$ 584
<b>Total Expenditures</b>	<b>\$ 133,756,671</b>	<b>\$ 142,676,750</b>	<b>\$ 130,985,645</b>	<b>\$ 2,306,765</b>	<b>\$ 9,384,340</b>
Excess (deficiency) of revenue over expenditures	\$ 2,565,640	\$ (3,731,383)	\$ 10,095,711		
<b>Other Financing Sources and Uses:</b>					
Transfers - in	\$ -	\$ -	\$ 589,178		
Transfers - out	(7,196,924)	(14,185,204)	(14,185,204)		
<b>Total Other Financing Sources and Uses</b>	<b>\$ (7,196,924)</b>	<b>\$ (14,185,204)</b>	<b>\$ (13,596,026)</b>		
Net change in fund balances	\$ (4,631,284)	\$ (17,916,587)	\$ (3,500,315)		
<b>Fund Balance - Beginning</b>	<b>64,906,647</b>	<b>64,906,647</b>	<b>64,906,647</b>		
<b>Fund Balance - Ending</b>	<b>\$ 60,275,363</b>	<b>\$ 46,990,060</b>	<b>\$ 61,406,332</b>		

Note to Required Supplementary Information:

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

**COUNTY OF WAYNE, NEW YORK**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in County's Total OPEB Liability and Related Ratio**  
**For the Year Ended December 31, 2018**

<b>TOTAL OPEB LIABILITY</b>	
	<u><b>2018</b></u>
Service cost	\$ 356,290
Interest	975,165
Changes of assumptions or other inputs	779,942
Benefit payments	<u>(2,172,466)</u>
<b>Net Change in Total OPEB Liability</b>	<b>\$ (61,069)</b>
 <b>Total OPEB Liability - Beginning (restated)</b>	 <u><b>26,527,976</b></u>
 <b>Total OPEB Liability - Ending</b>	 <u><u><b>\$ 26,466,907</b></u></u>
Covered Employee Payroll	\$ 44,637,682
Total OPEB Liability as a Percentage of Covered Payroll	59.29%

This schedule is intended to show information for ten years, information will be displayed as it becomes available.

**COUNTY OF WAYNE, NEW YORK**  
**Required Supplementary Information (Unaudited)**  
**Schedule of the County's Proportionate Share of the Net Pension Liability**  
**For the Year Ended December 31, 2018**

<b><u>NYSERS Pension Plan</u></b>				
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Proportion of the net pension liability (assets)	0.1861%	0.1939%	0.1852%	0.1848%
Proportionate share of the net pension liability (assets)	\$ 6,006,285	\$ 18,221,338	\$ 29,728,839	\$ 6,242,887
Covered-employee payroll	\$ 43,205,334	\$ 45,541,238	\$ 45,252,380	\$ 44,381,407
Proportionate share of the net pension liability (assets) as a percentage of its covered-payroll	13.902%	40.011%	65.696%	14.066%
Plan fiduciary net position as a percentage of the total pension liability	98.24%	94.70%	90.70%	97.90%

This schedule is intended to show information for ten years, information will be displayed as it becomes available.

**COUNTY OF WAYNE, NEW YORK**  
**Required Supplementary Information (Unaudited)**  
**Schedule of County Contributions**  
**For the Year Ended December 31, 2018**

<b>NYSERS Pension Plan</b>				
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Contractually required contributions	\$ 6,510,255	\$ 6,722,740	\$ 7,008,281	\$ 7,436,155
Contributions in relation to the contractually required contribution	(6,510,255)	(6,722,740)	(7,008,281)	(7,436,155)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered-payroll	\$ 43,205,334	\$ 45,541,238	\$ 45,252,380	\$ 44,381,407
Contributions as a percentage of covered-employee payroll	15.07%	14.76%	15.49%	16.76%

This schedule is intended to show information for ten years, information will be displayed as it becomes available.

**COUNTY OF WAYNE, NEW YORK**

**Note to Required Supplementary Information**

**December 31, 2018**

**I. Stewardship – Note to Required Supplementary Information:**

**A. Budgetary Data**

Budgets are adopted on a basis consistent with generally accepted accounting principles and the budgetary comparison schedules presented as required supplementary information are prepared on this basis. Budgets are adopted annually for the general fund, special revenue funds, and the enterprise fund. The general fund is the only major fund with a legally adopted budget. The only legally adopted budgets for the nonmajor funds are the Road Machinery Fund and the County Road Fund.

1. No later than November 15, the budget officer submits a tentative budget to the finance and budget review committee for the year commencing the following January 1. The tentative budget includes appropriations and the proposed means of financing them.
2. After public hearings are conducted to obtain taxpayer comments, no later than December 20, the Board of Supervisors adopts the County budget. The original budget is a balanced budget.

