PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE **SERIAL BOND**

MOODY'S: "Aa1" **See "BOND RATING" herein**

In the opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, under existing statutes, regulations, rulings, and court decisions, and assuming continuing compliance with certain tax certifications described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that the interest on the Bonds is not treated as an item of tax preference for the purpose of the federal alternative minimum tax imposed on individuals. Furthermore, Bond Counsel is of the opinion that, under existing statutes, interest on the Bonds is exempt from personal income taxes imposed by New York State and any political subdivision thereof. See "TAX EXEMPTION" herein.

The Bonds will be designated by the County as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$2,900,000

COUNTY OF ONTARIO, NEW YORK

GENERAL OBLIGATIONS

CUSIP BASE #: 683055

$2,900,000 Public Improvement Serial Bonds, 2021

(referred to herein as the "Bonds")

(Designated/Bank Qualified)

Dated: July 20, 2021 **Due: June 15, 2022-2031**

MATURITIES**

Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP
2022	$ 225,000	%	%		2026	$ 290,000	%	%		2029	$ 310,000	%	%	
2023	270,000				2027	295,000				2030	315,000*			
2024	280,000				2028	305,000				2031	325,000*			
2025	285,000													

* The Bonds maturing in the years 2030 and 2031 are subject to redemption prior to maturity as described herein under the heading "THE BONDS – Optional Redemption."

** The aggregate principal amount of the Bonds and the principal maturities thereof are subject to adjustment, following their sale, to achieve substantially level or declining annual debt service, and to permit the County to comply with applicable provisions of the Code.

The Bonds are general obligations of the County of Ontario, New York (the "County") all the taxable real property within which is subject to the levy of *ad valorem* taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on June 15, 2022, December 15, 2022, and semi-annually thereafter on June 15 and December 15 in each year until maturity. Principal and interest will be paid by the County to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of $5,000 or any integral multiple thereof. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than $2,900,000. A good faith deposit will not be required.

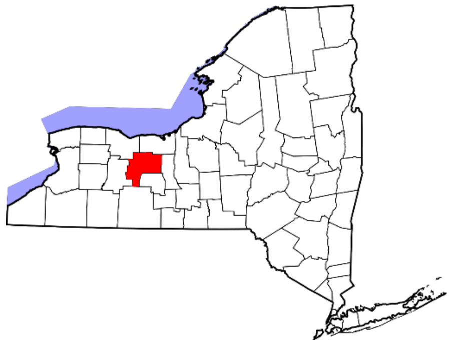
The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or at such other location as may be agreed upon by the purchaser on or about July 20, 2021.

ELECTRONIC BIDS for the Bonds must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on July 8, 2021 until 11:15 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the County, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Private Competitive Bond Sale.

June 30, 2021

THE COUNTY DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDERS, AS MORE FULLY DESCRIBED IN THE NOTICE OF PRIVATE COMPETITIVE BOND SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE "APPENDIX D – FORM OF DISCLOSURE UNDERTAKING" HEREIN.

COUNTY OF ONTARIO, NEW YORK



BOARD OF SUPERVISORS

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Chairman

KRISTINE A. SINGER
Vice-Chairman

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* * * * * * *

CHRISTOPHER P. DEBOLT County Administrator	BRIAN H. YOUNG Deputy County Administrator	GARY G. BAXTER County Treasurer
HEIDI BAREND-GUERRIE Deputy Treasurer	ROBIN L. JOHNSON 2nd Deputy Treasurer	KRISTIN A. MUELLER Clerk, Board of Supervisors
MARY M. GATES Director of Finance	LORRIE K. SCARROTT Deputy Director of Finance	HOLLY A. ADAMS, ESQ. County Attorney

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
www.fiscaladvisors.com

BOND COUNSEL

Hodgson Russ LLP
The Guaranty Building
140 Pearl Street, Suite 100
Buffalo, New York 14202
(716) 856-4000
www.hodgsonruss.com

No person has been authorized by the County to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County.

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
http://www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

COUNTY OF ONTARIO, NEW YORK

Relating To

$2,900,000 Public Improvement Serial Bonds, 2021

This Official Statement, which includes the cover page and all appendices, has been prepared by the County of Ontario, New York (the "County" and "State", respectively) in connection with the sale by the County of $2,900,000 Public Improvement Serial Bonds, 2021 (the "Bonds").

The factors affecting the County's financial condition and the Bonds are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the County's tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State of New York, and acts and proceedings of the County contained herein do not purport to be complete, and are qualified in their entirety by reference to the official compilations thereof, and all references to the Bonds and the proceedings of the County relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the County's overall economic situation and outlook (and all of the specific County-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See "COVID-19" herein.

NATURE OF OBLIGATION

Each of the Bonds when duly issued and paid for will constitute a contract between the County and the holder thereof.

Holders of any series of notes or bonds of the County may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Bonds will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the County has power and statutory authorization to levy ad *valorem taxes* on all real property within the County subject to such taxation by the County, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limitation Law") applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and is required to raise real property taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the County's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. (See "TAX LEVY LIMITATION LAW," herein.)

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the City's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean…So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted…While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

THE BONDS

Description of the Bonds

The Bonds are general obligations of the County, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the County is subject to the levy of *ad valorem* taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Bonds will be dated July 20, 2021 and will mature in the principal amounts and on the dates as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the sub-heading "Optional Redemption." The "Record Date" of the Bonds will be the last business day of the calendar month preceding each such interest payment date.

The purchaser will have the option of having the Bonds issued as registered bonds in the name of the purchaser, or, at the option of the purchaser, the Bonds may be registered to the Depository Trust Company, New York, New York ("DTC"). The purchaser must notify Hodgson Russ LLP, of Buffalo, New York ("Bond Counsel") by 3:00 P.M., Prevailing Time, on the date of sale whether the Bonds will be issued in non-book-entry form or book-entry form.

If the Bonds are issued in non-book-entry form, they will be issued as registered obligations, registered in the name of the purchaser. Principal of and interest on the Bonds will be payable at maturity at such bank or trust company located and authorized to do business in the State of New York or at such other office as may be designated by the purchaser. Under this scenario, the paying agent on the Bonds may be designated by the winning bidder and paying agent fees, if any, shall be paid by the purchaser.

Under the DTC Scenario, the Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC which will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry-only form, in denominations of $5,000 or integral multiples thereof. Bondholders will not receive certificates representing their ownership interest in the Bonds purchased. See "THE BONDS - Book-Entry-Only System," herein.

Interest on the Bonds will be payable on June 15, 2022, December 15, 2022 and semi-annually thereafter on June 15 and December 15 in each year until maturity (or earlier redemption).

Optional Redemption

The Bonds maturing on or before June 15, 2029 will not be subject to redemption prior to maturity. The Bonds maturing on or after June 15, 2030 will be subject to redemption prior to maturity, at the option of the County, on June 15, 2029 or on any date thereafter, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected at random within a maturity), at par (100%), plus accrued interest to the date of redemption.

The County may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the County shall determine to be in the best interest of the County at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected at random (by lot or in any other customary manner of selection as determined by the County Treasurer.

Written notice of any such redemption (the "Notice") shall be given to the registered owner(s) of the Bonds to be redeemed not more than sixty (60) days nor less than thirty (30) days prior to the date set for such redemption. To the extent that the Bonds are issued through DTC, such Notice will be provided in accordance with the prevailing DTC redemption notification procedure (currently, transmission of the Notice by e-mail to redemptionnotification@dtcc.com, with the date of such email transmission being deemed the date that the Notice was given). In the event that such procedure is modified by DTC, the Notice will be provided in accordance with any new DTC procedure or, in the absence of any DTC procedure, by mailing the Notice by first class mail to the registered owner(s) thereof. If the Bonds are registered in the name of the initial purchaser, such Notice will be provided by e-mailing the Notice or by mailing the Notice by first class mail to the registered owner(s) of the Bonds to be redeemed. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in the Notice, become due and payable, together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

The County may provide conditional notice of redemption, which may state that such redemption is conditioned upon the receipt of moneys and/or any other event. If any such condition is not satisfied, such redemption shall not occur, and the County is to give notice thereof, as soon as practicable, in the same manner, to the same person(s), as notice of such redemption was given. Additionally, any such redemption notice may be rescinded by the County no later than one business day prior to the date specified for redemption, by written notice by the County given in the same manner, to the same person(s), as notice of such redemption was given.

Purpose of Issue

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the County Law, the Local Finance Law and pursuant to a bond resolution adopted on March 11, 2021 authorizing the issuance of up to $2,900,000 of serial bonds to finance the expansion, reconstruction and renovation of, and the construction of improvements, additions and upgrades to the Finger Lakes Community College/Center for Allied Health (and any related facilities and the site).

The proceeds of the Bonds will provide $2,900,000 in new money to permanently finance the above-mentioned purpose.

BOOK-ENTRY-ONLY SYSTEM

The following is relevant only if the Bonds are issued in book-entry-only form. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com**.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE COUNTY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE COUNTY MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the County upon termination of the book-entry-only system. Interest on the Bonds will be payable on June 15, 2022, December 15, 2022, and semi-annually thereafter on June 15 and December 15 in each year until maturity (or earlier redemption). Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Certificate of Determination of the County Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

THE COUNTY

General Information

The County is located 15 miles southeast of metropolitan Rochester, N.Y. and is the second largest county in the Rochester-Finger Lakes region. Based on the 2019 U.S. Census estimate, the County has a residential population of approximately 109,777 and a land area of 644 square miles and water area of 18 square miles. The cities of Geneva and Canandaigua and the Town of Victor are the commercial, cultural, economic and educational centers of the County.

The County is served by major interstates, including the New York State Thruway (1-90), Interstate 490 and NY State Routes 5 & 20, 96, 332 and 14, which provide the residents of the County with direct access to Rochester, Syracuse, Buffalo and many other major cities. Local general aviation access to the region is available through the Ontario County Industrial Development Agency's Airport, KIUA, in Canandaigua, which has a 5,500 ft. runway to serve corporate and private air traffic. The Greater Rochester Airport, approximately 40 minutes from Canandaigua, and the Hancock International Airport in Syracuse, provide the citizens of the County with access to several national airlines. The County is a member of the Regional Transit Service (RTS) that provides public transportation.

At the northern end of Canandaigua Lake is the City of Canandaigua, with a population of 10,156, which serves as the County seat. It is a major tourist destination during the summer and fall months and is known for its historical architecture, bustling Main Street, and a picturesque pier. Finger Lakes Community College (FLCC) has its main campus near the shore of Canandaigua Lake near the City. On the grounds of FLCC, the Constellation Brands Marvin Sands Performing Arts Center (CMAC) is the summer home of the Rochester Philharmonic Orchestra. CMAC has a seating capacity of approximately 15,000 seats. Along with the Rochester Philharmonic Orchestra, CMAC is home to many other types of concerts during summer months including pop, rock, indie and country genres of music.

In downtown Canandaigua is the New York Kitchen. This 17,000 square foot state-of-the-art facility overlooking Canandaigua Lake features a Hands-On Kitchen, Educational Theater, Tasting Room, Private Dining Room, Culinary Boutique, and locally-sourced restaurant, the Upstairs Bistro. This is a cooperative venture amongst Constellation Brands, Wegmans Food Markets, Rochester Institute of Technology and the New York Wine and Grape Foundation. The center attracts more than 100,000 visitors a year.

Outgrowths of strong public/private partnership arrangements and the blossoming culture of collaboration that exists within the County are making way for a promising future. Development of space-age technologies with a myriad of commercial applications in photonics and micro-systems are burgeoning. Applying this technology to agriculture, food and bio-based technologies is also attracting other enterprises that are expected to enhance their missions as well as promote further job growth in the County. For these and other reasons, the County has become one of the fastest growing counties in the State.

Akoustis is a 120,000-square-foot, state-of-the-art facility. Akoustis includes over 26,000 square feet of certified cleanroom space with 150mm and 200mm microelectromechanical systems (MEMS) foundry services, complemented by a dedicated 8,000-square-foot MEMS and optoelectronic packaging facility. Akoustis has the largest array of world-class MEMS-related solutions from design to fabrication, packaging and testing, all under one roof. Akoustis uses the facility to manufacture bulk acoustic wave (BAW) filters for next generation 5-G communications equipment. These capabilities are unmatched the world over, providing the capacity, infrastructure and operational capabilities to create immediate job and investment opportunities in all areas of semiconductor and advanced manufacturing. Akoustis is currently making a $40 million investment in the Canandaigua facility to add an 8 inch wafer line and 24/7 production. It has doubled its workforce to accommodate this growth. Akoustis sits on a 57 acre campus that is a shovel-ready site for approximately 900,000 additional square feet of manufacturing space for technology commercialized in the center.

The City of Geneva, with a population of 12,631, is located at the northern end of Seneca Lake. Hobart and William Smith Colleges (founded in 1822 and 1902, respectively) are in Geneva, as well as another campus of FLCC. Geneva is the headquarters for Cornell University's New York State AgriTech, the NYS Center of Excellence for Agriculture and Food Innovation, new USDA Grape Genetics Institute, and the Cornell Agricultural and Food Technology Park (Tech Farm). The Tech Farm is a 72-acre research and development park established to let companies carry out cutting edge research in food, agriculture and bio-based technologies, as well as complement existing research of the NYS AgriTech and Cornell University. FLCC's viticulture center is on the Tech Farm campus. This curriculum is the first of its kind in the State, and it has an articulation agreement with Cornell University. At full build-out there will be 375,000 square feet available to tenants. The current tenants include: Stony Brook Whole Hearted Foods (production of squash seed oils), Empire Cidery, and Assured Edge Solutions (turning waste vegetables and fruits into powders used in cooking). The Center of Excellence for Food and Agriculture pulls together multiple partners to catalyze business development in the agriculture and food industries. The Center for Excellence, also located at the Tech Farm, serves as a hub connecting NY businesses and entrepreneurs with services they need to grow including connections to distributors and marketers, potential partners, co packing and manufacturing facilities, business services, workshops and mentorship, physical office, lab and kitchen space and specialized equipment. Geneva rounds out major food producers with Real Eats America in the Geneva Enterprise Development Center. Real Eats is a subscription, sous-vide meal preparation company which delivers to 40 states.

Guardian Industries, located in the Geneva Industrial Park, is a leading manufacturer and fabricator of float glass products used in the construction industry and is a leading supplier of vehicle glass and exterior trim systems to the global automotive industry. Guardian Industries has been in Geneva since 1995. In 2017, Guardian made the commitment to stay in Geneva and invest $67.1 million in its facility. Guardian's neighbor in the Industrial Park is Henkel (formerly Zotos International, Inc). Henkel is a professional beauty industry leader that manufactures and markets a full range of hair care, texture service and hair color options for today's salons and salon professionals. Zotos is a division of Henkel from Germany. A new tenant in the Geneva Industrial Park is Solar Home Factory. At Solar Home Factory, small homes are pre-fabricated with solar panels and a unique system to provide all HVAC without outside power. The first homes produced are now being placed in Solar Village in the City of Geneva.

The successful development of the Cornell Agriculture and Food Technology Park in Geneva combined with Akoustis in Canandaigua has propelled Ontario County into a position as a premium location for technology-focused development. In addition, the dark fiber network built by the County has over 200 miles of lightning fast internet capability. This project was designed to reach the majority of developed communities within the County and is intended to place fiber infrastructure in areas where fiber optic cable does not exist today. The fiber optic ring is linking business, industries, government agencies and homes, giving the County a technological edge. The project is serving as a foundation to support technologies capable of providing the "last mile" deployment throughout the entire region. The project design includes a link to the BOCES Regional Support Center in Newark providing the access needed for local school districts. The Ontario County fiber optic ring is connected with the Southern Tier fiber optic ring as well as the Monroe County ring.

Three general hospitals provide care to the residents of the County: F.F. Thompson Hospital, Clifton Springs Hospital and Clinic, and Geneva General Hospital. F.F. Thompson Hospital is allied with the University of Rochester's Strong Memorial Hospital, and Clifton Springs Hospital is teamed with Rochester General Hospital. Ontario Center, Elm Manor, Clifton Springs Hospital and Clinic, M.M. Ewing Continuing Care Center, and other such agencies, provide health-related and skilled nursing care to the elderly population in the County. The Canandaigua Veterans Administration Medical Center has been provider of inpatient and outpatient medical services to veterans living in upstate New York State for over 80 years. The Medical Center has broadened its medical focus to include long-term care, in addition to its long-standing reputation in psychiatric care. Long-term care, nursing home care, mental health care, alcohol/drug rehabilitation, adult day health care program, respite care, posttraumatic stress disorder clinic, domiciliary program, mental health initiative program, and homeless program are all notable services offered at the Canandaigua Veterans Administration Medical Center. This facility is headquarters for the national suicide prevention hotline of the Veteran Administration employing many in the area.

There are many recreational activities available to the residents of the County. Five Finger Lakes (Canandaigua, Seneca, Honeoye, Canadice, and Hemlock) serve as prime locations for a variety of warm and cold weather activities, such as boating, fishing, swimming, and skating. A mountain ski and snowboarding resort, Bristol Mountain, attracts skiers from many states and Canada. It also has tree-top ropes courses to make the facility a year-round destination. The County is located in the Finger Lakes wine region, the largest wine producing region east of California. It offers many opportunities to sample award-winning vintages and tour more than 100 wineries. Ontario County is home to some of the most scenic golf courses in the Finger Lakes region. Eastview Mall and the surrounding area offer over 2.2 million square feet of retail services. In addition, the metropolitan Rochester and suburban Monroe County areas offer commercial and retail services.

Fire protection is furnished by several volunteer companies, as well as paid fire departments of the Cities of Canandaigua and Geneva and Hamlet of Fishers (Fishers has a combination of paid and volunteer firefighters). Police protection is furnished by city and village police departments, the County Sheriff's Department and the State Police. Gas and electric services are provided by National Grid, Rochester Gas and Electric Corporation, and New York State Electric and Gas Corporation. Telephone services are provided by AT&T, Frontier Communications, Choice One Communications, MCI, Frontier Seneca-Gorham, Sprint, Ontario Trumansburg, Spectrum, Verizon Wireless, T-Mobile, and Empire Access.

Local Economy & Recent Economic Developments

The economy remains stronger than many other counties in upstate New York as evidenced by growing population and above average household incomes. The County grew by 8% over the previous decade, outpacing the region and State. Advanced manufacturing, agriculture, and healthcare continue to lead the economy. Of the six counties which border the County, Ontario County has the lowest percentage of population below the poverty line. The community college lends strong support for the workforce development needs of local businesses.

The developers of the Canandaigua - Finger Lakes Resort on the northern tip of Canandaigua Lake are finishing construction of a Hilton Tapestry boutique hotel. The $54 million Canandaigua - Finger Lakes Resort includes a 109-room hotel, restaurant, 44 condo units, 12,475 square feet of conference space, and a parking ramp. This hotel is expected to open in the first quarter of 2022. The Lake House is a new hotel which opened in 2020. The Lake House has over 100,000 sq. ft. of hotel, conference and event space, restaurant, bars, and spa spread over three buildings. It has partnered with several local businesses such as NY Kitchen and Canandaigua Sailboard to provide amenities for its guests.

Pinnacle North is a mixed-use signature development on the north shore of Canandaigua Lake. This prime piece of real-estate was purchased, cleared, and remediated by a local developer. The plot of land being developed is 21 acres. The project has secured a major developer, PILOT Increment Financing, and the required funding. The project has high-end rental and mixed-use retail. Phase I has concluded and is 100% occupied and Phase 2 was started. Unfortunately, this project has stalled as one of the developers faces serious financial and personal issues. Phase I was sold to a new developer and continues to enjoy success. The future of additional phases is uncertain at this time.

High Point is a class "A" office park with two buildings with underground parking. A third office building is expected to be complete in August 2021. It will be the home of First American Equipment Finance. Cooper Vision and Constellation Brands have headquarters in the High Point Office Park. The developer plans to build housing in the balance of land around High Point Office Park. Victor is home to several other business parks including Omnitech, Lehigh Crossing, Canning Parkway, Rae Boulevard, and Fishers Run.

The County is a Foreign Trade Zone Grantee (FTZ 289). Velocity Outdoor (Crosman Corporation) in East Bloomfield and Farmington are in the first sub-zone within it.

The Ontario County Industrial Development Agency built and maintains Canandaigua Airport (KIUA). Besides numerous hangars, a jet/plane repair business, flight school, fueling facility, Sheriff's Safety Building, snow removal equipment building, and temporary terminal are located there. Funding for these projects came from the Federal Aviation Administration (FAA), New York State Department of Transportation (DOT), and the Ontario County Industrial Development Agency. Mercy Flight Central Aviation Services is the fixed-base operator (FBO) at the Airport.

In addition, the Ontario County Industrial Development Agency continues to assist FLCC with its Start-Up NY program. A total of seven Start-Up NY companies are affiliated with FLCC in Ontario County, the most of any community college in the State.

The USDA is building a $68.9 million Grape Genetics Research Lab at Cornell AgriTech in Geneva, New York. Cornell AgriTech serves an evolving agricultural sector that remains an economic engine for New York, valued at over $36.7 billion annually. The campus has grown as times have changed, encompassing 900 acres of land planted to test plots, orchards, and vineyards. New programs have been added to serve the state's grape and wine industries, hop producers, bioenergy crop production, food entrepreneurs, and farmers facing crop pests and diseases. Over 300 researchers, work to safeguard New York's production of fruits and vegetables, develop new crops, enhance food safety for consumers, and promote economically viable farming solutions.

Source: County officials.

Larger Employers

The top ten employers in the County and the estimated number of persons employed by each are as follows:

Employer	Business	Approximate # of Employees
Thompson Health Care	Health	1,813
VA Hospital	Health	1,587
Finger Lakes Health Care	Health	1,101
Ontario County	Government	845
Constellation Brands	Manufacturing	792
Pactiv Corp.	Manufacturing	742
G W Lisk	High Tech Mfg	611
Hobart and William Smith Colleges	Education	665
Clifton Springs Hospital	Health Care	621
Henkel	Manufacturing	620

Source: County officials.

Banking Facilities

The following commercial banks maintain offices in the County:

JP Morgan Chase Bank, N.A.
Community Bank, N.A.
Key Bank, N.A.
Five Star Bank
Canandaigua National Bank and Trust Company
Lyons National Bank
Wayne Bank
Citizens Bank
Woodforest National Bank
Generations Bank
M & T Bank

Source: County officials.

Population Trends

	County of Ontario	New York State
1990	95,101	17,990,455
2000	100,224	18,976,457
2010	108,085	19,378,102
2019 (estimated)	109,777	19,453,561

Source: U.S. Census Bureau.

Selected Wealth and Income Indicators

Per capita income statistics are available for the County and State. Listed below are select figures from the 2000 Census Reports and the 2006-2010 and 2015-2019 American Community Survey 5 Year Estimates.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2015-2019	2000	2006-2010	2015-2019
County of:						
Ontario	$ 21,533	$ 26,393	$ 36,835	$ 52,698	$ 63,907	$ 83,244
State of:						
New York	23,389	30,948	39,326	51,691	67,405	84,385

Note: 2016-2020 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2015-2019 American Community Survey data.

Unemployment Rate Statistics

	Annual Average						
	2014	2015	2016	2017	2018	2019	2020
Ontario County	5.2%	4.7%	4.3%	4.5%	3.9%	3.7%	7.3%
New York State	6.3%	5.3%	4.9%	4.7%	4.1%	3.8%	10.0%

	2021 Monthly Figures					
	Jan	Feb	Mar	Apr	May	Jun
Ontario County	6.1%	6.4%	5.8%	4.8%	4.1%	N/A
New York State	9.4%	9.7%	8.4%	7.7%	6.9%	N/A

Note: Unemployment rates for June 2021 are unavailable as of the date of this Official Statement. Figures in this section are historical and do not speak as to current or projected employment rates. Unemployment drastically increased starting in mid-March 2020 due to the COVID-19 global pandemic, although it has since begun to decrease. See "COVID-19" herein.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted.)

Tobacco Settlement Securitization

In January 1997, the State of New York filed a lawsuit against the tobacco industry, seeking to recover the costs that the State and local governments had incurred in treating smoking-related illnesses. Under an agreement reached in November 1998 among 46 states and six other U.S. jurisdictions and the tobacco industry, referred to as the Master Settlement Agreement (MSA), the State and the County are entitled to receive annual payments.

During 2001, the County sold its right to receive certain payments under the MSA to the Tobacco Asset Securitization Corporation (TASC). The total bonds issued on behalf of the County totaled $19,985,000. From this amount, discounts, issuance costs, operating expenses and the establishment of a required Liquidity Reserve totaling $1,467,392 resulted in a payment of $17,822,535 to the County. Approximately $17,181,600 of the settlement was used for the construction of a new correctional facility. These net proceeds were recorded in the General Fund. The TASC is a related component unit of the County and while the County appoints the governing board of the TASC, the County is not responsible for the operations of the TASC.

In November 2005, the County securitized tobacco settlement residual payments. TASC sold, as subordinated debt, additional bonds of $7,111,340 in Series 2005 S1, S2, S3 and S4B Subordinate Turbo Term NY Counties Trust V Tobacco Settlement Pass-Through Capital Appreciation Bonds bearing interest ranging from 6.00% to 7.85, collateralized by future Tobacco Settlement Revenues. After issuance costs, the net proceeds to the County were $6.8 million which was used for various capital projects with a projected useful life of 30 years.

The County continues to assess any impact of declining sales of cigarettes, various lawsuits filed in regards to the legality of the Master Settlement Agreement and related State legislation, and the potential impact of the COVID-19 pandemic.

Ontario County Soil & Water Conservation District (SWCD)

The SWCD was established in accordance with the Soil & Water Conservation District Laws, to provide for the conservation of the County's soil and water resources. Members of the SWCD's Board of Directors are appointed by the Board of Supervisors, and administrative costs of the SWCD are funded primarily through the County appropriations. The SWCD does derive other revenues and performs other activities outside the County's general oversight and responsibilities. The directors of the SWCD have sole responsibility for management of the SWCD and full accountability for fiscal matters. The complete financial statements for the SWCD may be obtained at the entity's administrative office located at 480 North Main Street, Canandaigua, New York, 14424. It should be noted that the SWCD is a related entity of the County, however, the directors of the SWCD have sole responsibility for management and accountability for fiscal matters.

Ontario 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 businesses and recreational facilities in the County. Complete financial statements for the IDA may be obtained at the IDA's administrative office located at 20 Ontario Street, Canandaigua, New York, 14424. It should be noted that the IDA is a public benefit corporation whose financials are a component part of the County's financial statements. The board members of the IDA are appointed by the County Board of Supervisors.

Governmental Organization

Subject to the State Constitution, the County operates pursuant to the County Law, the General Municipal Law and other laws governing the County generally to the extent that such laws are applicable.

The legislative power of the County is vested in the County Board of Supervisors (the "Board"). One supervisor elected from each of the Towns located within the County, together with three supervisors elected from the City of Geneva and two supervisors elected from the City of Canandaigua, constitute the Board of Supervisors. Both the number of members and boundaries of their areas of representation may be varied from time to time in accordance with requirements of the federal and State Constitutions or the provisions of the Municipal Home Rule Law.

The Board meets at both regular and special meetings throughout the year and utilizes the committee system. Among its powers and duties, the Board reviews and adopts the annual County budget, levies taxes, reviews and approves any modifications to the budget and authorizes the incurrence of all indebtedness of the County. The Board oversees the general operation of County government and is assisted by the County Administrator who is responsible for the coordination and efficiency of the various County agencies.

Financial Organization

As mentioned above, the Board reviews and adopts the annual County budget, levies taxes, reviews and approves any modifications to the budget, and authorizes the incurrence of all indebtedness of the County. The County Treasurer is the Chief Fiscal Officer and is elected from the County at large every four years. Effective January 1, 2004, the Department of Finance was created, headed by the Director of Finance, who is appointed by the Board of Supervisors.

Budgetary Procedures and Recent Budget Votes

The following budget procedure, pursuant to County Law, is utilized for the preparation, analysis, review and approval of the County Budget.

The Budget Officer is the Chairman of the Ways and Means Committee. Budget forms are provided to department heads in early July. Department heads complete the entire budget for their activities including salaries, fringe benefits, equipment, contractual and other expenditures.

Each year during the month of August the department heads submit their completed budget proposals to the respective standing committees for their review. The standing committees, working with the department heads, complete a review of the budget requests. At the beginning of September the budget requests, previously completed by the department heads and reviewed and approved by the standing committees, are submitted to the Budget Officer. During the month of September the Budget Officer and the County Ways and Means Committee review all budget requests. The Ways and Means Committee conducts a scheduled workshop with the full Board and media invited. The completed budget is presented to the Board at its meeting in November. Adoption of the budget is completed by the last Board meeting in November. The Capital Improvement Plan is also approved in the same time frame as the operational budget.

The County's 2017 budget included a 2.64% increase in the property tax levy, which was below the County's tax levy limit of 2.89%.

The County's 2018 budget included a 3.2% increase in the property tax levy, which was below the County's tax levy limit of 3.37%.

The County's 2019 budget included a 4.07% increase in the property tax levy, which was below the County's tax levy limit of 4.28%.

The County's 2020 budget included a 2.99% increase in the property tax levy, which was below the County's tax levy limit of 3.15%.

The County's 2021 budget included a 3.50% increase in the property tax levy, which was above the County's tax levy limit of 2.78%.

Investment Policy

The local law which created the Department of Finance delegated the investment of funds to the Director of Finance. The policy is prepared by the Manager of Financial Operations but is the policy of the Board of Supervisors. The County's investments are governed by a formal written investment policy, which is consistent with the Investment Policies and Procedures guidelines promulgated by the Office of the State Comptroller.

Pursuant to the Board of Supervisors' investment policy, investments of monies not required for immediate expenditure may be made in certain obligations authorized by Section 11 of the General Municipal Law of the State, as defined therein being (a) special time deposit accounts; (b) certificates of deposit; (c) obligations of the United States Government; and (d) obligations of the State of New York.

The Board of Supervisors' investment policy further provides that, in accordance with the provisions of Section 10 of the General Municipal Law of the State, all deposits, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, are secured by a pledge of "eligible securities" with an aggregate "market value" equal to 102% of the aggregate amount of deposits. Eligible securities used for collateralizing deposits are to be held by a third party bank or trust company subject to security and custodial agreements.

The County's investment policy also authorizes the County to enter into repurchase agreements, subject to the following restrictions: (a) all repurchase agreements must be entered into subject to a master repurchase agreement; (b) obligations shall be limited to obligations of the United States of America and obligations of agencies of the United States of America where principal and interest are guaranteed by the United States of America; (c) no substitution of securities will be allowed; (d) the custodian shall be a party other than the trading partner, and (e) repurchase agreements shall be for periods of 30 days or less.

The Board of Supervisors' investment policy does not permit the County to invest in reverse repurchase agreements or other derivative-type investments and the County has never invested in reverse repurchase agreements, or other derivative-type investments.

Fund Balance Policy

The County currently operates with the following policy related to fund balance: County finances will be managed so as to maintain balances of the various funds at levels sufficient to mitigate current and future risks, such as revenue shortfalls and unanticipated expenditures, ensure stable tax rates and user fees, and protect the County's creditworthiness. To assure the appropriate level, in the general fund, the County will maintain a minimum unrestricted fund balance of 18% - 22% of the total general fund appropriations which is approximately 2 – 3 months of expenditures.

Should the General Fund balance fall below the target level, the Finance Director will prepare a plan for restoration of the balance to the target level and achieve the target level as soon as practicable within the next fiscal year. The plan will be presented to the Financial Management Committee for review and approval for implementation.

State Aid

The County receives financial assistance from the State. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the County, in this year or future years, the County may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the County may be affected by a delay in the payment of State aid.

The City of New York was an early epicenter of the COVID-19 pandemic in the United States, and as a result the State suffered significant revenue shortfalls and unanticipated expenses beginning at the end of the State's 2019-2020 fiscal year, and continuing during the State's 2020-2021 fiscal year.

In response, the enacted State budget for the 2020-21 fiscal year allowed the State to reduce expenditures (including aid to local school districts and municipalities) if tax receipts were lower than anticipated. Accordingly, in June, 2020 the State Division of the Budget ("DOB") began withholding 20 percent of most local aid payments, although such aid has generally since been restored.

Many of the State's 2020-2021 budget decisions were based on the uncertainty of future federal aid. In the period of time since such decisions were made, the $1.9 trillion American Rescue Plan Act was signed into law (on March 11, 2021), which legislation includes almost $24 billion in funding for various levels of government in the State, including approximately $12.5 billion for the State, $6 billion for New York City, and $4 billion to be divided among counties in the State; another $12 billion is intended to be used toward the safe reopening of K-12 schools as well as colleges and universities.

Accordingly, the State enacted budget for the 2021-2022 fiscal year is more expansive (about 10% higher) than the prior budget, including significantly increased funding for schools and local governments. School districts will benefit from a $1.4 billion increase in Foundation Aid and a three-year Foundation Aid full restoration phase-in that will allow all school districts to receive the increased level of Foundation Aid that was originally promised in 2007, along with a $105 million expansion of full-day prekindergarten. Local governments will receive a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding. Further, municipalities that host Video Lottery Terminal ("VLT") facilities will receive a full restoration of $10.3 million in proposed VLT aid cuts.

The Federal Treasury Department has estimated American Rescue Plan funds for Ontario County will total $21,322,895. The County has created an ARP Funds Advisory Group consisting of the County Administrator, the Deputy County Administrator, the County Attorney, the Director of Finance, the Director of Planning and the County's Economic Developer. The Advisory Group met on April 29, 2021 in preparation of expected guidance from the Federal Treasury Department. Guidance was provided to the County on May 10, 2021 and the Advisory Group will continue to meet to continue discussions which are expected to result in a proposed Ontario County ARP Funding Plan to be presented to the Board of Supervisors for its review and approval.

Although the 2021-2022 State budget contains additional aid for school districts and municipalities, it is uncertain whether the State will have future budget shortfalls necessitating cuts to State aid. Reductions in the payment of State aid could adversely affect the financial condition of municipalities in the State, including the County. See "COVID-19," herein, for further details on the COVID-19 pandemic and its effects on the State.

The State is not constitutionally obligated to maintain or continue State aid to the County. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the County requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

Employees

Organized employees of the County are divided into four bargaining units, represented by the Civil Service Employees Association, Inc., Local 1000, AFSCME, AFL-CIO, Local 835. There is no collective bargaining agreement with managerial/professional personnel of the County.

The County employees are broken down as follows:

Bargaining Unit	Number of Members FT / PT	Contract Expiration Date
Ontario County Sheriff's Benevolent Assoc.	60/23	12/31/20 [(1)]
Ontario County Sheriff's General Unit	142/8	12/31/20 [(1)]
Ontario County Sheriff Lieutenants Unit	5/0	12/31/20 [(1)]
CSEA General Unit	299/4	12/31/20 [(1)]
Elected Officials	4/27	No Bargaining Unit
Management Employees	110/4	No Bargaining Unit

[(1)] Currently under negotiation. CSEA Unit does have an Memorandum of Agreement for a rollover of the previous contract until 12/31/21. But there are no contracts currently in place.

Note: The County employs approximately 53 seasonal employees, 8 part-time employees, and 640 Election Inspectors not covered by the above bargaining unit contracts.

Pension Payments

Substantially all employees of the County are members of the New York State and Local Employees' Retirement System ("ERS"). The ERS is generally known as the "Common Retirement Fund" or "Retirement System". The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute, and the benefits to employees, are governed by the State Retirement System and Social Security Law (the "Retirement System"). The Retirement System offers several plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System generally provides that all participating employers in the retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 must contribute 3% of gross annual salary towards the cost of retirement programs during their first ten years of service.

On December 12, 2009, a new Tier V was signed into law. The law is effective for new ERS hires on or after January 1, 2010 through March 31, 2012. Tier V ERS employees contribute 3 percent of their salaries. There is no provision for these contributions to cease after a certain period of service. Overtime pay in excess of $15,000 will not be subject to ERS either in contribution from the County or the employee.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

The County's contributions to ERS since 2016 and the 2021 budgeted payment are as follows:

Year	Amount
2016	$ 7,914,903
2017	7,669,370
2018	7,642,730
2019	7,749,704
2020	7,983,631
2021 (Budgeted)	9,946,357

Source: County officials.

The County has chosen to pay its retirement liability on December 15 and realize the benefit of paying a discounted rate.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The County does not have any early retirement incentives outstanding.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2018 to 2022) is shown below:

Year	ERS	PFRS
2018	15.3	24.4
2019	14.9	23.5
2020	14.6	23.5
2021	14.6	24.4
2022	16.2	28.3

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that the amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option: The 2013-14 Adopted State Budget included a provision that authorized local governments, including the County, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The County is not amortizing or smoothing any pension payments nor does it intend to do so in the foreseeable future.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the County's employees is not subject to the direction of the County. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the County which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

OPEB. Other Post-Employment Benefits ("OPEB") refers to "other post-employment benefits," meaning other than pension benefits, disability benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for OPEB plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires municipalities to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required municipalities to calculate and report a net other postemployment benefit obligation. However, under GASB 45 municipalities could amortize the OPEB liability over a period of years, whereas GASB 75 requires municipalities to report the entire OPEB liability on the statement of net position.

The County does not currently have any OPEB liability. The County did offer a 105(h) plan to select employees but in reviewing the calculations and definition of OPEB under GASB 75 it had become clear that the County's 105(h) plan does not qualify as a post-employment benefit, but rather it is considered a termination benefit. Prior years' financial statements have stated a GASB 45 OPEB liability as the County did provide health insurance coverage to the surviving spouses of three particular employees who are no longer eligible.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose for which the Bonds are to be issued, is the County Law and the Local Finance Law.

The procedure for the validation of the Bonds provided in Title 6 of Article 2 of the Local Finance Law has been complied with.

No principal or interest upon any obligation of this County is past due.

The fiscal year of the County is the calendar year.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the County.

Financial Statements

The County retains an independent certified public accounting firm for a continuous independent audit of all financial transactions of the County. The audited financial report for the fiscal year ended December 31, 2019 is attached hereto as "APPENDIX – E". The audited financial report for the fiscal year ended December 31, 2020 is expected to be available in July 2021. Certain financial information may also be found in the Appendices to this Official Statement.

The financial affairs of the County are also subject to periodic audits by the State Comptroller. See "New York State Comptroller Report of Examination" herein. These audits can be searched on the Office of the State Comptroller website.

The County complies with the Uniform System of Accounts as prescribed for counties in New York State by the State Comptroller. This System differs from generally accepted accounting principles (GAAP) as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB). This difference is with respect to the annual update document which is not prepared using the GAAP standards while the audit report is prepared using such standards.

Changes to the Uniform System of Accounts as prescribed for counties have been made by the State Comptroller in order to conform the Uniform System of Accounts to certain of these principles. These changes require the County to maintain a record of fixed assets to be recorded at cost or at estimated historical cost.

Beginning with the fiscal year ending December 31, 2003 the County will issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The County is in compliance with Statement No. 34.

Projected (Unaudited) Results of Operations for Fiscal Year Ending December 31, 2020

Summary unaudited information for the General Fund for the period ending December 31, 2020 is as follows:

Projected Revenues:	$ 196,334,288
Projected Expenditures:	193,847,999
Projected Excess Revenues over Expenditures:	$ 2,486,289
General Fund Balance at December 31, 2019:	$ 58,504,532
Estimated General Fund Balance at December 31, 2020:	$ 60,990,821

These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the County has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller’s office released an audit report of the County on May 17, 2019. The purpose of the audit was to Determine whether the Sheriff’s Department (the “Department”) properly accounted for the financial operations of the civil division (the “Division”) for the period January 1, 2017 through December 17, 2018.

Key Findings:

Department and Division officials did not ensure:

- Clerk duties were adequately segregated or compensating controls were implemented.
- Receipts were issued for all payments received.
- Audit trail reports were reviewed to ensure that unauthorized changes were not made to payee information.

Key Recommendations:

- Adequately segregate duties or implement compensating controls.
- Issue receipts for all civil judgments.
- Review audit trail reports for any unauthorized changes.

The County provided a complete response to the State Comptroller’s office on May 2, 2019. A copy of the complete report and response can be found via the website of the Office of the State Comptroller.

The State Comptroller’s office released a Statewide/Regional audit report which included the County on April 20, 2018. The purpose of the audit was to examine the County’s process for enhanced emergency service communication (E911) revenue collection and expenditure of such revenues for the period January 1, 2014 through June 30, 2016.

Key Findings:

- County officials could improve controls over E911 revenues.
- Officials expended all E911 surcharges to improve communication networks and surcharges received from landline, Voice over Internet Protocol, and wireless communication suppliers were used for E911 center expenditures.
- The County used funds from grants, real property tax and surcharges to improve its E911 systems and operations.
- Officials were unable to determine whether the County received all 911 surcharges from its communication suppliers because no resource was available to identify all the communication suppliers operating within the County.
- County officials accepted in good faith that supplier remittances included all applicable revenue and withheld the appropriate amount of administrative fees.
- Officials cannot be sure that the County received all the surcharges to which it was entitled and whether the administrative fees withheld and the amounts suppliers remitted were accurate and appropriate.

Key Recommendations:

- Contact the wireless communication, major landline and Voice over Internet Protocol suppliers to request all annual reports accounting for surcharges billed and collected.
- Recalculate the administrative fee on all bills and the amounts billed and collected.
- Track all providers remitting surcharges and the monthly amount submitted, to ensure all surcharges are remitted and allow for trend analysis and audit reconciliation.
- Perform trend analysis from the monthly payments and the annual accounting reports.

The County provided a complete response to the State Comptroller's office on November 17, 2017. A copy of the complete report and response can be found via the website of the Office of the State Comptroller.

There are no other State Comptroller audits of the County that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein.

Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities were facing significant fiscal challenges in the wake of the 2008-09 recession. As a result, the Office of the State Comptroller had developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past five years for the County are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2019	No Designation	0.0
2018	No Designation	0.0
2017	No Designation	0.0
2016	No Designation	6.3
2015	No Designation	6.3

The Fiscal Score for fiscal year ending December 31, 2020 has not been calculated as of the date of this Official Statement.

For additional details regarding the Fiscal Stress Monitoring System visit the State Comptroller's official website.

Source: Website of the Office of the State Comptroller. Reference to websites implies no warranty of accuracy of information therein.

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TAX INFORMATION

Taxable Valuations

Year of County Tax Roll:	2017	2018	2019	2020	2021
Assessed Valuation	$ 8,786,278,895	$ 9,046,251,943	$ 9,318,296,868	$ 9,634,641,001	$10,124,608,831
New York State Equalization Rate	Various	Various	Various	Various	Various
Equalized Full Value	$ 8,798,418,766	$ 9,092,021,884	$ 9,389,130,749	$ 9,791,145,261	$10,311,054,904

(1) Please refer to "APPENDIX – C" attached hereto for greater detail as to the computations of taxable full valuations.

Tax Rate per $1,000 (Assessed)

Year of County Tax Roll:	2017	2018	2019	2020	2021
	$ 6.31	$ 6.31	$ 6.35	$ 6.28	$ 6.31

Tax Collection Procedure

Taxes are payable during the month of January to the Town Tax Collectors without penalty. Beginning February 1, a 1% penalty is added in each month that taxes remain unpaid.

In addition to this penalty, a 5% Treasurer's fee is added on April 1. The County places a lien on taxes which remain unpaid by October. If the taxes remain unpaid for a period of two years after they are due, the County forecloses on the property and holds an auction in May. Under State law, the County is obligated to reimburse its included villages, towns and school districts (other than "city school districts" for collection in the cities) for any uncollected taxes.

Tax Levy and Tax Collection Record

Years Ending December 31:	2016	2017	2018	2019	2020
Total Tax Levy (1)	$ 78,210,464	$ 82,096,184	$ 85,477,732	$ 90,222,437	$ 94,213,485
Unpaid End of Fiscal Year	2,330,850	2,124,120	2,311,586	2,394,036	2,039,881
Unpaid End of Fiscal Year	2.93%	2.59%	2.70%	2.65%	2.17%

(1) Includes County, town and special district taxes and re-levies.

Ten Largest Taxpayers – 2020 Assessment (2021 County Tax Roll)

Name of Taxpayer	Type of Business	Taxable Full Valuation
Rochester Gas & Electric	Utility	$ 130,109,403
NYS Electric & Gas	Utility	78,734,289
Widewaters	Real Estate	43,726,463
Owner KofP	Housing	43,047,900
Rochester Fairways	Housing	35,351,000
Finger Lakes Racing Assoc	Recreation	33,815,000
Pactiv LLC	Manufacturing	28,370,200
Gypsum Mills MHC LLC	Mfg. Housing Park	27,750,900
Main Street Stop	Real Estate	22,917,500
Constellation Brands Inc	Manufacturing	19,897,500

The larger taxpayers, listed above, have a total estimated assessed valuation of $463,720,155 that represents approximately 4.50% of the County tax base.

The County currently does not have any pending or outstanding tax certiorari claims that are anticipated to have a material impact on the County's finances.

Source: County officials.

Constitutional Tax Margin

Computation of Constitutional Tax Margin for fiscal years ending December 31:

Year of County Tax Roll:	2019	2020	2021
Five-Year Average Full Valuation	$ 8,852,743,255	$ 9,133,509,260	$ 9,440,189,460
Tax Limit - (1.5%)	132,791,149	137,002,639	141,602,842
Add: Exclusions from Limit	1,993,635	2,414,519	2,384,950
Total Taxing Power	134,784,784	139,417,158	143,937,792
Less: Total Levy	59,669,860	60,951,165	63,451,464
Tax Margin	$ 75,114,924	$ 78,465,993	$ 80,486,328

Source: County officials.

Additional Tax Information

Real property subject to County taxes is assessed by the component towns and cities.

Veterans' and senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the County is estimated to be categorized as follows: Residential: 58.64%, Commercial: 14.14%, Agricultural: 4.02%, Public Service: 5.19%, Industrial: 2.72%, Community Service: 10.68% and Other: 4.61%.

The average assessed value of a single-family residential parcel is $213,915. The average tax rate for all taxing purposes (excluding village) is $27.95 per $1,000. The average tax bill for a single-family residential property would be $5,979.

Sales and Compensating Use Taxes

Section 1210 of the New York Tax Law authorizes the County to levy sales and compensating use taxes of up to 3% in addition to the 4% tax levied by the State. Pursuant to ongoing Home Rule Requests for the New York State Legislature to enact special state law authorizing and empowering Ontario County to increase the county sales tax, the County is authorized to impose an additional sales tax of 1/2%. The authorization for the additional sales tax of 1/2% expires on November 30, 2023, unless there is further State legislation extending it. Such sales and compensating use tax collections in New York are administered by the State Tax Commission and the proceeds are paid to the County monthly.

The Tax Law does permit cities to impose 1-1/2% sales and compensating use taxes within their own jurisdictions preemptively. In such event, the County may levy 3% sales and compensating taxes in the areas outside the cities and 1-1/2% tax in the cities that do not exercise this preemptive rights. However, effective March 1, 2006, the Cities of Canandaigua and Geneva entered an agreement to repeal city sales tax. Due to this decision, the County requested special state authorization to impose a sales tax rate of 3-1/8% beginning September 1, 2006. An additional request for special state authorization was requested and beginning September 1, 2009 the County increased its sales tax rate by an additional 3/8% bringing the sales tax rate in Ontario County to 7.5%.

The sales tax rate in the County is 7.5%, all of which is collected and administered by the State. The State keeps 4% of collections and the remaining 3-1/2% is paid to the County, of which the County keeps 1.85%, and the towns, villages, and cities in the County receive 1.65%.

The sales and compensating use tax collections as recorded by the County since 2012 and the current budgeted amount are as follows:

Sales and Compensating Use Tax Revenue History:

Year Ending December 31, 2012	40,580,170
Year Ending December 31, 2013	41,191,510
Year Ending December 31, 2014	42,025,184
Year Ending December 31, 2015	42,216,160
Year Ending December 31, 2016	42,395,639
Year Ending December 31, 2017	43,630,832
Year Ending December 31, 2018	45,955,205
Year Ending December 31, 2019	47,398,284
Year Ending December 31, 2020	45,881,472
Year Ending December 31, 2021 (Budgeted)	39,307,842*

***** Projected sales tax for 2021 was down due to COVID. See “COVID-19” herein. The County believes actual 2021 figures will be similar to previous years.

TAX LEVY LIMITATION LAW

Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limitation Law") applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It was set to expire on June 15, 2020, however, recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the County (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the County and the Bonds include the following:

Purpose and Pledge. Subject to certain enumerated exceptions, the County shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The County may contract indebtedness only for a County purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or in the alternative, the weighted average period of possible usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the County Legislature authorizes and utilizes the issuance of bonds with substantially level or declining annual debt service. The County is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. The County has the power to contract indebtedness for any County purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real estate of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the County is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the County to borrow and incur indebtedness by the enactment of the Local Finance Law subject, of course, to the provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the County Law and the General Municipal Law.

Pursuant to the Local Finance Law, the County authorizes the issuance of bonds by the adoption of a bond resolution approved by at least two-thirds of the members of the County Legislature, the finance board of the County. Customarily, the County Legislature has delegated to the County Comptroller, as chief fiscal officer of the County, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

1. (a) Such obligations were authorized for an object or purpose for which the County is not authorized to expend money, or

   (b) The provisions of the law which should be complied with as of the date of publication of the notice were not substantially complied with,

   and an action, suit or proceeding contesting such validity is commenced within 20 days after the date of such publication of the notice; or

2. Such obligations were authorized in violation of the provisions of the Constitution of New York.

The County typically complies with this estoppel procedure, and it has done so with respect to the bond resolution pursuant to which the Bonds are being issued. It is a procedure that is recommended by Bond Counsel, but is not an absolute requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The County Legislature, as the finance board of the County, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may, and generally does, delegate the power to sell the obligations to the County Comptroller, the chief fiscal officer of the County, pursuant to the Local Finance Law.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. In response to the COVID-19 pandemic, legislation has been adopted that allows certain bond anticipation notes originally issued between 2015 and 2021 to be renewed up to seven years prior to the issuance of serial bonds. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the County with power to issue certain other short-term general obligation indebtedness including revenue tax, deficiency and bond anticipation notes and budget notes (see "Details of Outstanding Indebtedness" herein).

County Debt Policy

The County has adopted a comprehensive debt service policy which requires the County to use County funds for 5% of the cost of any capital project that is bonded. The policy also places a debt limit equal to 1.5% of the County’s five-year average taxable assessed valuation.

Debt Outstanding End of Fiscal Year

Fiscal Years Ending December 31st:	2016	2017	2018	2019	2020
Bonds	$ 24,990,000	$ 22,580,000	$ 20,615,000	$ 22,025,000	$ 19,895,000
Bond Anticipation Notes	0	0	0	0	0
Other Debt	0	0	0	0	0
Total Debt Outstanding	$ 24,990,000	$ 22,580,000	$ 20,615,000	$ 22,025,000	$ 19,895,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the County evidenced by bonds and notes as of June 30, 2021.

Type of Indebtedness	Maturity		Amount
Bonds	2021-2032		$ 18,035,000
Bond Anticipation Notes	-		0
		Total Indebtedness	$ 18,035,000

Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 30, 2021:

Five-Year Average Full Valuation of Taxable Real Property			$ 9,476,198,145
Debt Limit - 7% thereof			663,333,870
Inclusions:			
Bonds	$ 18,035,000		
Bond Anticipation Notes	0		
Total Inclusions		$ 18,035,000	
Exclusions:			
Appropriations	$ 245,000		
Sewer Debt (1)	0		
Water Debt (2)	0		
Total Exclusions		$ 245,000	
Total Net Indebtedness Subject to Debt Limit			$ 17,790,000
Net Debt-Contracting Margin			$ 645,543,870
Percent of Debt Contracting Power Exhausted			2.68%

(1) Sewer Debt is excluded pursuant to Section 124.10 of the Local Finance Law.
(2) Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

Note: The proceeds of the Bonds will increase the net indebtedness of the County by $2,900,000.

Bonded Debt Service

A schedule of bonded debt service, including the principal of the Bonds, may be found in "APPENDIX – B" to this Official Statement.

Capital and Operating Leases

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

In January 2016, Casella successfully secured a permit to begin using a predefined cell in the existing landfill footprint. Per terms in the original agreement, upon obtaining the DEC permit necessary to operate the cell, a 'Permit Success Payment' was due Ontario County. This payment amounts to $18,305,828 and is payable to the County in 14 annual payments of $1,307,559.

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

Capital Project Plans

On an annual basis the County has ongoing capital needs that are outlined above under the heading "Capital Planning and Budgeting". Funding for these projects are provided with general obligation issues, budgetary appropriations, cash reserves and/or State and federal monies.

Capital Planning and Budgeting

The County has undertaken the planning and execution of a six-year capital program. The adoption of such program is not, in the case of the County, subject to referendum. At any time after the adoption thereof the County Board of Supervisors, by the affirmative majority vote of its total membership, may amend such program by adding, modifying or abandoning the projects, or by modifying the methods of financing.

The following sets forth a summary of the 2021-2026 County capital program. It is noted that each planned project must be duly authorized before being undertaken, and that such programs may be modified by application of State and/or federal aid.

Capital Improvement:	2021	2022	2023	2024	2025	2026	TOTAL
Buildings & Maintenance	$ 949,000	$ 1,981,000	$ 1,549,000	$ 2,358,500	$ 577,000	$ 972,500	$ 8,387,000
County Parks	169,000	368,000	977,600	689,000	736,100	191,000	3,130,700
Fleet	1,511,285	2,009,876	1,485,138	1,575,138	1,545,138	1,545,138	9,671,713
Highway Safety	3,227,000	73,000	3,201,000	50,000	50,000	50,000	6,651,000
Bridges	20,000	25,000	1,580,000	305,300	1,324,700	1,726,240	4,981,240
Highway Improvement	5,255,265	3,341,670	2,919,000	2,420,000	4,002,162	3,640,000	21,578,097
Highway Culverts	1,000,000	1,000,000	2,000,000	2,500,000	2,000,000	2,000,000	10,500,000
Major Construction & Renovation	764,041	3,718,925	5,185,000	2,667,260	350,000	-	12,685,226
Major Equipment Systems	2,412,860	2,574,318	3,000,318	1,889,945	1,873,945	1,904,945	13,656,331
FLCC	3,074,999	1,000,000	1,750,000	1,500,000	1,500,000	1,500,000	10,324,999
Sewer District	1,935,000	1,500,000	1,410,000	1,005,000	335,000	1,005,000	7,190,000
TOTAL:	$ 20,318,450	$ 17,591,789	$ 25,057,056	$ 16,960,143	$ 14,294,045	$ 14,534,823	$ 108,756,306

Funding Sources:	2021	2022	2023	2024	2025	2026	TOTAL
Tax Levy / County Cost	$ 5,869,352	$ 11,284,451	$ 10,708,910	$ 9,272,398	$ 8,788,495	$ 8,759,952	$ 54,683,558
State Aid - Education	1,537,500	500,000	875,000	750,000	750,000	750,000	5,162,500
Sewer Fund Revenues	1,983,381	2,086,342	1,470,000	1,065,000	395,000	1,065,000	8,064,723
Solid Waste Lease Revenue	-	-	-	-	-	-	-
Equipment Reserve - D Fund	(25,000)	(90,000)	(10,000)	80,000	50,000	50,000	55,000
Reserve - A Fund	-	-	-	-	-	-	-
Reserve - D Fund for Roads & Bridges	311,250	-	-	-	-	-	311,250
Grant - SAM	51,500	60,000	-	-	-	-	111,500
Federal Aid - Highway	4,936,500	24,700	3,858,900	228,240	1,043,760	1,364,992	11,457,092
State Aid - Highway	-	-	451,575	-	175,650	255,936	883,161
CHIPs	1,878,764	1,878,765	2,123,557	2,123,557	2,123,557	2,123,557	12,251,757
Capital Reserve	750,000	1,000,000	2,750,000	3,050,000	688,605	-	8,238,605
Capital Project	-	-	-	-	-	-	-
Reserve - 911	-	-	-	100,000	-	-	100,000
State Aid - Other	-	-	1,500,000	-	-	-	1,500,000
Grants - Other	1,859,030	820,000	1,145,000	270,000	270,000	120,000	4,484,030
Other Agency	1,166,173	27,531	184,114	20,948	8,978	45,386	1,453,130
TOTAL:	$ 20,318,450	$ 17,591,789	$ 25,057,056	$ 16,960,143	$ 14,294,045	$ 14,534,823	$ 108,756,306

Authorized But Unissued Debt

The County issued $7,845,000 refunding serial bonds on July 10, 2019 to refund $9,075,000 of its 2012 outstanding bonds maturing in years 2020-2032. Aggregate budgetary savings was approximately $660,000.

The County plans to issue serial bonds for two separate projects in 2021 as follows:

(1) There is a need for the reconstruction and construction of improvements to the Honeoye Lake County Sewer District Wastewater Treatment Plant including, but not limited to, various hydraulic improvements to eliminate overflows from the equalization basins, replacement of the RBC biological treatment process, improvements to the filter system, installation of a new effluent disinfection system and associated improvements, and various electrical improvements, as well as other such improvements. This project is estimated to cost $8.75 million. $5,483,001 in State grants has been committed to the project. The anticipated amount to be financed is $3.3 million. The project qualifies for State-subsidized financing under the current Clean Water SRF Intended Use Plan. The County has applied to NYS Environmental Facilities Corporation ("EFC") for SRF subsidized financing. If the SRF application is not approved there will be a need to issue bonds to complete the project. If the County does need to issue bonds, the repayment of the bonds would be covered by user fees within the sewer district.

(2) There is an existing and forecast long term need both locally and regionally for nursing professionals. In order to meet that need, Finger Lakes Community College (FLCC) has created a project to fund design and construction or remodeling of existing space and a small expansion of the existing Registered Nursing Program, creation of a new Licensed Practical Nursing Program, and creation of handicap-accessible entry at the main campus building. The total project cost is $7,232,278, funded 50% by SUNY and 50% locally. The Bonds are being issued to provide original, permanent financing for this project.

Cash Flow Borrowing

The County has not found it necessary to issue revenue anticipation notes or tax anticipation notes in the past, nor does it anticipate borrowing either for the foreseeable future.

Estimated Overlapping Indebtedness

In addition to the County, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the County. Bonded indebtedness, including bond anticipation notes, is estimated as of the close of the fiscal year of the respective municipalities, not adjusted to include subsequent bond issues, if any.

	Indebtedness (1)	Exclusions		Net Indebtedness
Cities (2)	$ 78,241,900	$ 41,052,350 (2)		$ 37,189,550
Towns (16)	45,611,118	35,419,889 (2)		10,191,229
Villages (8)	11,798,761	7,382,247 (2)		4,416,514
School Districts (9)	211,937,871	169,225,047 (3)		42,712,824
Fire Districts (7)	4,483,454	390,205		4,093,249
			Total	$ 98,603,366

(1) Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.
(2) Sewer and water debt, appropriations and cash on hand for debts.
(3) Estimated State Building aid.

Source: State Comptroller's reports for fiscal year ending 2019 for towns, cities and fire districts and fiscal year ending 2020 for school districts and villages.

Debt Ratios

The following table sets forth certain ratios relating to the County's net indebtedness as of June 30, 2021.

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 17,790,000	$ 162.06	0.17%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	116,393,366	1,060.27	1.13

[a] The current estimated population of the County is 109,777. (See "THE COUNTY – Population" herein.)

[b] The County's full valuation of taxable real estate for the County's 2021 Tax Roll is $10,311,054,904. (See "TAX INFORMATION – Taxable Valuations" herein.)

[c] See "Debt Statement Summary" herein.

[d] Estimated net overlapping indebtedness is $98,603,366. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Bond when duly issued and paid for will constitute a contract between the County and the holder thereof. Under current law, provision is made for contract creditors of the County to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the County upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the County may not be enforced by levy and execution against property owned by the County.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as the County, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Bonds should the County be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds to receive interest and principal from the County could be adversely affected by the restructuring of the County's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the County (including the Bonds) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the County under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law. There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of the City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such Town of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature, described below, authorizing any county, City, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the County.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such "additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder." Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a "material change in circumstances" the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its "property, affairs and government" by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the "property, affairs and governments" of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict , subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the "FRB"), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to $5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a Statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The County has not requested FRB assistance nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "Nature of Obligation" and "State Debt Moratorium Law" herein.

No Past Due Debt. No principal of or interest on County indebtedness is past due.

COVID-19

The outbreak of COVID-19, a serious respiratory disease caused by a novel strain of coronavirus, was declared a pandemic by the World Health Organization on March 11, 2020.

Economic Impacts

The outbreak of COVID-19 has drastically affected travel, commerce and financial markets globally. As almost all nations have experienced a rise in infections and implemented containment measures that in the case of some nations (including the United States) have been drastic, economies have suffered in the extreme. While several vaccines have been developed and are now being deployed world-wide, the full impact of the pandemic is difficult to predict due to uncertainties regarding its duration and severity.

While initially the hospitality and tourism industries were hardest hit, within a short period of time there was widespread unemployment across all economic sectors in the United States.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic initially caused extreme volatility across all financial markets, including the primary and secondary markets for municipal bonds. In the United States, Congress and the Federal Reserve took significant steps to backstop those markets and to provide much-needed liquidity, and markets have since generally stabilized. Still, given these conditions, it is possible that the process of trading the Bonds in the secondary market could be affected in ways that are difficult to predict.

Federal Response

The federal government has passed several pieces of legislation in response to the COVID-19 pandemic including the $2.3 trillion Coronavirus Aid, Relief, and Economic Security (“CARES”) Act of 2020 and the $1.9 trillion American Rescue Plan Act (“ARP”) Act of 2021, both of which provide funding for pandemic-related expenses and attempt to address financial stability and liquidity issues through a variety of stimulus measures.

Stimulus Efforts for State and Local Governments: The CARES Act included a $150 billion Coronavirus Relief Fund, which provided funds to states, tribal governments and local governments with populations exceeding 500,000 (local governments with smaller populations could receive monies from the amount allocated to their state). This money was intended for programs that were necessary expenditures incurred due to the public health emergency resulting from the pandemic. This money was not intended to be used to directly account for revenue shortfalls due to the COVID-19 pandemic, but it could indirectly assist with revenue shortfalls in cases where the expenses that were covered by this fund would otherwise create a further budget shortfall.

The ARP Act includes an additional $350 billion for states, tribal governments and local governments. Notably, in addition to the uses allowed under the CARES Act, ARP funds can be used to replace revenues lost due to COVID-19 and to make necessary investments in water, sewer or broadband infrastructure. These broader categories allow such governments much more flexibility in utilizing such funds.