Activities of the general fund, special revenue funds, and the enterprise fund are included in the annual appropriated budget.

3. Certain expenditures may not legally exceed budgeted appropriations for program expenditures within an administrative unit or department. Individual governmental fund comparisons of budgetary and actual data are presented at the legal level of control established by the Board of Supervisors (i.e., the department level).

All revisions that alter total appropriations in any department must be approved by certain committees of the Board of Supervisors or in some instances the entire Board of Supervisors. Management has the ability to amend or transfer the budgeted amounts between “objects” without the approval of the Board of Supervisors. Supplementary appropriations made during the year include additional grant program increases in mandated expenditures and/or the reallocation of resources.

**COUNTY OF WAYNE, NEW YORK**

**Notes to Nonmajor Governmental Funds**

**Special Revenue Funds**

**December 31, 2018**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The **Special Revenue Funds** of the County include the county road and road machinery funds. The special revenue funds use the modified accrual basis of accounting.

**ROAD MACHINERY FUND**

The **Road Machinery Fund** is required by Section 133 of the Highway Law. This fund is used to record the purchase, repair and maintenance of highway machinery, tools and equipment; for the construction, purchase and maintenance of buildings for the storage and repair of highway machinery and equipment; and for the purchase of materials and supplies to provide an adequate central stockpile for highway, snow removal and bridge purposes.

**COUNTY ROAD FUND**

The **County Road Fund** is used to account for maintenance of County roads and bridges, snow removal and construction and reconstruction of County roads.

**CAPITAL PROJECTS FUND**

The **Capital Projects Fund** is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The assigned fund balance at December 31, 2018 totaled \$8,084,320.

**COUNTY OF WAYNE, NEW YORK**

**Combining Balance Sheet**

**Nonmajor Governmental Funds**

**December 31, 2018**

	<u>Special Revenue Funds</u>			<b>Total</b>
	<b>Road</b>	<b>County</b>	<b>Capital</b>	<b>Nonmajor</b>
	<b>Machinery</b>	<b>Road</b>	<b>Projects</b>	<b>Governmental</b>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 876,637	\$ 2,088,262	\$ 7,900,915	\$ 10,865,814
Receivables, net	120,003	376,268	191,579	687,850
Prepaid items	19,807	134,841	-	154,648
<b>Total Assets</b>	<u>\$ 1,016,447</u>	<u>\$ 2,599,371</u>	<u>\$ 8,092,494</u>	<u>\$ 11,708,312</u>
 <b>Liabilities and Fund Balance</b>				
<b>Liabilities -</b>				
Accounts payable	\$ 80,773	\$ 260,756	\$ 8,174	\$ 349,703
Accrued liabilities	66,272	517,376	-	583,648
<b>Total Liabilities</b>	<u>\$ 147,045</u>	<u>\$ 778,132</u>	<u>\$ 8,174</u>	<u>\$ 933,351</u>
 <b>Fund Balances -</b>				
Nonspendable	\$ 19,807	\$ 134,841	\$ -	\$ 154,648
Restricted	-	95,371	-	95,371
Assigned	849,595	1,591,027	8,084,320	10,524,942
<b>Total Fund Balances</b>	<u>\$ 869,402</u>	<u>\$ 1,821,239</u>	<u>\$ 8,084,320</u>	<u>\$ 10,774,961</u>
<b>Total Liabilities and</b>				
<b>Fund Balances</b>	<u>\$ 1,016,447</u>	<u>\$ 2,599,371</u>	<u>\$ 8,092,494</u>	<u>\$ 11,708,312</u>