Municipal Liquidity Facility: The Federal Reserve established a “Municipal Liquidity Facility” ("MLF") in 2020 that offered up to $500 billion in direct federal lending to certain larger issuers, which were in turn able to use their own loan proceeds to make loans to included smaller governmental units that would not otherwise qualify for this program. The MLF expired on December 31, 2020. Most municipal issuers did not have to resort to the MLF because rates have been conducive to issuing debt through the conventional municipal bond market; however, it is notable that the MLF existed as a market backstop if needed.

State Response

Executive Orders: Pursuant to emergency powers granted by the State Legislature, Governor Cuomo has released a number of executive orders in response to the COVID-19 pandemic.

While initially “non-essential” employees were mandated to work from home, starting on May 15, 2020, regions of the State that met certain criteria were allowed to begin reopening. Reopening occurred in phases, with different businesses and industries allowed to open in each phase.

As COVID-19 cases began to rise again in the fall of 2020, the State shifted to a strategy based on identifying areas with higher positivity rates and implementing successively higher restrictions in such areas. Such areas were labeled “yellow”, “orange” or “red.” When COVID-19 cases dropped again, affected areas could be removed from the list. As of March 22, 2021, all remaining yellow zone cluster restrictions were lifted; therefore, there were no longer any areas of the State subject to special restrictions under such system.

Since increased supplies of COVID-19 vaccine have become available, the State is encouraging residents to get vaccinated and, as of April 6, 2021, all New Yorkers 16 years of age and older are eligible to receive a vaccine.

Up-to-date information on the State's COVID-19 response can be found at https://forward.ny.gov. Reference to website implies no warranty of accuracy of information therein.

State Budget: The City of New York was an early epicenter of the COVID-19 pandemic in the United States, and as a result the State suffered significant revenue shortfalls and unanticipated expenses beginning at the end of the State's 2019-2020 fiscal year, and continuing during the State's 2020-2021 fiscal year.

In response, the enacted State budget for the 2020-21 fiscal year allowed the State to reduce expenditures (including aid to local school districts and municipalities) if tax receipts were lower than anticipated. Accordingly, in June, 2020 the State Division of the Budget ("DOB") began withholding 20 percent of most local aid payments, although such aid has generally since been restored.

Many of the State's 2020-2021 budget decisions were based on the uncertainty of future federal aid. In the period of time since such decisions were made, the $1.9 trillion American Rescue Plan Act was signed into law (on March 11, 2021), which legislation includes almost $24 billion in funding for various levels of government in the State, including approximately $12.5 billion for the State, $6 billion for New York City, and $4 billion to be divided among counties in the State; another $12 billion is intended to be used toward the safe reopening of K-12 schools as well as colleges and universities.

Accordingly, the State enacted budget for the 2021-2022 fiscal year is more expansive (about 10% higher) than the prior budget, including significantly increased funding for schools and local governments. School districts will benefit from a $1.4 billion increase in Foundation Aid and a three-year Foundation Aid full restoration phase-in that will allow all school districts to receive the increased level of Foundation Aid that was originally promised in 2007, along with a $105 million expansion of full-day prekindergarten. Local governments will receive a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding. Further, municipalities that host Video Lottery Terminal (VLT) facilities will receive a full restoration of $10.3 million in proposed VLT aid cuts.

Although the 2021-2022 budget contains additional aid for school districts and municipalities, it is uncertain whether the State will have future budget shortfalls necessitating cuts to State aid. Reductions in the payment of State aid could adversely affect the financial condition of municipalities in the State, including the County.

Legislation Allowing Financial Flexibility for Municipalities and School Districts: On August 24, 2020, Governor Cuomo signed legislation allowing municipalities and school districts additional financial flexibility in response to the COVID-19 pandemic. Whereas municipalities and school districts in the State typically may only pursue short-term financing for five years, under certain circumstances the new legislation allows note financing for up to an additional two years prior to converting to long-term bonds.

The new legislation also allows municipalities and school districts additional flexibility related to the use of reserve funds or inter-fund transfers for costs associated with COVID-19. The typical mandatory or permissive referendum requirements for the expenditure of funds from a capital reserve fund have been waived for capital costs attributable to the COVID-19 pandemic. Moneys from a capital reserve fund can also be temporarily advanced for operating costs or other costs attributable to the COVID-19 pandemic, so long as such moneys are repaid within five fiscal years, with interest. Additionally, while inter-fund transfers must typically be repaid by the end of the fiscal year in which the transfer is made, inter-fund advances for costs attributable to the COVID-19 pandemic do not need to be repaid until the close of the following fiscal year.

Local Response

The State Executive Law Section 24 contains procedures for local governments to declare local states of emergency and issue orders to implement the same. Specifically, in the event of a qualifying disaster or reasonable apprehension of immediate danger to the public safety, the municipal chief executive has the authority to declare a local state of emergency for a period of up to 30 days and issue orders to protect life and property or to bring the emergency situation under control. The County has declared a local state of emergency.

While the impacts of COVID-19 on the global, federal, State and local economy cannot be predicted with any certainty, the pandemic could have a significant adverse effect on the County's finances.

The County is continuing to monitor this situation and will attempt to mitigate any such adverse effects through program cuts or staffing reductions, as needed.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial condition of the County as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the County's control. There can be no assurance that adverse events in the State and in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction, or any of their respective agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the County to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The County is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the County, in this year or future years, the County may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the County. In several recent years, the County has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations.

There are a number of general factors which could have a detrimental effect on the ability of the County to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the County. Unforeseen developments could also result in substantial increases in County expenditures, thus placing strain on the County’s financial condition. These factors may have an effect on the market price of the Bonds.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and other debt issued by the County. Any such future legislation would have an adverse effect on the market value of the Bonds (See “TAX EXEMPTION” herein).

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts and have restrictions in the State, including the County without providing an exclusion for debt service on obligations issued by municipalities or fire districts, including the County, could have an impact upon the market price of the Bonds. See “TAX LEVY LIMITATION LAW” herein.

Cybersecurity. The County, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the County will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

Disease outbreaks or similar public health threats could have an adverse impact on the County’s financial condition and operating results. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was declared a pandemic by the World Health Organization on March 11, 2020. See “COVID-19” herein for a further discussion of the impacts of the COVID-19 pandemic, which could have a significant adverse effect on the County’s finances.

TAX EXEMPTION

Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, will deliver an opinion that, under existing law, the interest on the Bonds is excluded from gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for the purpose of the individual alternative minimum tax imposed by the Code. However, such opinion will note that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Bonds to become subject to federal income taxation from the date of issuance of the Bonds. Such opinion will state that interest on the Bonds is exempt from personal income taxes imposed by New York State or any political subdivision thereof (including The City of New York).

In rendering the foregoing opinions, Bond Counsel will note that the exclusion of the interest on the Bonds from gross income for federal income tax purposes is subject to, among other things, continuing compliance by the District with the applicable requirements of Code sections 141, 148, and 149, and the regulations promulgated thereunder (collectively, the "Tax Requirements"). In the opinion of Bond Counsel, the tax certificate that will be executed and delivered by the District in connection with the issuance of the Bonds (the "Certificate") establishes requirements and procedures, compliance with which will satisfy the Tax Requirements.

The Tax Requirements referred to above, which must be complied with in order that interest on the Bonds remains excluded from gross income for federal income tax purposes, include, but are not limited to:

1 The requirement that the proceeds of the Bonds be used in a manner so that the Bonds are not obligations which meet the definition of a "private activity bond" within the meaning of Code section 141;

2 The requirements contained in Code section 148 relating to arbitrage bonds; and

3 The requirements that payment of principal or interest on the Bonds not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) as provided in Code section 149(b).

In the Certificate, the District will covenant to comply with the Tax Requirements, and to refrain from taking any action which would cause the interest on the Bonds to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes from the date of issuance of the Bonds. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Bonds.

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Bonds may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest, and the proceeds of the sale of a bond or note before maturity within the United States. Backup withholding may apply to a holder of the Bonds under Code section 3406, if such holder fails to provide the information required on Internal Revenue Service ("IRS") Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the holder as being subject to backup withholding because of prior underreporting. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the IRS. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Bonds from gross income for federal income tax purposes.

Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. The Code has been continuously subject to legislative modifications, amendments, and revisions, and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government. No representation is made as to the likelihood of such proposals being enacted in their current or similar form, or if enacted, the effective date of any such legislation, and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Bonds or the tax consequences of ownership of the Bonds. Prospective purchasers are encouraged to consult with their own legal and tax advisors with respect to these matters.

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds will be covered by the unqualified legal opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel. Such legal opinion will state that in the opinion of Bond Counsel (i) the Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the County, all the taxable property within which is subject to the levy of *ad valorem* taxes to pay the Bonds and interest thereon, without limitation as to rate or amount, subject to the statutory limitation imposed by the Tax Levy Limitation Law, (ii) interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City of New York; and (iii) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinions of Bond Counsel set forth in (iii) above are subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The County has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds. It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be also subject to exercise of judicial discretion in appropriate cases. See “TAX LEVY LIMITATION LAW” herein.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the County, together with other legally available sources of revenue, if any, will be sufficient to enable the County to pay the principal of and interest on the Bonds as the same respectively become due and payable; (iv) reference should be made to this Official Statement for factual information which, in the judgment of the County, would materially affect the ability of the County to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the County, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

LITIGATION

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

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the County threatened against or affecting the County to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the County taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the County.

DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), unless the Bonds are purchased for the purchaser’s own account, as principal for investment and not for resale, the County will enter into a Disclosure Undertaking at closing, the form of which is attached hereto as “APPENDIX – C.” A purchaser buying for its own account shall deliver a municipal securities disclosure certificate that documents its intent to purchase the Bonds as principal for investment and not for resale (in a form satisfactory to Bond Counsel) establishing that an exemption from the Rule applies.

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

The County has established procedures designed to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities s Exchange Act of 1934 through the Electronic Municipal Market Access System.

BOND RATING

Moody's Investors Service ("Moody's") has assigned its rating of "Aa1" to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating and any desired explanation of the significance of such rating should be obtained from Moody's, 7 World Trade Center, 250 Greenwich St., New York, New York 10007. Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to them and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the Bonds may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a municipal advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the County on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the County and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the County or the information set forth in this Official Statement or any other information available to the County with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the County to the Municipal Advisor may be partially contingent on the successful closing of the Bonds.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the County, however, the County assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates in good faith, no assurance can be given that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the County management's beliefs as well as assumptions made by, and information currently available to, the County's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the County's files with the repositories. When used in County documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds.

Hodgson Russ LLP, of Buffalo, New York, Bond Counsel to the County, expressed no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the County for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds, the County will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the County.

The Official Statement is submitted only in connection with the sale of the Bonds by the County and may not be reproduced or used in whole or in part for any other purpose.

The County hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The Municipal Advisor may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. The Municipal Advisor has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the County nor the Municipal Advisor assumes any liability or responsibility for errors or omissions on such website. Further, the Municipal Advisor and the County disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. The Municipal Advisor and the County also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The County's contact information is as follows: Mr. Gary Baxter, Treasurer, 20 Ontario Street, Canandaigua, New York 14424 telephone (585) 396-4422, fax (585) 393-2956, email gary.baxter@co.ontario.ny.us.

Additional copies of the Notice of Private Competitive Bond Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

COUNTY OF ONTARIO

Dated: June 30, 2021

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County Treasurer and Chief Fiscal Officer

GENERAL FUND

Balance Sheets

Fiscal Year Ending December 31:	2015	2016	2017	2018	2019
ASSETS					
Cash and Cash Equivalents	$ 56,291,173	$ 61,079,174	$ 79,312,558	$ 80,536,971	$ 80,490,164
Receivables: Net	6,402,161	6,673,074	6,048,937	6,968,537	7,216,243
Due from Other Funds	14,359,794	15,409,585	452,847	2,125,845	1,080,168
State & Federal Aid Receivable	19,414,561	16,703,219	17,720,200	17,981,618	20,476,598
Due from Other Governments	488,625	287,445	264,461	409,044	609,129
Prepaid Items	2,220,297	1,895,775	1,942,007	1,996,409	1,955,238
TOTAL ASSETS	$ 99,176,611	$ 102,048,272	$ 105,741,010	$ 110,018,424	$ 111,827,540
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 1,060,576	$ 1,012,139	$ 4,134,476	$ 4,348,301	$ 5,360,656
Accrued Liabilities	4,161,069	4,672,681	2,369,721	1,838,657	2,568,348
Retained Percentages	-	-	-	-	-
Due to Other Governments	12,707,438	13,157,817	13,380,084	13,919,291	13,580,824
Due to Other Funds	103,691	321,307	115,160	174,134	362,625
Other Liabilities	-	-	-	-	-
Unearned Revenue	560,359	890,085	1,167,424	831,764	546,526
Overpayments and Collections in Advance	537,394	585,867	399,284	399,508	748,912
Deferred Revenue	2,245,270	2,231,347	2,051,996	2,254,872	2,340,542
TOTAL LIABILITIES	21,375,797	22,871,243	23,618,145	23,766,527	25,508,433
FUND EQUITY					
Nonspendable	$ 2,220,297	$ 1,895,775	$ 1,942,007	$ 1,996,409	$ 1,955,238
Restricted	17,475,847	18,289,588	6,768,205	9,368,805	12,583,702
Assigned	10,536,466	11,668,472	24,330,465	22,156,874	22,926,505
Unassigned	47,568,204	47,323,194	49,082,188	52,729,809	48,853,662
TOTAL FUND EQUITY	77,800,814	79,177,029	82,122,865	86,251,897	86,319,107
TOTAL LIABILITIES and FUND EQUITY	$ 99,176,611	$ 102,048,272	$ 105,741,010	$ 110,018,424	$ 111,827,540

Source: Audited financial reports of the County. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Year Ending December 31:	2014	2015	2016	2017	2018
REVENUES					
Real Property Taxes & Items	$ 45,304,497	$ 46,470,369	$ 47,389,826	$ 49,583,809	$ 50,690,978
Non-Property Taxes	79,962,053	80,347,077	80,739,758	82,955,457	87,205,184
Departmental Income	6,365,955	6,451,725	9,617,103	6,950,669	7,540,026
Intergovernmental Charges	994,885	1,322,319	1,336,923	1,409,897	1,351,263
Use of Money & Property	2,445,502	2,287,255	3,613,405	3,658,443	3,783,736
Licenses and Permits	2,613	1,207	1,207	1,206	1,207
Fines and Forfeitures	402,918	386,129	369,943	356,323	335,404
Sale of Property and Compensation for Loss	228,309	328,245	216,054	261,165	257,725
Miscellaneous Revenues	3,187,867	3,660,637	3,168,889	1,706,227	1,052,876
Interfund Revenues	2,746,163	2,115,635	2,031,897	2,136,418	2,117,703
Revenues from State Sources	20,170,185	19,886,711	21,086,837	22,423,582	21,971,706
Revenues from Federal Sources	14,628,666	14,482,556	13,997,356	14,579,217	12,716,907
Total Revenues	$ 176,439,613	$ 177,739,865	$ 183,569,198	$ 186,022,413	$ 189,024,715
EXPENDITURES					
General Government Support	$ 64,888,696	$ 65,497,402	$ 65,934,819	$ 66,977,957	$ 71,810,416
Education	3,997,051	4,538,942	4,629,982	4,638,667	4,630,754
Public Safety	33,495,539	33,210,359	34,732,815	35,297,301	36,532,129
Health	12,969,439	13,617,963	14,036,344	14,315,124	14,349,093
Transportation	2,898,898	473,248	183,356	183,356	183,356
Economic Assistance and Opportunity	52,365,794	50,893,940	54,313,197	51,929,404	51,671,935
Culture and Recreation	450,900	513,592	549,325	449,634	460,705
Home and Community Services	2,435,008	2,425,794	2,552,985	1,739,145	2,275,073
Employee Benefits	-	-	-	-	-
Debt Service	-	-	-	-	-
Total Expenditures	$ 173,501,325	$ 171,171,240	$ 176,932,823	$ 175,530,588	$ 181,913,461
Excess of Revenues Over (Under) Expenditures	$ 2,938,288	$ 6,568,625	$ 6,636,375	$ 10,491,825	$ 7,111,254
Other Financing Sources (Uses):					
Operating Transfers In	8,143,185	1,457,469	878,016	984,086	1,902,195
Operating Transfers Out	(6,348,471)	(7,304,705)	(5,915,134)	(8,530,076)	(4,884,417)
Total Other Financing	$ 1,794,714	$ (5,847,236)	$ (5,037,118)	$ (7,545,990)	$ (2,982,222)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 4,733,002	$ 721,389	$ 1,599,257	$ 2,945,835	$ 4,129,032
FUND BALANCE					
Fund Balance - Beginning of Year	65,583,929	77,079,425	77,800,814	79,177,029	82,122,865
Prior Period Adjustments (net)	6,762,494	-	(223,042)	1	-
Fund Balance - End of Year	$ 77,079,425	$ 77,800,814	$ 79,177,029	$ 82,122,865	$ 86,251,897

Source: Audited financial reports of the County. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Year Ending December 31:	2019			2020	2021
	Original Budget	Amended Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes & Items	$ 51,108,424	$ 51,108,424	$ 51,290,452	$ 51,915,364	$ 53,716,407
Non-Property Taxes	85,418,791	87,661,721	89,911,124	88,344,304	76,257,845
Departmental Income	6,954,608	8,290,708	11,481,940	12,549,414	17,010,934
Intergovernmental Charges	2,045,510	2,059,260	1,444,045	1,804,763	1,496,828
Use of Money & Property	3,682,805	3,687,805	4,043,508	3,793,839	425,457
Licenses and Permits	-	-	1,207	-	-
Fines and Forfeitures	473,068	473,068	525,319	326,114	-
Sale of Property and Compensation for Loss	60,000	90,000	128,457	70,500	-
Miscellaneous Revenues	2,051,681	1,715,765	982,329	938,664	2,455,583
Interfund Revenues	2,362,888	2,362,888	2,232,368	2,513,236	-
Revenues from State Sources	26,559,837	30,920,004	24,520,341	26,331,823	22,968,632
Revenues from Federal Sources	13,689,697	14,593,668	13,394,573	13,833,396	13,271,500
Total Revenues	$ 194,407,309	$ 202,963,311	$ 199,955,663	$ 202,421,417	$ 187,603,186
EXPENDITURES					
General Government Support	$ 77,494,159	$ 82,259,708	$ 76,319,793	$ 75,901,281	$ 69,207,701
Education	5,141,531	4,752,031	4,671,496	5,620,228	4,672,379
Public Safety	42,957,408	44,951,580	39,089,113	44,202,344	41,894,582
Health	16,106,785	17,097,641	15,449,149	17,079,023	16,344,310
Transportation	190,000	190,000	183,356	190,000	190,000
Economic Assistance and Opportunity	54,409,302	54,604,127	51,844,829	59,267,521	56,718,133
Culture and Recreation	613,741	629,741	444,378	714,203	628,363
Home and Community Services	3,562,243	4,090,901	2,494,653	7,883,762	7,073,413
Employee Benefits	-	-	-	9,000	(681,639)
Debt Service	-	-	-	-	-
Total Expenditures	$ 200,475,169	$ 208,575,729	$ 190,496,767	$ 210,867,362	$ 196,047,242
Excess of Revenues Over (Under) Expenditures	$ (6,067,860)	$ (5,612,418)	$ 9,458,896	$ (8,445,945)	$ (8,444,056)
Other Financing Sources (Uses):					
Appropriated Reserves	-	-	-	-	-
Appropriated Fund Balance	-	-	-	-	-
Operating Transfers In	2,185,482	2,185,482	1,713,008	4,021,512	-
Operating Transfers Out	(8,522,822)	(15,927,876)	(11,104,694)	(5,335,567)	(1,383,150)
Total Other Financing	$ (6,337,340)	$ (13,742,394)	$ (9,391,686)	$ (1,314,055)	$ (1,383,150)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (12,405,200)	$ (19,354,812)	$ 67,210	$ (9,760,000)	$ (9,827,206)
FUND BALANCE					
Fund Balance - Beginning of Year	86,251,891	86,251,897	86,251,897	9,760,000	9,827,206
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 73,846,691	$ 66,897,085	$ 86,319,107	$ -	$ -

Source: 2019 Audited Financial report and 2020 and 2021 budgets of the County. This Appendix is not itself audited.

CHANGES IN FUND EQUITY
(Major Funds)

Fiscal Years Ending December 31:	2015	2016	2017	2018	2019
COUNTY ROAD FUND					
Fund Equity - Beginning of Year	$ 4,228,797	$ 5,625,217	$ 6,016,355	$ 5,752,227	$ 6,535,925
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	14,111,285	11,645,698	11,619,787	12,645,831	12,115,906
Expenditures & Other Uses	12,714,865	11,254,560	11,883,915	11,862,133	11,164,365
Fund Equity - End of Year	$ 5,625,217	$ 6,016,355	$ 5,752,227	$ 6,535,925	$ 7,487,466
SEWER FUND					
Fund Equity - Beginning of Year	$ 7,357,360	$ 7,574,756	$ 7,866,971	$ 7,202,693	$ 6,779,810
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	3,327,109	3,314,054	3,387,134	3,441,628	3,512,602
Expenditures & Other Uses	3,109,713	3,021,839	4,051,412	3,864,511	4,139,644
Fund Equity - End of Year	$ 7,574,756	$ 7,866,971	$ 7,202,693	$ 6,779,810	$ 6,152,768
CAPITAL PROJECTS FUND					
Fund Equity - Beginning of Year	$ 11,882,216	$ 9,842,078	$ 6,952,220	$ 13,469,801	$ 9,322,750
Prior Period Adjustments (net)	-	-	-	-	(545,277)
Revenues & Other Sources	18,689,066	10,379,621	18,404,747	16,350,039	19,818,782
Expenditures & Other Uses	20,729,204	13,269,479	11,887,166	20,497,089	12,105,860
Fund Equity - End of Year	$ 9,842,078	$ 6,952,220	$ 13,469,801	$ 9,322,750	$ 16,490,395
DEBT SERVICE FUND					
Fund Equity - Beginning of Year	$ 9,787,698	$ 8,639,830	$ 7,536,058	$ 6,426,904	$ 5,797,058
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	3,580,754	13,725,492	3,264,927	3,310,952	12,677,288
Expenditures & Other Uses	4,728,622	14,829,264	4,374,081	3,940,798	13,056,217
Fund Equity - End of Year	$ 8,639,830	$ 7,536,058	$ 6,426,904	$ 5,797,058	$ 5,418,129

Source: Audited financial reports of the County. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Excluding the Bonds Principal	Interest	Total	Principal of the Bonds	Principal of all Bonds
2021	$ 2,105,000	$ 713,550.00	$ 2,818,550.00	$ -	$ 2,105,000
2022	2,145,000	634,150.00	2,779,150.00	225,000	2,370,000
2023	1,940,000	550,725.00	2,490,725.00	270,000	2,210,000
2024	1,755,000	474,125.00	2,229,125.00	280,000	2,035,000
2025	1,800,000	394,550.00	2,194,550.00	285,000	2,085,000
2026	1,835,000	313,225.00	2,148,225.00	290,000	2,125,000
2027	1,855,000	241,925.00	2,096,925.00	295,000	2,150,000
2028	1,865,000	181,050.00	2,046,050.00	305,000	2,170,000
2029	1,905,000	122,125.00	2,027,125.00	310,000	2,215,000
2030	1,355,000	73,600.00	1,428,600.00	315,000	1,670,000
2031	665,000	40,100.00	705,100.00	325,000	990,000
2032	670,000	13,400.00	683,400.00	-	670,000
TOTALS	$ 19,895,000	$ 3,752,525.00	$ 23,647,525.00	$ 2,900,000	$ 22,795,000

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2010 Refunding Series A Refund 2002 - County Correctional Facility Principal	Interest	Total
2021	$ 245,000	$ 19,400.00	$ 264,400.00
2022	240,000	9,600.00	249,600.00
TOTALS	$ 485,000	$ 29,000.00	$ 514,000.00

Fiscal Year Ending Dec 31st	2012 Refunding of the 2003 Serial Bonds			2016 Refunding of 2010 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	$ 220,000	$ 13,100.00	$ 26,200.00	$ 705,000	$ 233,325.00	$ 466,650.00
2022	220,000	6,500.00	13,000.00	705,000	208,650	417,300
2023	215,000	2,150.00	4,300.00	700,000	180,550	361,100
2024	-	-	-	705,000	148,925	297,850
2025	-	-	-	735,000	112,925	225,850
2026	-	-	-	745,000	75,925	151,850
2027	-	-	-	740,000	49,900	99,800
2028	-	-	-	725,000	35,250	70,500
2029	-	-	-	710,000	20,900	41,800
2030	-	-	-	690,000	6,900	13,800
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
TOTALS	$ 655,000	$ 21,750.00	$ 43,500.00	$ 7,160,000	$1,073,250.00	$ 2,146,500.00

Fiscal Year Ending Dec 31st	2019 74 Ontario St Reconstruction			2019 Refunding of 2012 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	$ 420,000	$ 120,450.00	$ 240,900.00	$ 515,000	$ 327,275.00	$ 842,275.00
2022	430,000	108,750.00	217,500.00	550,000	300,650.00	850,650.00
2023	445,000	95,625.00	191,250.00	580,000	272,400.00	852,400.00
2024	460,000	82,050.00	164,100.00	590,000	243,150.00	833,150.00
2025	470,000	68,100.00	136,200.00	595,000	213,525.00	808,525.00
2026	485,000	53,775.00	107,550.00	605,000	183,525.00	788,525.00
2027	500,000	39,000.00	78,000.00	615,000	153,025.00	768,025.00
2028	515,000	23,775.00	47,550.00	625,000	122,025.00	747,025.00
2029	535,000	8,025.00	16,050.00	660,000	93,200.00	753,200.00
2030	-	-	-	665,000	66,700.00	731,700.00
2031	-	-	-	665,000	40,100.00	705,100.00
2032	-	-	-	670,000	13,400.00	683,400.00
TOTALS	$ 4,260,000	$ 599,550.00	$ 1,199,100.00	$ 7,335,000	$2,028,975.00	$ 9,363,975.00

APPENDIX - C
County of Ontario

COMPUTATION OF FULL VALUATION
Using State Equalization Rates

Year of Assessment Roll		2016	2017	2018	2019	2020
Year of County Tax Roll		2017	2018	2019	2020	2021
Assessed Valuation						
Cities of:	Canandaigua	$ 707,291,999	$ 731,791,587	$ 739,842,235	$ 728,301,328	$ 758,090,690
	Geneva	396,931,268	401,114,848	404,225,828	407,354,170	471,225,110
Towns of:	Bristol	184,614,535	185,038,979	185,659,999	201,624,488	204,328,957
	Canadice	179,952,574	179,651,887	179,772,919	181,252,933	192,703,737
	Canandaigua	1,252,911,405	1,274,553,229	1,370,977,408	1,389,907,109	1,401,712,833
	East Bloomfield	237,737,016	237,446,908	257,507,087	259,355,471	279,380,538
	Farmington	820,183,402	864,317,580	885,289,508	962,026,546	986,996,680
	Geneva	374,313,184	394,088,419	392,924,804	418,465,179	434,359,675
	Gorham	560,496,358	600,994,365	606,636,113	610,065,021	669,848,810
	Hopewell	233,347,165	235,398,977	237,701,219	239,694,221	265,441,444
	Manchester	361,485,877	364,994,415	365,283,219	369,124,054	420,931,023
	Naples	174,813,738	174,997,612	184,664,592	187,102,550	199,680,277
	Phelps	379,246,666	408,218,253	410,284,610	415,357,094	468,986,828
	Richmond	322,504,904	324,043,284	325,578,437	347,126,015	366,727,028
	Seneca	197,538,908	202,715,487	207,883,681	223,523,795	227,418,482
	South Bristol	428,412,525	432,577,620	434,102,071	437,628,231	487,818,877
	Victor	1,820,036,667	1,877,882,933	1,953,595,064	2,079,164,537	2,099,551,076
	West Bloomfield	154,212,354	156,425,560	176,368,074	177,568,259	189,406,766
Total Assessed Valuation		$ 8,786,030,545	$ 9,046,251,943	$ 9,318,296,868	$ 9,634,641,001	$ 10,124,608,831
State Equalization Rates						
Cities of:	Canandaigua	100.00%	100.00%	100.00%	97.00%	96.00%
	Geneva	100.00%	100.00%	96.00%	93.00%	100.00%
Towns of:	Bristol	100.00%	99.00%	96.00%	100.00%	100.00%
	Canadice	100.00%	100.00%	100.00%	100.00%	100.00%
	Canandaigua	100.00%	98.00%	100.00%	100.00%	100.00%
	East Bloomfield	100.00%	99.00%	100.00%	100.00%	94.00%
	Farmington	100.00%	100.00%	100.00%	100.00%	100.00%
	Geneva	100.00%	100.00%	98.00%	100.00%	99.00%
	Gorham	100.00%	100.00%	100.00%	97.00%	100.00%
	Hopewell	100.00%	100.00%	98.00%	95.00%	100.00%
	Manchester	100.00%	99.00%	94.00%	91.00%	88.00%
	Naples	100.00%	98.00%	100.00%	98.00%	94.00%
	Phelps	100.00%	100.00%	100.00%	98.00%	93.00%
	Richmond	100.00%	100.00%	97.00%	100.00%	95.00%
	Seneca	100.00%	100.00%	100.00%	100.00%	100.00%
	South Bristol	100.00%	100.00%	100.00%	95.00%	100.00%
	Victor	100.00%	100.00%	100.00%	100.00%	100.00%
	West Bloomfield	93.00%	95.00%	100.00%	100.00%	96.00%
Equalized Full Valuation						
Cities of:	Canandaigua	$ 707,291,999	$ 731,791,587	$ 739,842,235	$ 750,826,111	$ 789,677,802
	Geneva	396,931,268	401,114,848	421,068,571	438,015,237	471,225,110
Towns of:	Bristol	184,614,535	186,908,060	193,395,832	201,624,488	204,328,957
	Canadice	179,952,574	179,651,887	179,772,919	181,252,933	192,703,737
	Canandaigua	1,252,911,405	1,300,564,519	1,370,977,408	1,389,907,109	1,401,712,833
	East Bloomfield	237,737,016	239,845,362	257,507,087	259,355,471	297,213,338
	Farmington	820,183,402	864,317,580	885,289,508	962,026,546	986,996,680
	Geneva	374,313,184	394,088,419	400,943,678	418,465,179	438,747,146
	Gorham	560,496,358	600,994,365	606,636,113	628,933,011	669,848,810
	Hopewell	233,347,165	235,398,977	242,552,264	252,309,706	265,441,444
	Manchester	361,485,877	368,681,227	388,599,169	405,630,829	478,330,708
	Naples	174,813,738	178,568,992	184,664,592	190,920,969	212,425,827
	Phelps	379,246,666	408,218,253	410,284,610	423,833,769	504,286,912
	Richmond	322,504,904	324,043,284	335,647,873	347,126,015	386,028,451
	Seneca	197,538,908	202,715,487	207,883,681	223,523,795	227,418,482
	South Bristol	428,412,525	432,577,620	434,102,071	460,661,296	487,818,877
	Victor	1,820,036,667	1,877,882,933	1,953,595,064	2,079,164,537	2,099,551,076
	West Bloomfield	165,819,735	164,658,484	176,368,074	177,568,259	197,298,715
Total Full Valuation		$ 8,797,637,926	$ 9,092,021,884	$ 9,389,130,749	$ 9,791,145,261	$ 10,311,054,904

FORM OF DISCLOSURE UNDERTAKING

This continuing disclosure undertaking (the "Disclosure Undertaking") is executed and delivered by the County of Ontario, New York (the "Issuer") in connection with the issuance of its [$2,900,000] Public Improvement Serial Bonds, 2021 (such Bonds, including any interests therein, being collectively referred to herein as the "Security"). The Issuer hereby covenants and agrees as follows:

Section 1. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB):

(i) no later than the following September 30 after the end of each fiscal year, commencing with the fiscal year ending December 31, 2020, the Annual Financial Information relating to such fiscal year, unless Audited Financial Statements are prepared, in which case the Annual Financial Information will be provided on or prior to the following September 30 after the end of each fiscal year or within 60 days following receipt by the Issuer of Audited Financial Statements (whichever is later) (the "Report Date"), but in no event later than one year after the end of each fiscal year;

(ii) if not provided as part of the Annual Financial Information, Audited Financial Statements within 60 days of their receipt, but in no event later than one year after the end of each fiscal year;

(iii) in a timely manner (not in excess of ten business days after the occurrence of any such event), notice of any of the following events with respect to the Security:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;

(7) Modifications to rights of Security Holders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Security, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this Section 1, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(iv) in a timely manner (not in excess of ten business days after the occurrence of such event), notice of a failure to provide by the date set forth in Section 1(a)(i) hereof any Annual Financial Information required by Section 3 hereof.

(b) The Issuer may choose to disseminate other information in addition to the information required as part of this Disclosure Undertaking. Such other information may be disseminated in any manner chosen by the Issuer. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Disclosure Undertaking.

(c) The Issuer may choose to provide notice of the occurrence of certain other events, in addition to those listed in Section 1(a)(ii) above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Section 2. Definitions

"Annual Financial Information" means the information specified in Section 3 hereof.

"Audited Financial Statements" means the Issuer's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of New York.

"EMMA" means the Electronic Municipal Market Access System implemented by the MSRB.

"Financial Obligation" means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States.

"GASB" means the Governmental Accounting Standards Board, or any successor thereto.

"MSRB" means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Undertaking.

"Purchaser" means the financial institution referred to in a certain Certificate of Determination that is being delivered by the Issuer in connection with the issuance of the Security.

"Rule 15c2-12" means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof issued either before or after the effective date of this Disclosure Undertaking which are applicable to this Disclosure Undertaking.

"Security Holder" means any registered owner of the Security and any beneficial owner of the Security within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Section 3. Annual Financial Information. (a) The required Annual Financial Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Security under the headings "THE COUNTY", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "BOND RATING", "LITIGATION" and all Appendices (other than "APPENDIX –D" and any related to bond insurance); which Annual Financial Information may, but it is not required to, include audited financial statements.

(b) All or any portion of the Annual Financial Information may be incorporated in the Annual Financial Information by cross reference to any other documents which are (i) available to the public on EMMA or (ii) filed with the Securities and Exchange Commission. If such a document is a final official statement, it must be available on EMMA.

(c) Annual Financial Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 6(f) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Financial Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Financial Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Remedies. If the Issuer fails to comply with any provision of this Disclosure Undertaking, then any Security Holder may enforce, for the equal benefit and protection of all Security Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Disclosure Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Undertaking; provided that the sole and exclusive remedy for breach of this Disclosure Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Disclosure Undertaking shall not constitute an event of default on the Security.

Section 5. Parties in Interest. This Disclosure Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Security Holders. No other person has any right to enforce the provisions hereof or any other rights hereunder.

Section 6. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

(a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to adjust the Report Date if the Issuer changes its fiscal year; provided that such new date shall be within nine months after the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration;

(f) to modify the contents, presentation and format of the Annual Financial Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

(g) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 6 shall adversely affect the interests of the Security Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 7. Termination. (a) This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Security shall have been paid in full or the Security shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to EMMA. Such notice shall state whether the Security has been defeased to maturity or to redemption and the timing of such maturity or redemption.

(b) In addition, this Disclosure Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Disclosure Undertaking, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

Section 8. Undertaking to Constitute Written Agreement or Contract. This Disclosure Undertaking shall constitute the written agreement or contract for the benefit of Security Holders, as contemplated under Rule 15c2-12.

Section 9. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, I have hereunto set my signature and affixed the seal of the Issuer to this Disclosure Undertaking as of [July 20, 2021].

COUNTY OF ONTARIO, NEW YORK

By: SPECIMEN
County Treasurer

(SEAL)

ATTEST:

SPECIMEN
County Clerk

APPENDIX – E

COUNTY OF ONTARIO, NEW YORK

GENERAL PURPOSE FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

December 31, 2019

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

C O U N T Y   O F   O N T A R I O,   N E W   Y O R K

BASIC FINANCIAL STATEMENTS

For Year Ended December 31, 2019

MENGEL METZGER BARR & CO. LLP

RAYMOND F. WAGER, CPA, P.C. DIVISION

TABLE OF CONTENTS

MENGEL METZGER BARR & CO. LLP
RAYMOND F. WAGER, CPA, P.C. DIVISION

Independent Auditors' Report

Board of Supervisors
County of Ontario, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregated discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Ontario, New York, as of and for the year ended December 31, 2019, 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 did not audit the financial statements of the Finger Lakes Community College which represents 87.3 percent, 85 percent, and 92.8 percent, respectively of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Finger Lakes Community College is based solely on the reports of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

100 Chestnut Street | Suite 1200 | Rochester, NY 14604 | P 585.423.1860 | F 585.423.5966 | mengelmetzgerbarr.com
Additional Offices: Elmira, NY • Canandaigua, NY • Hornell, NY

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Ontario, New York, as of December 31, 2019, 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. 84, *Fiduciary Activities*. 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 management's discussion and analysis, schedule of the County's proportionate share of the net pension liability, schedule of County's contributions, and budgetary comparison information on pages 4–17 and 84–86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other audtiors 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 Ontario, New York's basic financial statements. The accompanying supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplemental 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the accompanying supplemental 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 2, 2020 on our consideration of the County of Ontario, 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 County of Ontario, New York's internal control over financial reporting and compliance.

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
June 2, 2020

INTRODUCTION

The following is a discussion and analysis of the County's financial performance for the year ended December 31, 2019. This section of the report should be read in conjunction with the basic financial statements, which immediately follow this section, in order to provide an enhanced understanding of the County's financial performance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

- The Statement of Net Position which presents information on all the County's assets and deferred outflow of resources, and liabilities and deferred inflow of resources, with the difference between the two reported as Net Position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. *Deferred outflow of resources reflects payments that have already occurred but are for a future time period such as prepaid expenses or deferred charges. Deferred inflow of resources reflects the receipt of assets or payments in advance of the time these payments are due such as advanced collections or deferred revenue*.

- The Statement of Activities which presents more detailed information illustrating how the County's net position reflected in the Statement of Net Position changed during the most recent year. The primary governmental activities of the County are itemized in this Statement. Those activities include public safety, transportation, health, economic assistance, culture, recreation, education, community services, interest on long-term debt and governmental support.

Fund Financial Statements

Ontario County has a budget of $240.5 million, employs approximately 775 full-time employees, 107 part-time employees, and 724 seasonal/temporary employees, and is involved in the delivery of services and programs to its citizens. Some of those services are:

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

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

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

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

The County's General Fund records the financial activities for operating a Sheriff's road patrol and correctional facility, and administering social service, aging, and public and mental health programs. The General Fund also accounts for internal service departments such as County Administrator, Purchasing, Human Resources, Information Services, Finance, and County Attorney which support those departments providing direct services to the public. Administrative services such as Planning, Real Property, and County Clerk, are also accounted for in the County General Fund. The General Fund is the largest operating fund of the County comprising 88.7% of the adopted 2020 County Budget. By way of comparison, the next largest County fund is County Road, comprising just 6% of the 2020 adopted County Budget.

Notes to the Financial Statements

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

STATEMENT OF NET POSITION

Condensed Statement of Net Position at December 31, 2019 and 2018 for governmental and business-type activities

		2019	2018	Dollar Variance
Assets:				
Current and other assets		$ 158,439,301	$ 146,693,742	11,745,559
Capital assets		218,254,547	221,756,990	(3,502,443)
	Total Assets	376,693,848	368,450,732	8,243,116
Deferred outflows of resources		13,636,304	22,663,943	(9,027,639)
Liabilities:				
Long-term debt outstanding		$ 82,924,193	$ 73,143,261	9,780,932
Other liabilities		23,878,547	22,133,879	1,744,668
	Total liabilities	106,802,740	95,277,140	11,525,600
Deferred inflows of resources		6,824,471	21,142,234	(14,317,763)
Net position:				
Net investment in capital assets		196,229,547	201,141,990	(4,912,443)
Restricted		28,175,553	27,378,316	797,237
Unrestricted		52,297,841	46,174,995	6,122,846
	Total net position	$ 276,702,941	$ 274,695,301	2,007,640

STATEMENT OF ACTIVITIES

Condensed Statement of Activities for the years ended December 31, 2019 and 2018 for governmental and business-type activities

		2019	2018	Dollar Variance
Revenues:				
Program revenues:				
Charges for services		$ 20,390,493	$ 15,902,713	4,487,780
Operating grants and contributions		39,186,271	37,372,787	1,813,484
Capital grants and contributions		3,442,441	11,121,788	(7,679,347)
General revenues:				
Property taxes		61,909,473	60,240,175	1,669,298
Nonproperty taxes		89,911,124	87,205,184	2,705,940
Investment earnings		4,424,779	3,977,790	446,989
Interfund revenues		2,330,201	2,226,909	103,292
Compensation for loss		4,041,476	1,466,059	2,575,417
Miscellaneous		1,260,726	989,619	271,107
	Total revenues	226,896,984	220,503,024	6,393,960

Expenses:				
General government support		$ 79,707,816	$ 75,993,423	3,714,393
Education		10,775,861	11,118,552	(342,691)
Public Safety		41,902,016	38,486,472	3,415,544
Health		15,694,129	14,538,833	1,155,296
Transportation		13,656,634	15,104,379	(1,447,745)
Economic assist and opportunity		52,583,991	52,016,615	567,376
Culture and recreation		475,981	615,720	(139,739)
Home and community services		7,551,589	6,466,263	1,085,326
Interest on debt		2,541,327	2,433,732	107,595
	Total expenses	224,889,344	216,773,989	8,115,355
Change in net position		$ 2,007,640	$ 3,729,035	(1,721,395)

The change in net position of the County in 2019 is $2,007,640, a decrease of $1,721,395 from 2018.

Expenditures show an increase of approximately 3.7% in total, revenues only increased approximately 2.9%. Significant reductions in Capital grants and contributions revenues were not fully offset by other revenues increases.

As indicated by the Condensed Statement of Net Position section of the above chart, the largest component of the County's net position is reflected in its net investment in capital assets of $196,229,547, accounting for 70.9% of the net position. The Governmental Accounting Standards Board (GASB), an independent organization establishing standards of accounting and financial reporting for U.S. state and local governments, requires the County include the financials of the Ontario Tobacco Asset Securitization Corporation (TASC) combined with the County's financial statements. The TASC has a deficit net position of ($25,940,801). This deficit net position is a decrease of $655,956 from a deficit net position in 2018 of ($25,284,845). As a component unit that has a blended presentation, the TASC's decline is calculated in the overall net position change for Ontario County.

Additional components of the County's net position include assets restricted for reserves which are established to be used for specific purposes totaling $28,175,553, or 10.2% of the total net position and unrestricted assets which can be used to finance future operations of $52,297,841, 18.9% of the total net position.

The Statement of Net Position on page 18 indicates that at December 31, 2019, the County's assets and deferred outflows exceeded liabilities and deferred inflows by $276,702,941.

FINANCIAL ANALYSIS OF COUNTY FUNDS

Ontario County maintains its books, records, and budgets by individual fund. This section of the report includes an analysis of those individual funds at December 31, 2019.

- The General Fund ended the year with a balance of $86.31 million. $37.46 million of this fund balance is non-spendable due to prepayment of expenses or otherwise restricted through reserves or designations made by the Board of Supervisor for specific uses. That leaves approximately $48.85 million available to finance future operations, an amount that represents approximately 22.87% of 2020's budgeted appropriations. This fund balance is slightly above the guidelines of GASB and Ontario County's fund balance policy to maintain a minimum unrestricted fund balance of 18% to 22% of the total general fund appropriations. As a result, $9.76 million of the $48.85 million balance will be used to offset property taxes in 2020, leaving an uncommitted balance of approximately $39 million or 18.3% of the 2020 General Fund budgeted appropriations.

- Ontario County has a Revolving Loan Fund through which the County has operated a federally subsidized Revolving Loan Fund program in the past and that funds ended the 2019 year with $199,251 in fund balance, an increase of 12.8%. Today, funds in the Revolving Loan Fund are typically granted to the Ontario County Economic Development Corporation (OCEDC) to continue the operation of a revolving loan program. In the future, the Ontario County Board of Supervisors may elect to continue providing existing funds and funds obtained from various granting agencies for the advancement of economic development in Ontario County to the OCEDC to assist in funding future loans through the OCEDC Revolving Loan Program.

- The County Road Fund ended the 2019 year with approximately $3.9 million in operating fund balance which can be used for future operations. $500,000 of the operating fund balance has been used in the 2020 budget leaving approximately $3.4 million in operating fund balance available for future years' activities. The remaining operating fund balance of $3.4 million represents 23.44% of the 2020 appropriations, an increase of approximately 8.5% which will be needed for planned future projects. In addition to the operating fund balance, $3.1 million has been officially reserved by the Board of Supervisors for the future repair, maintenance, and reconstruction of county roads and bridges and approximately $299,000 has been assigned by the Board of Supervisors for the replacement of equipment in the future.

- Ontario County operates sewer districts serving the residents of Canandaigua Lake, Honeoye Lake and parts of Route 332 in the Towns of Canandaigua and Farmington. These districts have combined fund balances of approximately $1.67 million at year end 2019, a decrease of approximately $865,000 from year end 2018. These fund balances are utilized to pay for future operations of the districts as tax levy is not raised to supplement the operations of the sewer districts. Approximately $1.3 million of these fund balances have been appropriated for 2020 operations at the districts. Approximately $800,000 of this appropriation for 2020 is for the Honeoye Lake County Consolidated Sewer District for mandated improvements to that district's sewer treatment plant.

- The County is self-insured for liability, property, automotive, and workers' compensation coverage. Self-Insured means that instead of paying annual premiums to an insurance company, the County pays its insurance claims directly to the claimants after fully reviewing, investigating, and, where necessary, litigating the claims. The County paid claimants directly $1.04 million for liability, property, and automotive claims in 2019, an increase of approximately $900,000 over 2018, and an additional $1.54 million in workers' compensation payments, a decrease of approximately 21.4% from 2018 compensation payments. The County also incurred approximately $1.1 million to administer its self-insurance programs and another $288,758 in charges from New York State.

- The County has 30 capital type projects that had activity in 2019. These projects are in various stages of completion and budgets range in scope from a low of $100,000 (to begin replacement of the Greenhouses at the Finger Lakes Community College) to a high of $14 million (for the Renovation of the County buildings located at 74 Ontario Street). In total, the 30 projects represent $80.5 million worth of work. In 2019, $12.1 million was spent on the capital projects.

- The County has a Debt Service Fund, the purpose of which is to maintain the accumulation of resources for the repayment of principal and payment of interest on any long-term debt. Ontario County has $22 million in outstanding debt at December 31, 2019. The County's reserve for debt repayment is $3,763,680 which is enough to pay the principal and interest of all previously tax levy supported outstanding debt. The reserve for debt eliminates the need to raise tax levy for debt purposes. There is additional debt to which Ontario County is obligated for the Finger Lakes Community College, repayment of which is secured through its budget without subsidization by tax levy.

- The County has established several reserves and fund balance designations for specific uses. New York State mandates reserves for many purposes including Stop DWI, Crime Proceeds, Wireless 911 Surcharge, Self-Insurance and Bonded Debt. The County Board of Supervisors has determined, in addition to the New York State mandated reserves, the need to reserve funds for equipment replacement and repair, capital investments such as construction, reconstruction, acquisition, repair and maintenance of capital assets including road and bridges and to further designate portions of available fund balance for specific future needs including upgraded computer systems and software and the administration of the County's deferred compensation plan. "Reserve Funds" totaled approximately $36.5 million, $3.8 million of which has been appropriated for use in the 2020 budget.

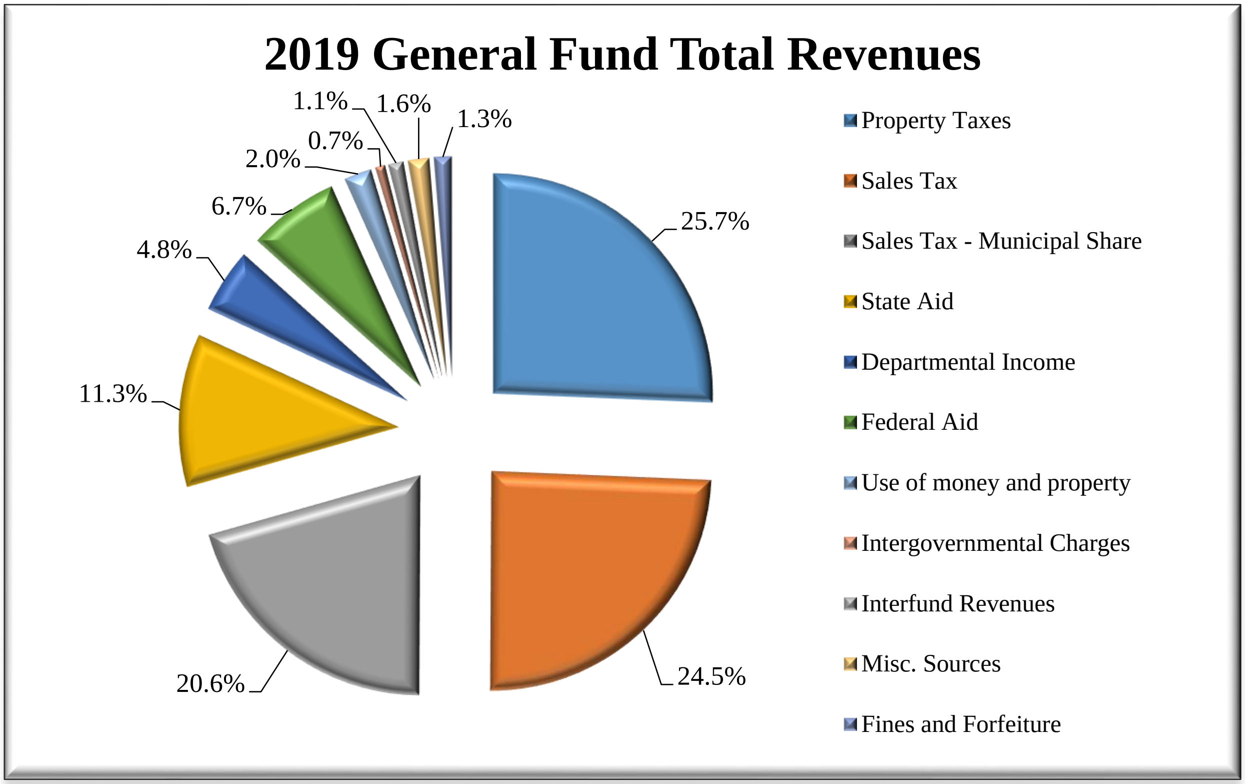
GENERAL FUND OPERATIONAL HIGHLIGHTS

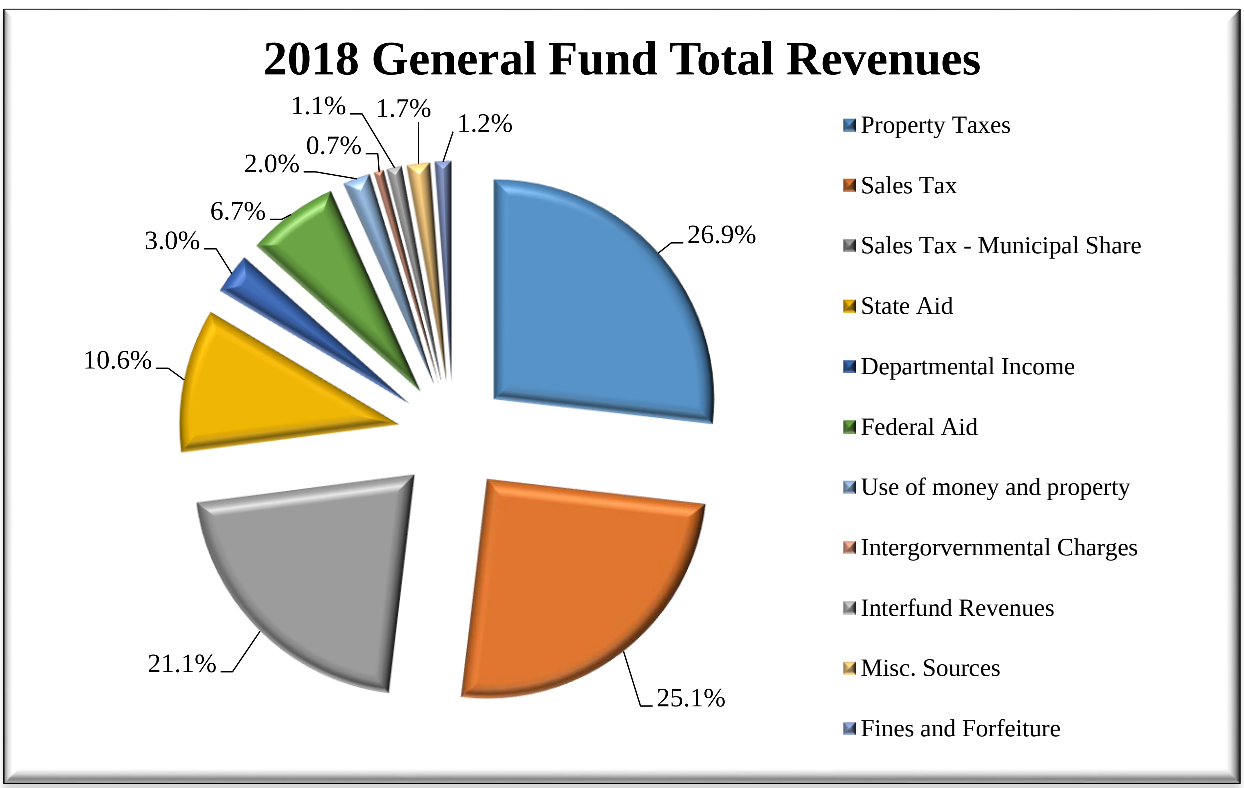
The County Board of Supervisors adopts an annual budget. The County has also adopted a Budget Transfer Policy, which authorizes budget amendments to be made during the year for specific purposes such as the addition of new programs or staffing. This policy sets forth specific approval levels, administratively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

The following is a summary of the most important 2019 operational highlights in the County's General Fund:

Revenues

The following graphs for 2018 and 2019 illustrate points further discussed in the narrative section below:

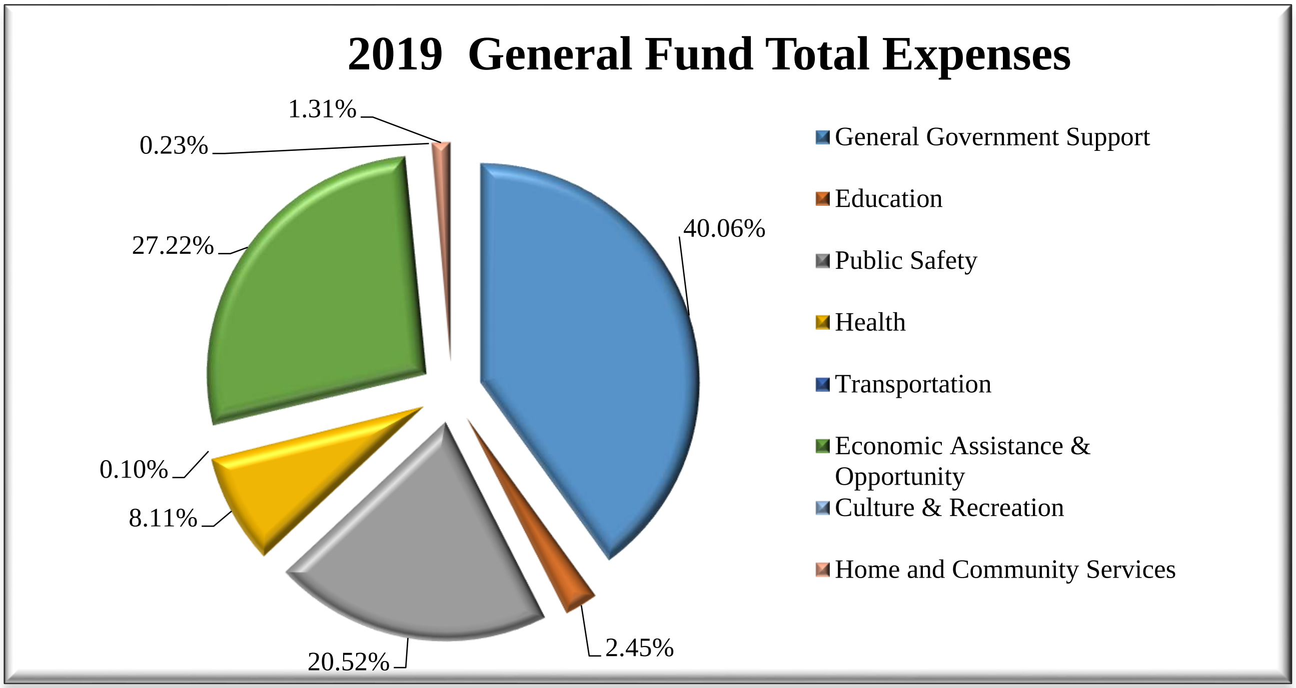

2019 General Fund Total Revenues
1.1%
1.6%
1.3%
0.7%
2.0%
6.7%
4.8%
11.3%
20.6%
25.7%
24.5%
Property Taxes
Sales Tax
Sales Tax - Municipal Share
State Aid
Departmental Income
Federal Aid
Use of money and property
Intergovernmental Charges
Interfund Revenues
Misc. Sources
Fines and Forfeiture

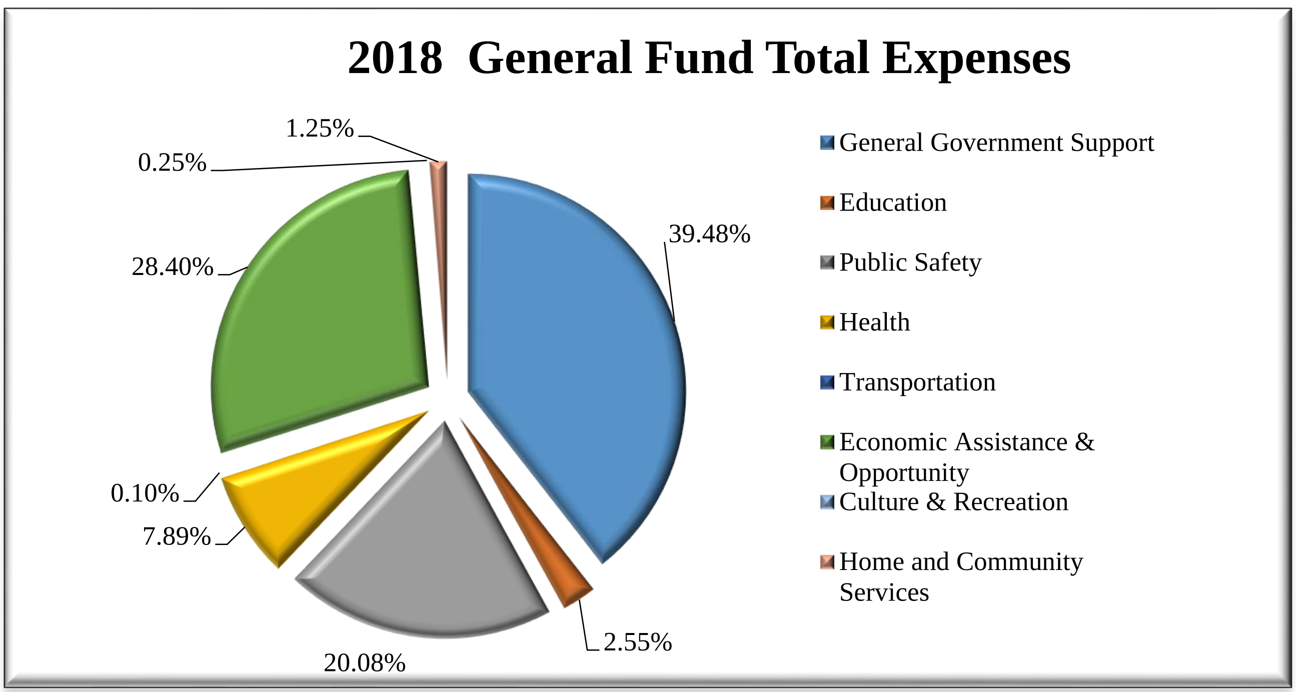

2018 General Fund Total Revenues
1.1%
1.7%
1.2%
0.7%
2.0%
6.7%
3.0%
10.6%
21.1%
26.9%
25.1%
Property Taxes
Sales Tax
Sales Tax - Municipal Share
State Aid
Departmental Income
Federal Aid
Use of money and property
Intergorvernmental Charges
Interfund Revenues
Misc. Sources
Fines and Forfeiture

- The County collected $48,981,932 in property taxes for the General Fund in 2019. This is a 2.6% increase above the amount of $47,729,910 collected for the General Fund in 2018. As an order of magnitude, the County levied a total of $59,669,860 in property tax for all funds in 2019 and this amount represented about 42% of the $134.78 million in total property taxes that New York State Law authorizes for Ontario County.
- The second largest source of income to Ontario County is sales tax collected on taxable purchases made within the County. The sales tax rate in Ontario County is 7.5%, of which 4% is collected for and retained by the State of New York. The County keeps 1.875%, and the towns, villages, and cities in the County receive the other 1.625%. In 2019, sales tax revenues for County uses totaled $48,847,828 which was an increase of $2.89 million or 6.3% increase above the amount received the year before and 8.58% more than the approximately $44.9 million budgeted.
- Actual interest revenues in the General Fund totaled $444,813 or about $296,000 more than the amount budgeted in 2019. Interest earnings are 98% higher than 2018 due to more favorable interest rates and a larger balance of cash on hand.
- The County continues to receive an annual cash payment of $2 million for lease of the landfill operations to a private contractor. These funds are utilized to partially fund the 6-year Capital Improvement Plan. In addition, approximately $1.14 million was received pursuant to a tonnage agreement with the private contractor. This payment was approximately $160,000 more than originally budgeted in 2019.
- In total, revenues in the General Fund were $199.9 million in 2019, 5.78% more than in 2018.

Expenses

The following graphs for 2019 and 2018 illustrate points further discussed in the narrative section below:





- Total final budget for General Fund appropriations in 2019 was $222,748,758. Approximately 83.93% of the budgeted appropriations were expended or committed.

- The Department of Social Services which includes Medicaid, Foster Care and Family Assistance, is the single largest source of County expense but it decreased by approximately $1.85 million from 2018 to 2019 mainly due to savings in a capped Medicaid share cost. These costs are included in the Economic Assistance and Opportunity category above.

- Except for the flow through of the municipal share of sales tax, the Public Safety departments account for the next largest expenditure category. Public Safety includes the District Attorney, Indigent Defense, and Probation as well as the Road Patrol, 911 Communications and the operations at the Correctional Facility. The total expenditures in 2019 for Public Safety Departments totaled approximately $39 million, an increase of approximately $2.55 million from 2018.

- The charts above depict the category of General Government as the largest category. This is because the expense of sales tax disbursements to the local municipalities are in this category. If that single expenditure, $41,063,296 this category ranks third largest. It encompasses several departments including Administration, central service departments such as Finance, County Buildings, and Human Resources, the Real Property Tax Department, the County Clerk, the Department of Motor Vehicles and the Board of Elections. The expenditures within this category constituted 16.1%, or approximately $30.7 million, of the total General Fund expenditures in 2019.

County Cost

- Net County Cost is defined as departmental expenses less all available departmental revenue. If departmental revenues are insufficient to cover departmental expenses the County must cover that cost through the appropriation of fund balance or reserve or through collection of tax levy. For the year ended 2019, General Fund revenues exceeded expenditures by approximately $9.4 million. A County Cost of approximately $9.9 million had been budgeted. The major reasons for this deviation are:

    - The health departments, inclusive of Public Health and Mental Health, incurred $2 million less in County Cost than originally expected
    - The Department of Social Services (DSS) Program returned $3.3 million to fund balance
    - The Public Works Department operations returned $1.38 million to fund balance
    - The results of the Public Safety departments' operations resulted in $5.2 million less in County Cost than was originally anticipated
    - Undistributed Revenues, which includes real property taxes, sales tax, video lottery payments and payments in lieu of taxes, exceeded original projections by $1.38 million

GOVERNMENTAL ACTIVITY CAPITAL ASSETS

At December 31, 2019, the County had $218,254,547 (after deduction of depreciation) in a broad range of capital assets including land, buildings, and machinery and equipment. The change in the County's capital assets between 2019 and 2018 is an approximate $3.5 million decrease. Changes in individual areas are reflected in the chart below:

		2019	2018
Land		$ 4,308,647	$ 4,308,647
Work in progress		8,596,363	8,908,460
Land improvements		9,462,553	3,443,692
Infrastructure		94,512,144	96,195,775
Buildings and improvements		96,168,960	103,386,769
Machinery and equipment		5,205,880	5,513,647
	Total	$ 218,254,547	$ 221,756,990

Footnote V(D)(1) of the Notes to Financial Statements provides a detailed breakdown of Capital Assets.

LONG-TERM DEBT

At December 31, 2019, the County had $82,924,193 in general obligation bonds and other long-term debt outstanding as follows:

		2019	2018
Serial Bonds - excluding TASC*		$ 22,025,000	$ 20,615,000
Unamortized premium		785,251	861,243
Serial Bonds - TASC*		28,722,596	28,045,998
OPEB** Liability		-	-
Compensated Absences		4,954,352	4,894,052
Judgements and claims		3,889,924	4,762,670
Workers' compensation		7,749,183	7,479,277
Pension liability		14,797,887	6,485,021
Capital lease obligations		-	-
	Total	$ 82,924,193	$ 73,143,261
* Ontario Tobacco Asset Securitization Corporation			
** Other Post-Employment Benefits			

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

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

FUTURE FINANCIAL IMPLICATIONS

The County annually prepares two-year budgets. Thus, when the 2020 County Budget was prepared, a tentative 2021 budget was prepared also. By doing this, a proposed 2021 tax rate has already been projected. That rate was estimated to increase 7.01% to $6.72. The Ontario County Board of Supervisors passed budget guidelines for preparation of the 2021 and 2022 budget cycle at the May 28, 2020 meeting. It has been the Board's goal in the past to not exceed the New York State Tax Cap which has been made permanent with the passing of the 2019-2020 State budget.

This goal will continue to present challenges due to the continued reductions in State and Federal aid, anticipated increases in the cost of employees' health insurance and retirement and additional unfunded or underfunded mandates. Continued compliance with the New York State Tax Cap is tied to the receipt of funding for two State mandated initiatives, Raise the Age and Shared Services. As of the time of this reporting, the State has not projected the Tax Cap rates for 2021.

Ontario County has been able to keep its property tax rates low. Even decreasing the tax rate by $.07 in 2020 to $6.28. The rate is at its lowest since 2013 when there was an increase from $6.23 to $6.29. At $6.28 for 2020 the tax rate is significantly lower than a historic high of $6.72 in 2006. The maintenance of a low tax rate has been accomplished by the diligent efforts of the Ontario County Board of Supervisors in the assessment of services provided leading to a series of cost-cutting measures over several years and through partnerships with the private sector to help finance County initiatives. The County will continue to focus on shared services, partnerships, controlled spending, changes in programs, and as necessary the use of fund balances and reserves to best meet the needs of the community in balance with the goals of this Board of Supervisors.

Because of the financial policy decisions adopted by the Board of Supervisors for the use of the landfill lease monies, no new taxpayer supported debt has been issued. There will be no County property taxes used to retire any of the current $22 million in outstanding debt.

The 2020 Capital Improvement Plan (C.I.P.) includes the advancement of capital projects for renovations to the Human Services Building, advancement of the Hopewell Campus Master Plan Improvements as well as the continuation of a project to improve the Office of Sheriff firing range. The C.I.P. also includes various projects for the Finger Lakes Community College (FLCC), maintenance of County buildings, road and bridge projects, fleet purchases and leases and ongoing maintenance related to the continued expansion of the emergency communications network in the form of towers, equipment and radios. The total C.I.P. budgeted cost for 2020 is $22,327,436. Funding for this plan comes from a variety of resources, including tax levy, State and Federal aid, funding from FLCC, County Sewer District funds, Reserves, and Grants. The tax rate implication is $.35 cents per $1,000 to fund the $3.36 million of tax levy expected to be used. This is possible because the County sets aside a portion of sales tax revenue in a reserve, established in 2009, for capital improvement purposes. This Sales Tax Reserve is used to help maintain a stable tax rate for C.I.P. projects. 28% of the sales tax rate that is allocated to the reserve is used for payment of debt for FLCC projects and the Capital Improvement Plan. The balance in this reserve was $5,372,124 at the end of 2019.

In 2028, the lease agreement for the operations of the Ontario County Landfill will expire resulting in a significant loss in annual revenue. These funds are currently utilized to provide payment for the bonding associated with the renovations of the County owned building located at 74 Ontario Street in Canandaigua, additional funding for expenditures related to the County's C.I.P. as well as funding for implementation of the Ontario County Solid Waste Management Plan. Although the end of the lease is some years in the future, the County has made a commitment to be proactive and has begun discussing ways to address this revenue loss without it having to significantly impact taxpayers.

As of the time of this reporting, Ontario County is facing an unprecedented fiscal challenge resulting from a global coronavirus pandemic. The County approaches the 2021 – 2022 budget season not knowing the ultimate result on the economy of the continued shut down of businesses and a mid-year cut in State Aid the level of which is yet to be seen but has been estimated by New York State between 20-50%. Increased operations and associated costs to address and manage the impact of this pandemic on the County residents coupled with record breaking losses in sales tax revenue, continued diversion of sales tax revenues by New York State for payment of State obligations including Aid and Incentives for Municipalities (AIM) payments and funding for a newly created Fiscally Distressed Hospital and Nursing Home Pool and the maintenance of a permanent tax cap during this fiscal crisis will put a strain on the County budget at an extraordinary level. As a result, mid-year changes are being made to the 2020 budget and 2020-2025 C.I.P. to begin addressing the financial impact.

Even with the unknowns, the County is currently reviewing and planning the 2021-2026 C.I.P. The current economic environment will have significant impacts on the projects included in the final 2021-2026 C.I.P. as well as the operating budgets of our various departments. It is expected that financial recovery from the effects of the pandemic will take several years.

Unfunded or underfunded mandated programs and retirement continue to control the majority of our budget. These programs account for 93.69% of the current tax levy meaning the Ontario County Board of Supervisors can use only 6.31% of the entire real property tax levy to address those needs of our community that fall outside of mandated services. Mandated services include most programs in the Department of Social Services, operation of the Correctional Facility and Correctional Health Care, the provision of Indigent Legal Services, much of Public Health and the Preschool Special Education and Early Intervention programs along with contributions to the New York State and Local Retirement System.

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

All these factors require that the County continue its diligent financial monitoring and management and be creative and proactive in searching for solutions to meet the needs of the community. In the future, these efforts may include departmental consolidations, changes in programs and services, operational alternatives and continued private sector investment in the County's programming and infrastructure.

REQUESTS FOR INFORMATION

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

Mary M. Gates
Ontario County Director of Finance
3019 County Complex Drive
Canandaigua, New York 14424
585-396-4426
FinanceDept@co.ontario.ny.us

COUNTY OF ONTARIO, NEW YORK

Statement of Net Position

December 31, 2019

	Primary Government	Component Units	
ASSETS	**Governmental Activities**	**Governmental**	**Proprietary**
Current Assets:			
Cash and cash equivalents	$ 118,457,452	$ 11,282,841	$ 1,042,093
Investments	1,460,416	9,347,098	-
Receivable, net	11,826,227	1,947,074	3,000
Due from other governments, net	881,032	-	-
State and federal aid receivable	23,232,070	1,870,089	62,875
Inventory and prepayments	2,582,104	826,893	1,752
Total Current Assets	$ 158,439,301	$ 25,273,995	$ 1,109,720
Noncurrent Assets:			
Net pension asset	$ -	$ 750,146	$ -
Due from related party	-	-	23,559
Investment in joint venture	-	-	57,789
Total Noncurrent Assets	$ -	$ 750,146	$ 81,348
Capital Assets:			
Land	$ 4,308,647	$ 1,516,964	$ 2,400,534
Land improvements	9,462,553	-	-
Buildings	192,884,046	140,027,563	-
Runway and lighting	-	-	21,200,685
Equipment	27,595,490	13,785,390	744,935
Infrastructure	173,707,331	-	-
Work in progress	8,596,363	90,319	-
Accumulated depreciation	(198,299,883)	(55,690,057)	(9,149,856)
Total Capital Assets	$ 218,254,547	$ 99,730,179	$ 15,196,298
TOTAL ASSETS	$ 376,693,848	$ 125,754,320	$ 16,387,366
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources	$ 13,636,304	$ 3,849,706	$ -
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 6,713,360	$ 781,203	$ 102,959
Accrued liabilities	2,906,153	2,754,970	-
Due to other governments	13,582,584	438,513	-
Unearned revenue	676,450	3,328,675	1,680
Custodial accounts	-	1,299,351	-
Total Current Liabilities	$ 23,878,547	$ 8,602,712	$ 104,639
Noncurrent Liabilities:			
Due in one year	$ 5,141,427	$ 546,226	$ -
Due in more than one year	77,782,766	16,587,090	-
Total Noncurrent Liabilities	$ 82,924,193	$ 17,133,316	$ -
TOTAL LIABILITIES	$ 106,802,740	$ 25,736,028	$ 104,639
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	$ 6,824,471	$ 2,702,850	$ -
NET POSITION			
Net investment in capital assets	$ 196,229,547	$ 87,535,791	$ 15,196,298
Restricted for:			
Capital reserves	16,386,784	-	-
Reserved for debt service	3,945,638	-	-
Reserved for special district - sewer	6,152,769	-	-
Restricted other purposes	1,690,362	3,339,418	-
Unrestricted	52,297,841	10,289,939	1,086,429
TOTAL NET POSITION	$ 276,702,941	$ 101,165,148	$ 16,282,727

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

COUNTY OF ONTARIO, NEW YORK

Statement of Activities

For the Year Ended December 31, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government		Component Units	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total	Governmental	Proprietary
Primary Government:								
Governmental Activities:								
General government support	$ 79,707,816	$ 6,731,833	$ 3,553,113	$ -	$ (69,422,870)	$ (69,422,870)	$ -	$ -
Education	10,775,861	978,340	2,813,500	1,214,853	(5,769,168)	(5,769,168)	-	-
Public safety	41,902,016	3,188,902	2,543,123	25,170	(36,144,821)	(36,144,821)	-	-
Health	15,694,129	1,802,732	6,877,934	-	(7,013,463)	(7,013,463)	-	-
Transportation	13,656,634	161,140	150,258	2,202,418	(11,142,818)	(11,142,818)	-	-
Economic assistance and opportunity	52,583,991	1,759,566	22,920,881	-	(27,903,544)	(27,903,544)	-	-
Culture and recreation	475,981	95,942	236,694	-	(143,345)	(143,345)	-	-
Home and community services	7,551,589	5,672,038	90,768	-	(1,788,783)	(1,788,783)	-	-
Interest on long-term debt	2,541,327	-	-	-	(2,541,327)	(2,541,327)	-	-
Total Governmental Activities	$ 224,889,344	$ 20,390,493	$ 39,186,271	$ 3,442,441	$ (161,870,139)	$ (161,870,139)	$ -	$ -
Business-Type Activity:								
Health Facility	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Primary Government	$ 224,889,344	$ 20,390,493	$ 39,186,271	$ 3,442,441	$ (161,870,139)	$ (161,870,139)	$ -	$ -
Component Units:								
Governmental	$ 63,930,112	$ 40,907,077	$ 3,283,311	$ 4,136,251	$ -	$ -	$ (15,603,473)	$ -
Proprietary	981,537	518,126	-	584,485	-	-	-	121,074
Total Component Units	$ 64,911,649	$ 41,425,203	$ 3,283,311	$ 4,720,736	$ -	$ -	$ (15,603,473)	$ 121,074
General Revenues:								
Taxes:								
Property taxes					$ 61,909,473	$ 61,909,473	$ -	$ -
Non-property taxes					89,911,124	89,911,124	-	-
Mortgage tax					-	-	-	-
Interfund revenue					2,330,201	2,330,201	-	-
Compensation for loss					4,041,476	4,041,476	-	-
Investment earnings					4,424,779	4,424,779	121,126	11,878
Miscellaneous					1,260,726	1,260,726	14,918,801	-
Total General Revenues					$ 163,877,779	$ 163,877,779	$ 15,039,927	$ 11,878
Change in Net Position					$ 2,007,640	$ 2,007,640	$ (563,546)	$ 132,952
Net Position - Beginning					274,695,301	274,695,301	101,728,694	16,149,775
Net Position - Ending					$ 276,702,941	$ 276,702,941	$ 101,165,148	$ 16,282,727

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

COUNTY OF ONTARIO, NEW YORK

Balance Sheet

Governmental Funds

December 31, 2019

	Major			
Assets	**General Fund**	**Capital Project Fund**	**Nonmajor Governmental Funds**	**Total Governmental Funds**
Cash and cash equivalents	$ 80,490,164	$ 15,938,294	$ 15,907,101	$ 112,335,559
Investments	-	-	1,460,416	1,460,416
Receivables, net	7,216,243	2,101	1,053,947	8,272,291
Due from other funds	1,080,168	-	1,744,567	2,824,735
Due from other governments, net	609,129	257,250	14,653	881,032
State and federal aid receivable	20,476,598	2,738,718	16,754	23,232,070
Prepaid items	1,955,238	-	91,917	2,047,155
Total Assets	$ 111,827,540	$ 18,936,363	$ 20,289,355	$ 151,053,258
Liabilities, Deferred Inflows, and Fund Balance				
Liabilities:				
Accounts payable and other current liabilities	$ 5,360,656	$ 148,828	$ 441,842	$ 5,951,326
Accrued liabilities	2,568,348	-	70,109	2,638,457
Due to other funds	362,625	2,297,143	339,917	2,999,685
Due to other governments	13,580,824	-	1,760	13,582,584
Overpayments and collections in advance	748,912	-	3,122	752,034
Unearned revenue	546,526	-	14,795	561,321
Total Liabilities	$ 23,167,891	$ 2,445,971	$ 871,545	$ 26,485,407
Deferred Inflows of resources:				
Deferred inflows of resources	$ 2,340,542	$ -	$ -	$ 2,340,542
Fund Balances:				
Nonspendable	$ 1,955,238	$ -	$ 91,917	$ 2,047,155
Restricted	12,583,702	-	15,409,893	27,993,595
Assigned	22,926,505	16,490,392	3,916,000	43,332,897
Unassigned	48,853,662	-	-	48,853,662
Total Fund Balances	$ 86,319,107	$ 16,490,392	$ 19,417,810	$ 122,227,309
Total Liabilities, Deferred Inflows, and Fund Balances	$ 111,827,540	$ 18,936,363	$ 20,289,355	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	218,254,547
Receivables related to tobacco settlement revenues are not available financial resources and therefore, are not reported in the governmental funds.	181,958
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(22,025,000)
Serial bonds TASC	(28,722,596)
Interest is accrued on outstanding bonds in the statements of net assets but not in the funds.	(265,232)
Premiums received on debt issuance, are recorded as revenue in the governmental funds but included in long-term debt in the County-wide financial statements, to be recognized over the life of the bonds.	(785,251)
Judgements and claims are notreported in the funds under fund accounting but are expended as the liability is incurred in the statement of net position.	(3,889,924)
The advance payment of services made to Finger Lakes Telecommunications Development Corporation has been expended in the funds but is reflected as a prepayment on the statement of net position.	530,000
Net position of internal service fund is not reported in governmental funds but included in government-wide net position	1,796,994
Deferred loss on refunding bonds payable is not reported in the governmental funds but are reported in the County-wide net position.	605,430
Deferred gain on refunding bonds payable is not reported in the governmental funds but are reported in the County-wide net position.	(1,230,000)
Deferred inflows reported in governmental funds is reported as revenue in the County-wide statement of activities:	
Property taxes	2,340,542
Deferred outflows - pension	13,030,874
Deferred inflows - pension	(5,594,471)
Net pension liability	(14,797,887)
Compensated absences are not reported in the funds under fund accounting but are expended as the liability is incurred in the statement of net position.	(4,954,352)
Net Position of Governmental Activities	$ 276,702,941

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

COUNTY OF ONTARIO, NEW YORK

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2019

	Major			
	General Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Real property and tax items	$ 51,290,452	$ -	$ 10,533,351	$ 61,823,803
Non-property taxes	89,911,124	-	-	89,911,124
Departmental income	11,481,940	-	3,493,326	14,975,266
Intergovernmental charges	1,444,045	-	1,233,207	2,677,252
Use of money and property	4,043,508	116,791	237,760	4,398,059
Licenses and permits	1,207	-	79,223	80,430
Fines and forfeitures	525,319	-	-	525,319
Sale of property and compensation for loss	128,457	-	1,155,322	1,283,779
Miscellaneous	982,329	302,097	7,864	1,292,290
Interfund revenues	2,232,368	-	97,833	2,330,201
State and county aid	24,520,341	767,842	150,259	25,438,442
Federal aid	13,394,573	2,372,502	946,148	16,713,223
Premium on obligations issued	-	-	1,625,941	1,625,941
Total Revenues	$ 199,955,663	$ 3,559,232	$ 19,560,234	$ 223,075,129
Expenditures:				
Current:				
General government support	$ 76,319,793	$ 5,554,813	$ 226,145	$ 82,100,751
Education	4,671,496	1,761,844	-	6,433,340
Public safety	39,089,113	173,309	643,961	39,906,383
Health	15,449,149	-	-	15,449,149
Transportation	183,356	3,645,439	8,584,113	12,412,908
Economic assistance and opportunity	51,844,829	-	250,013	52,094,842
Culture and recreation	444,378	-	-	444,378
Home and community services	2,494,653	-	4,101,124	6,595,777
Debt Service:				
Debt service - principal	-	-	2,430,000	2,430,000
Debt service - interest and other charges	-	-	1,294,731	1,294,731
Total Expenditures	$ 190,496,767	$ 11,135,405	$ 17,530,087	$ 219,162,259
Excess (deficiency) of revenue over expenditures	$ 9,458,896	$ (7,576,173)	$ 2,030,147	$ 3,912,870
Other Financing Sources and Uses:				
Operating transfers - in	$ 1,713,008	$ 11,115,585	$ 2,287,152	$ 15,115,745
Operating transfers - out	(11,104,694)	(970,454)	(3,084,710)	(15,159,858)
Proceeds from advance refunding	-	-	7,851,668	7,851,668
Serial bonds	-	4,600,000	-	4,600,000
Transfer to escrow agent	-	-	(9,105,341)	(9,105,341)
Total Other Financing Sources and Uses	$ (9,391,686)	$ 14,745,131	$ (2,051,231)	$ 3,302,214
Net change in fund balances	$ 67,210	$ 7,168,958	$ (21,084)	$ 7,215,084
Fund Balance - Beginning	86,251,897	9,321,434	19,438,894	115,012,225
Fund Balance - Ending	$ 86,319,107	$ 16,490,392	$ 19,417,810	$ 122,227,309

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

COUNTY OF ONTARIO, NEW YORK

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2019

Net Change in Fund Balances - Total Governmental Funds		$ 7,215,084
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital Outlay	$ 9,053,211	
Addition of Assets	700,168	
Depreciation	(13,255,822)	
		(3,502,443)
Change in the receivables related to tobacco settlement revenues are not available financial resources and therefore, are not reported in the governmental funds.		(995,099)
Bond and installment purchase debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net assets. The following details these items as they effect governmental activities:		
Debt Repayment	$ 1,359,394	
Proceeds from Bond Issuance	(4,600,000)	
		(3,240,606)
Change in net position from internal service fund not reported in governmental funds but included in government-wide statement of activities		3,586,281
In the statement of activities, vacation pay and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the government activities:		
Compensated Absences	$ (60,300)	
Judgements and Claims	872,746	
		812,446
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(120,951)
Finger Lakes Telecommunication Development Corporation - Advance Payment		(40,000)
Deferred loss on refunding of bonds that is reported as expenditures in the governmental funds are deferred on the County-wide statements.		(55,039)
Decreases in proportionate share of net pension liability, net of related deferred inflows and deferred outflows of resources, reported in the statement of activities does not provide for or required the use of current financial resources and there are not reported as revenue		(1,737,703)
Unearned revenue reported in governmental funds is recorded as revenue in entity wide statement of activities:		
Property Taxes		85,670
Change in Net Position of Governmental Activities		$ 2,007,640

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

COUNTY OF ONTARIO, NEW YORK

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2019

		Custodial Funds
ASSETS		
Cash and cash equivalents	$	905,829
Accounts receivable		1,349,206
TOTAL ASSETS	$	2,255,035
LIABILITIES		
Accounts payable	$	1,000
Sales Tax Payable		1,601
TOTAL LIABILITIES	$	2,601
NET POSITION		
Restricted for Individuals, orgainizations, and other governments	$	2,252,434
TOTAL NET POSITION		2,252,434

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

COUNTY OF ONTARIO, NEW YORK

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

December 31, 2019

		Custodial Funds
Additions		
Mortgage Tax	$	1,749,383
Social Services Trust		360,516
Due to School Districts		11,063,912
Miscellaneous		187,464
Total Additions	$	13,361,275
Deductions		
Mortgage Tax	$	1,491,789
Social Services Trust		340,399
Due to School Districts		10,410,485
Miscellaneous		140,810
Total Deductions	$	12,383,483
Change in net position	$	977,792
Net Position - Beginning (Restated)		1,274,642
Net Position - Ending	$	2,252,434

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

COUNTY OF ONTARIO, NEW YORK
Statement of Net Position
Proprietary Funds
December 31, 2019

		Internal Service Fund
ASSETS		
Current Assets:		
Cash and cash equivalents	$	6,121,893
Receivable, net		3,371,978
Due from governmental funds		174,950
Inventory and prepayments		4,949
TOTAL ASSETS	$	9,673,770
LIABILITIES		
Current Liabilities:		
Accounts payable	$	10,000
Accrued liabilities		2,464
Unearned revenue		115,129
Total Current Liabilities	$	127,593
Noncurrent liabilities:		
Due in more than one year	$	7,339,183
TOTAL LIABILITIES	$	7,466,776
NET POSITION		
Unrestricted	$	2,206,994
TOTAL NET ASSETS	$	2,206,994

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

COUNTY OF ONTARIO, NEW YORK

Statement of Activities

Proprietary Funds

For the Year Ended December 31, 2019

		Internal Service Fund
OPERATING REVENUE:		
Charges for services	$	2,132,226
State grants and contracts		174,950
Other operating revenue		3,767,796
TOTAL OPERATING REVENUE	$	6,074,972
OPERATING EXPENSE:		
Employee Benefits	$	1,547,026
Administrative expenses		602,498
TOTAL OPERATING EXPENSE	$	2,149,524
OPERATING INCOME OR (LOSS)	$	3,925,448
NONOPERATING REVENUE (EXPENSE):		
Investment income, net	$	26,720
TOTAL NONOPERATING REVENUE (EXPENSE)	$	26,720
INCOME (LOSS) BEFORE OPERATING TRANSFERS	$	3,952,168
Transfers from County		45,000
Transfer to County		(887)
NET INCOME (LOSS)	$	3,996,281
CHANGE IN NET POSITION	$	3,996,281
TOTAL NET POSITION, BEGINNING		(1,789,287)
TOTAL NET POSITION, ENDING	$	2,206,994

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

COUNTY OF ONTARIO, NEW YORK

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2019

		Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from providing services	$	2,404,415
Cash payments for personal services and benefits		(2,144,296)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$**	**260,119**
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfer from County	$	45,000
Transfer to County		(887)
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	**$**	**44,113**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	$	26,720
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**$**	**26,720**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**$**	**330,952**
CASH AND CASH EQUIVALENTS - BEGINNING		5,790,941
CASH AND CASH EQUIVALENTS - ENDING	**$**	**6,121,893**
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH FLOW FROM OPERATING ACTIVITIES:		
OPERATING INCOME OR (LOSS)	$	3,925,448
ADJUSTMENT TO RECONCILE INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES -		
Change in assets and liabilities -		
Accounts receivable	$	(3,371,978)
Due from other funds		(174,950)
Due from other governments		13,378
Prepaids		72
Accounts payable and accrued liabilities		5,156
Unearned revenue		3,087
Other long-term liabilities		(140,094)
TOTAL ADJUSTMENTS	$	(3,665,329)
NET CASH FLOW FROM OPERATING ACTIVITIES	**$**	**260,119**

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

COUNTY OF ONTARIO, NEW YORK

Statement of Net Position

Component Units

December 31, 2019

	Governmental			Proprietary
ASSETS	**Finger Lakes Community College**	**Ontario County Four Seasons Local Development Corporation**	**Total Governmental**	**Ontario County Industrial Development Agency**
Current Assets:				
Cash and cash equivalents	$ 10,039,504	$ 1,243,337	$ 11,282,841	$ 1,042,093
Investments	9,347,098	-	9,347,098	-
Receivable, net	1,946,844	230	1,947,074	3,000
State and federal aid receivable	1,870,089	-	1,870,089	62,875
Inventory and prepayments	817,001	9,892	826,893	1,752
Total Current Assets	$ 24,020,536	$ 1,253,459	$ 25,273,995	$ 1,109,720
Noncurrent Assets:				
Net pension asset	$ 750,146	$ -	$ 750,146	$ -
Due from related party	-	-	-	23,559
Investment in joint venture	-	-	-	57,789
Total Noncurrent Assets	$ 750,146	$ -	$ 750,146	$ 81,348
Capital assets:				
Land	$ 1,488,544	$ 28,420	$ 1,516,964	$ 2,400,534
Buildings and improvements	139,656,698	370,865	140,027,563	-
Runway and lighting	-	-	-	21,200,685
Equipment	13,585,319	200,071	13,785,390	744,935
Work in process	90,319	-	90,319	-
Accumulated depreciation	(55,442,842)	(247,215)	(55,690,057)	(9,149,856)
Total Capital Assets	$ 99,378,038	$ 352,141	$ 99,730,179	$ 15,196,298
TOTAL ASSETS	$ 124,148,720	$ 1,605,600	$ 125,754,320	$ 16,387,366
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources	$ 3,849,706	$ -	$ 3,849,706	$ -
LIABILITIES				
Current Liabilities:				
Accounts payable	$ 771,891	$ 9,312	$ 781,203	$ 102,959
Accrued liabilities	2,733,302	21,668	2,754,970	-
Due to other governments	438,513	-	438,513	-
Unearned revenue	3,066,956	261,719	3,328,675	1,680
Custodial accounts	1,299,351	-	1,299,351	-
Total Current Liabilities	$ 8,310,013	$ 292,699	$ 8,602,712	$ 104,639
Noncurrent liabilities:				
Due in one year	$ 546,226	$ -	$ 546,226	$ -
Due in more than one year	16,587,090	-	16,587,090	-
Total Noncurrent Liabilities	$ 17,133,316	$ -	$ 17,133,316	$ -
TOTAL LIABILITIES	$ 25,443,329	$ 292,699	$ 25,736,028	$ 104,639
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources	$ 2,702,850	$ -	$ 2,702,850	$ -
NET POSITION				
Net investment in capital assets	$ 87,183,650	$ 352,141	$ 87,535,791	$ 15,196,298
Restricted for:				
Restricted other purposes	2,652,677	686,741	3,339,418	-
Unrestricted	10,015,920	274,019	10,289,939	1,086,429
TOTAL NET POSITION	$ 99,852,247	$ 1,312,901	$ 101,165,148	$ 16,282,727

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

COUNTY OF ONTARIO, NEW YORK

Statement of Activities

Component Units

For the Year Ended December 31, 2019

	Governmental			Proprietary
	Finger Lakes Community College	Ontario County Four Seasons Local Development Corporation	Total Governmental	Ontario County Industrial Development Agency
OPERATING REVENUE:				
Tuition and fees	$ 19,487,191	$ -	$ 19,487,191	$ -
Less: Scholarship allowances	(8,153,634)	-	(8,153,634)	-
Federal grants and contracts	1,285,461	-	1,285,461	-
State grants and contracts	600,687	-	600,687	-
County grants and contracts	-	1,037,660	1,037,660	-
Local grants and contracts	123,231	-	123,231	-
Nongovernmental grants and contracts	157,227	-	157,227	-
Auxiliary enterprises	6,344,804	-	6,344,804	-
NYS matching fund	-	79,045	79,045	-
Program service fees	-	36,466	36,466	518,126
Other	1,847,088	1,405	1,848,493	-
TOTAL OPERATING REVENUE	$ 21,692,055	$ 1,154,576	$ 22,846,631	$ 518,126
OPERATING EXPENSE:				
Instruction	$ 24,128,527	$ -	$ 24,128,527	$ -
Program services	-	935,571	935,571	-
Public service	97,497	-	97,497	-
Academic support	3,204,104	-	3,204,104	-
Student services	4,009,410	-	4,009,410	-
Institutional support	12,050,358	-	12,050,358	-
Operation and maintenance of plant	4,501,691	-	4,501,691	-
Student aid payments	2,393,642	-	2,393,642	-
Administrative, collection, and other costs	475,000	113,225	588,225	417,912
Auxiliary enterprises	5,046,493	-	5,046,493	-
Depreciation	5,493,079	-	5,493,079	563,625
TOTAL OPERATING EXPENSE	$ 61,399,801	$ 1,048,796	$ 62,448,597	$ 981,537
OPERATING INCOME OR (LOSS)	$ (39,707,746)	$ 105,780	$ (39,601,966)	$ (463,411)
NONOPERATING REVENUE (EXPENSE):				
Federal and state financial aid	$ 10,547,276	$ -	$ 10,547,276	$ -
State appropriations	12,644,974	-	12,644,974	3,986
Local appropriations	12,314,092	-	12,314,092	-
State and County capital appropriations	4,136,251	-	4,136,251	-
Interest on indebtedness	(571,961)	-	(571,961)	-
Loss on disposal of capital assets	(96,862)	-	(96,862)	-
Change in fair value of interest rate swap	(466,560)	-	(466,560)	-
College support	(812,692)	-	(812,692)	-
Administrative Fees	18,000	-	18,000	-
Gifts and donations	1,191,483	13,293	1,204,776	-
Investment income, net	120,257	869	121,126	2,920
Unrealized net gain (loss) on investment in joint venture	-	-	-	4,972
TOTAL NONOPERATING REVENUE (EXPENSE)	$ 39,024,258	$ 14,162	$ 39,038,420	$ 11,878
NET INCOME (LOSS)	$ (683,488)	$ 119,942	$ (563,546)	$ (451,533)
CONTRIBUTED CAPITAL:				
Contributed capital - federal, state & local	$ -	$ -	$ -	$ 584,485
TOTAL CONTRIBUTED CAPITAL	$ -	$ -	$ -	$ 584,485
CHANGE IN NET POSITION	$ (683,488)	$ 119,942	$ (563,546)	$ 132,952
TOTAL NET POSITION, BEGINNING	100,535,735	1,192,959	101,728,694	16,149,775
TOTAL NET POSITION, ENDING	$ 99,852,247	$ 1,312,901	$ 101,165,148	$ 16,282,727

COUNTY OF ONTARIO, NEW YORK

Statement of Cash Flows

Component Units

For the Year Ended December 31, 2019

		Proprietary
		Ontario County Industrial Development Agency
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from providing services	$	520,270
Cash payments for contractual expenses		(439,537)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$**	**80,733**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	$	(569,322)
Proceeds from sale of capital assets		5,350
Contributions for capital assets		893,922
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	**$**	**329,950**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	$	2,920
Unrealized net gain (loss) on investment in joint venture		12,668
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**$**	**15,588**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**$**	**426,271**
CASH AND CASH EQUIVALENTS - BEGINNING		615,822
CASH AND CASH EQUIVALENTS - ENDING	**$**	**1,042,093**
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH FLOW FROM OPERATING ACTIVITIES:		
CHANGE IN NET POSITION	$	(463,411)
ADJUSTMENT TO RECONCILE INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES -		
Depreciation	$	563,625
Allowance for bad debt		9,496
Change in assets and liabilities -		
Accounts receivable		3,824
Accounts payable		(31,370)
Prepaid expense		249
Unearned revenue		(1,680)
TOTAL ADJUSTMENTS	$	544,144
NET CASH FLOW FROM OPERATING ACTIVITIES	**$**	**80,733**

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

I. Summary of Significant Accounting Policies:

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

A. Financial Reporting Entity

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

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

All governmental activities performed by the County are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

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

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

1. Component Units – Discretely Presented

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

a. Governmental Component Units

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

An audit of the financial statements of the Finger Lakes Community College for the fiscal year ended August 31, 2019 has been performed by another auditor. Their opinion was unqualified, that is, the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America. The report was dated February 14, 2020 and is on file with the Ontario County Department of Finance. The college budget is subject to the approval of the County Board of Supervisors. In addition, real property of the college vests with the County and bonds and notes for college capital costs are issued by the County and are County debt. The Dormitory Authority of the State of New York (DASNY), debt service requirements referenced in the financial statements of the Community College are paid by New York State and are not an obligation of the Community College or the County and as such are not reflected in the basic financial statements. The Finger Lakes Community College is a component unit of the County and is discretely presented.

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

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

The Ontario County Board of Supervisors annually provides a contractual payment to the Corporation based on the collection of a 3% County Occupancy Tax less a 5% administration fee. The 2019 payment totaled $1,037,660. The Corporation also provides copies of its audits and insurance coverage to the Ontario County Attorney. The Ontario County Four Seasons Local Development Corporation is a component unit of the County and is discretely presented.

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

b. Proprietary Component Unit

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

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

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

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

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

2. Component Unit – Blended

The **Ontario County Tobacco Asset Securitization Corporation (TASC)** is a special purpose, bankruptcy-remote local development corporation organized under the Not-For-Profit Corporation Law of the State of New York. The Corporation was established on July 2, 2001. The TASC is considered a component unit (blended presentation) of the County based on guidance provided by GASB and is included as part of the County's financial reporting entity as of December 31, 2019.

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

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

3. Excluded From Reporting Entity

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

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

The County of Ontario, New York has made an advance payment totaling $1,000,000 in 2007, for use of the network for a period of twenty-five years. This payment has been expensed in the County's General Fund and is reflected as a deferred expenditure in the amount of $530,000 in the County-Wide financial statements and will be amortized over a period of twenty-five years. The County has also provided an interest free loan in the amount of $1,500,000 which shall be repaid upon retirement of the Corporation's debt or the termination of the current agreement, whichever event occurs earlier. This amount has been expensed in the County's General Fund. No long-term receivable in the County-Wide financial statements has been reflected due to the uncertainty of the repayment terms.

An audit of the Finger Lakes Regional Telecommunications Development Corporation for the year ended December 31, 2019 has been performed by another auditor. The auditor's report, dated March 26, 2020, was unqualified and the relevant financial information is as follows:

	2019	2018
Total Assets	$ 4,708,557	$ 4,772,459
Total Liabilities	5,852,918	5,779,309
Net Assets (deficit)	$ (1,144,361)	$ (1,006,850)
Total Revenues	$ 338,134	$ 1,290,499
Total Expenses	$ 475,645	$ 665,786

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

B. Joint Ventures

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

1. The Boards of each municipality jointly act as the governing body for the joint venture.

2. The following is an unaudited summary of financial information included in the Annual Financial Report Update Document, for the year ended December 31, 2019:

Total Assets	$ 450,695
Total Liabilities	$ -
Joint Venture Equity	$ 450,695
Total Revenues-2019	$ 39,690
Total Expenses-2019	$ 3,512

3. Financial statements of the Flint Creek Small Watershed Protection District for the year ended December 31, 2019, are available by contacting the Yates County Treasurer.

(I) (Continued)

C. Related Entities

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

The SWCD was established in accordance with the Soil & Water Conservation Districts Laws, to provide for the conservation of the County's soil and water resources. Members of the SWCD's Board of Directors are appointed by the Board of Supervisors, and administrative costs of the SWCD are funded primarily through the County appropriations. The SWCD does derive other revenues and performs other activities outside the County's general oversight responsibilities. The directors of the SWCD have sole responsibility for management of the SWCD and full accountability for fiscal matters. The figures included within the financial statements have been provided by the agency, and have not been audited for the year ended December 31, 2019. Pertinent financial data related to the SWCD is as follows:

Total Assets	$	1,703,621
Total Liabilities	$	1,818
Total Equity	$	1,701,803
Total Revenues-2019	$	1,366,846
Total Expenditures-2019	$	1,000,930

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

2. Ontario County Economic Development Corporation

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

An audit of the Corporation's financial statements for the year ended December 31, 2019 has been performed by Raymond F. Wager, CPA, P.C., a division of Mengel Metzger Barr & Co, LLP. The auditors report was unqualified, that is, the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America. Pertinent financial data for the year ended December 31, 2019 is as follows:

Total Assets	$	4,917,199
Total Liabilities	$	1,121,883
Total Equity	$	3,795,316
Total Revenues-2019	$	230,597
Total Expenditures-2019	$	245,512

3. Ontario County Local Development Corporation

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

An audit of the Corporation's financial statements for the year ended December 31, 2019 has been performed by Raymond F. Wager, CPA, P.C., a division of Mengel Metzger Barr & Co, LLP. The auditors report was unqualified, that is, the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America. Pertinent financial data for the year ended December 31, 2019 is as follows:

Total Assets	$	246,544
Total Liabilities	$	-
Total Equity	$	246,544
Total Revenues-2019	$	1,542
Total Expenditures-2019	$	11,683

D. Basis of Presentation

1. Countywide Statements

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

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

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

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

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

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

The County's fiduciary funds are presented in the fiduciary fund financial statements by type (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. <u>Fund Financial Statements</u>

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

a. <u>Governmental Funds</u>

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:

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

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

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

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

Major funds include – the General Fund and the Capital Projects Fund.

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

b. <u>Proprietary Funds</u>

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.

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

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

c. <u>Fiduciary Funds</u>

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

<u>Agency Funds</u> - is custodial in nature and does not present results of operations or have measurement focus. The Agency Fund is accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity. There are currently no expendable, nonexpendable or pension trust funds reported on by the County.

E. <u>Measurement Focus and Basis of Accounting</u>

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

1. <u>Measurement Focus</u>

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

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

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

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

2. <u>Basis of Accounting/Measurement Focus</u>

a. <u>Accrual</u>

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

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

b. <u>Modified Accrual</u>

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

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

(I.) (Continued)

F. Assets, Liabilities, and Equity

1. Cash and Investments

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

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

Investments are stated at cost, which approximates market value.

2. Receivables and Payables

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

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

All amounts due from other governments are deemed fully collectible.

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

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

3. Prepaid Items

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

4. Capital Assets – Property, Plant and Equipment

a. General

Capital assets purchased or acquired with an original cost of $40,000 or more are reported at historical cost or estimated historical cost. Donated assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following useful lives:

Class	Life in Years
Buildings	15-50 Years
Machinery and Equipment	5-25 Years
Infrastructure	15-30 Years

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

b. Component Units – Discretely Presented

1. Finger Lakes Community College

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

2. Ontario County Four Seasons Local Development Corporation

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

3. Ontario County Industrial Development Agency

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

5. Unearned Revenue

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

6. 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 systems not included in pension expense. Lastly is the County contributions to the pension systems 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.

7. Accrued Liabilities and Long-Term Obligations

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

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

a. <u>Compensatory Absences</u>

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

b. <u>Other Benefits</u>

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

8. <u>Encumbrances</u>

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

9. <u>Equity Classifications</u>

a. <u>Government-Wide Statements</u>

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

1. <u>Net investment in capital assets</u> – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

b. Community College – Component Unit

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

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

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

b. Fund Balances – Governmental Funds

As of December 31, 2019, fund balances of the governmental funds are classified as follows:

1. **Nonspendable fund balance** – Amounts that are not in a spendable form (i.e. inventory or prepaids) or are legally or contractually required to be maintained intact.

2. **Restricted fund balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

3. **Assigned fund balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.

4. **Unassigned fund balance** – Amounts that are available for County purposes pursuant to any Law restrictions. Any positive amounts are reported only in the general fund.

G. Revenues, Expenditures, and Expenses

1. Revenues

The annual *real property tax* levy for County purposes, except for sewer related indebtedness, is constitutionally limited to 1.5% of the five-year average full valuation of taxable real estate in the County. The tax levy for County purposes in 2019 was approximately 43% of this tax limit.

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

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

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

2. Expenditures and Expenses

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

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

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

Proprietary Fund – By Operating and Non-Operating

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

H. Internal and Interfund