**COUNTY OF WAYNE, NEW YORK**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

**Nonmajor Governmental Funds**

**For the Year Ended December 31, 2018**

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>Road</u>	<u>County</u>	<u>Capital</u>	<u>Nonmajor</u>
	<u>Machinery</u>	<u>Road</u>	<u>Projects</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<b>Revenues:</b>				
Intergovernmental charges	\$ 384,670	\$ 568,926	\$ -	\$ 953,596
Use of money and property	272	31,139	26,112	57,523
Sale of property and compensation for loss	25,130	28,625	-	53,755
Miscellaneous	-	12,077	-	12,077
Interfund revenues	793,372	-	-	793,372
State and county aid	82,159	3,226,221	568,206	3,876,586
Federal aid	-	250,910	-	250,910
<b>Total Revenues</b>	<u>\$ 1,285,603</u>	<u>\$ 4,117,898</u>	<u>\$ 594,318</u>	<u>\$ 5,997,819</u>
<b>Expenditures:</b>				
<b>Current -</b>				
Transportation	\$ 1,971,803	\$ 10,756,345	\$ -	\$ 12,728,148
Capital outlay	-	-	514,534	514,534
<b>Total Expenditures</b>	<u>\$ 1,971,803</u>	<u>\$ 10,756,345</u>	<u>\$ 514,534</u>	<u>\$ 13,242,682</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (686,200)</u>	<u>\$ (6,638,447)</u>	<u>\$ 79,784</u>	<u>\$ (7,244,863)</u>
<b>Other Financing Sources and Uses:</b>				
Transfers - in	\$ 679,247	\$ 6,517,677	\$ 6,988,280	\$ 14,185,204
Transfers - out	-	-	(589,178)	(589,178)
<b>Total Other Financing Sources and Uses</b>	<u>\$ 679,247</u>	<u>\$ 6,517,677</u>	<u>\$ 6,399,102</u>	<u>\$ 13,596,026</u>
Net change in fund balances	\$ (6,953)	\$ (120,770)	\$ 6,478,886	\$ 6,351,163
<b>Fund Balance - Beginning</b>	<u>876,355</u>	<u>1,942,009</u>	<u>1,605,434</u>	<u>4,423,798</u>
<b>Fund Balance - Ending</b>	<u>\$ 869,402</u>	<u>\$ 1,821,239</u>	<u>\$ 8,084,320</u>	<u>\$ 10,774,961</u>

**COUNTY OF WAYNE, NEW YORK**  
**Budgetary Comparison Schedule**  
**Road Machinery Fund**  
**For the Year Ended December 31, 2018**

	<b>Original Budget (Incl. Carryover Encumbrances)</b>	<b>Budget (Amended)</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>				
Intergovernmental charges	\$ 240,000	\$ 350,000	\$ 384,670	\$ 34,670
Use of money and property	200	200	272	72
Sale of property and compensation for loss	36,000	36,000	25,130	(10,870)
Interfund revenues	750,000	750,000	793,372	43,372
State and county aid	-	100,000	82,159	(17,841)
<b>Total Revenues</b>	<b>\$ 1,026,200</b>	<b>\$ 1,236,200</b>	<b>\$ 1,285,603</b>	<b>\$ 49,403</b>
<b>Expenditures:</b>				
<b><u>Current:</u></b>				
<b><u>Transportation -</u></b>				
Road machinery	\$ 1,805,447	\$ 2,026,967	\$ 1,971,803	\$ 55,164
<b>Total Expenditures</b>	<b>\$ 1,805,447</b>	<b>\$ 2,026,967</b>	<b>\$ 1,971,803</b>	<b>\$ 55,164</b>
Excess (deficiency) of revenue over expenditures	\$ (779,247)	\$ (790,767)	\$ (686,200)	
<b>Other Financing Sources and Uses:</b>				
Transfers - in	\$ 679,247	\$ 679,247	\$ 679,247	
<b>Total Other Financing Sources and Uses</b>	<b>\$ 679,247</b>	<b>\$ 679,247</b>	<b>\$ 679,247</b>	
Net change in fund balances	\$ (100,000)	\$ (111,520)	\$ (6,953)	
<b>Fund Balance - Beginning</b>	<b>876,355</b>	<b>876,355</b>	<b>876,355</b>	
<b>Fund Balance - Ending</b>	<b>\$ 776,355</b>	<b>\$ 764,835</b>	<b>\$ 869,402</b>	

**COUNTY OF WAYNE, NEW YORK**  
**Budgetary Comparison Schedule**  
**County Road Fund**  
**For the Year Ended December 31, 2018**

	<b>Original Budget</b>	<b>Budget</b>			
	<b>(Incl. Carryover</b>	<b>(Amended)</b>	<b>Actual</b>	<b>Encumbrances</b>	<b>Variance</b>
	<b>Encumbrances)</b>	<b>(Amended)</b>	<b>Actual</b>	<b>Encumbrances</b>	<b>Variance</b>
<b>Revenues:</b>					
Intergovernmental charges	\$ 570,000	\$ 570,000	\$ 568,926	\$ -	\$ (1,074)
Use of money and property	36,210	36,210	31,139	-	(5,071)
Sale of property and compensation for loss	18,050	18,050	28,625	-	10,575
Miscellaneous	13,300	13,300	12,077	-	(1,223)
State and county aid	3,200,000	3,712,504	3,226,221	-	(486,283)
Federal aid	-	227,600	250,910	-	23,310
<b>Total Revenues</b>	<b>\$ 3,837,560</b>	<b>\$ 4,577,664</b>	<b>\$ 4,117,898</b>	<b>\$ -</b>	<b>\$ (459,766)</b>
<b>Expenditures:</b>					
<b><u>Current:</u></b>					
<b><u>Transportation -</u></b>					
Highway maintenance	\$ 10,355,237	\$ 12,646,474	\$ 10,756,345	\$ 37,201	\$ 1,852,928
<b>Total Expenditures</b>	<b>\$ 10,355,237</b>	<b>\$ 12,646,474</b>	<b>\$ 10,756,345</b>	<b>\$ 37,201</b>	<b>\$ 1,852,928</b>
Excess (deficiency) of revenue over expenditures	\$ (6,517,677)	\$ (8,068,810)	\$ (6,638,447)		
<b>Other Financing Sources and Uses:</b>					
Transfers - in	\$ 6,517,677	\$ 6,517,677	\$ 6,517,677		
<b>Total Other Financing Sources and Uses</b>	<b>\$ 6,517,677</b>	<b>\$ 6,517,677</b>	<b>\$ 6,517,677</b>		
Net change in fund balances	\$ -	\$ (1,551,133)	\$ (120,770)		
<b>Fund Balance - Beginning</b>	<b>1,942,009</b>	<b>1,942,009</b>	<b>1,942,009</b>		
<b>Fund Balance - Ending</b>	<b>\$ 1,942,009</b>	<b>\$ 390,876</b>	<b>\$ 1,821,239</b>		

**Note to Required Supplementary Information:**

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

**COUNTY OF WAYNE, NEW YORK**  
**COUNTY INFRASTRUCTURE CAPITAL PROJECTS FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Nonmajor Capital Projects**  
**From Inception and for the Year Ended December 31, 2018**

	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total to</u> <u>Date</u>	<u>Project</u> <u>Authorization</u>
<b>Revenues:</b>				
Use of money and property/ miscellaneous	\$ 23,958	\$ 26,112	\$ 50,070	\$ 23,847
State sources	3,208,806	568,206	3,777,012	5,422,721
Federal sources	74,527	-	74,527	127,462
<b>Total Revenues</b>	<u>\$ 3,307,291</u>	<u>\$ 594,318</u>	<u>\$ 3,901,609</u>	<u>\$ 5,574,030</u>
<b>Expenditures:</b>				
Capital outlay	<u>\$ 15,224,070</u>	<u>\$ 514,534</u>	<u>\$ 15,738,604</u>	<u>\$ 25,495,345</u>
<b>Total Expenditures</b>	<u>\$ 15,224,070</u>	<u>\$ 514,534</u>	<u>\$ 15,738,604</u>	<u>\$ 25,495,345</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (11,916,779)</u>	<u>\$ 79,784</u>	<u>\$ (11,836,995)</u>	<u>\$ (19,921,315)</u>
<b>Other Financing Sources and Uses:</b>				
Transfers - in	\$ 13,738,972	\$ 6,988,280	\$ 20,727,252	\$ 20,727,252
Transfers - out	(216,759)	(589,178)	(805,937)	(805,937)
<b>Total Other Financing   Sources and Uses</b>	<u>\$ 13,522,213</u>	<u>\$ 6,399,102</u>	<u>\$ 19,921,315</u>	<u>\$ 19,921,315</u>
Net change in fund balance	<u>\$ 1,605,434</u>	\$ 6,478,886	<u>\$ 8,084,320</u>	<u>\$ -</u>
<b>Fund Balance, Beginning</b>		<u>1,605,434</u>		
<b>Fund Balance, Ending</b>		<u>\$ 8,084,320</u>		

**COUNTY OF WAYNE, NEW YORK**

**Note to Agency Funds**

**December 31, 2018**

Agency Funds are used to account for assets held by Wayne County, New York as an agent for individuals, private organizations, other governments and/or other funds.

**COUNTY OF WAYNE, NEW YORK**  
**Statement of Changes in Agency Fund Assets and Liabilities**  
**For the Year Ended December 31, 2018**

	<b>Beginning Balance 1/1/18</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance 12/31/18</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,270,178	\$ 20,580,848	\$ 20,083,501	\$ 1,767,525
<b>TOTAL ASSETS</b>	<b>\$ 1,270,178</b>	<b>\$ 20,580,848</b>	<b>\$ 20,083,501</b>	<b>\$ 1,767,525</b>
<b>LIABILITIES</b>				
Other liabilities	\$ 1,270,178	\$ 20,580,848	\$ 20,083,501	\$ 1,767,525
<b>TOTAL LIABILITIES</b>	<b>\$ 1,270,178</b>	<b>\$ 20,580,848</b>	<b>\$ 20,083,501</b>	<b>\$ 1,767,525</b>

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

**Independent Auditors' Report**

To the Chairman and Members  
Of the Board of Supervisors  
County of Wayne, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Wayne, New York, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County of Wayne, New York's basic financial statements, and have issued our report thereon dated June 26, 2019.

***Internal Control Over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

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

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rochester, New York  
June 26, 2019

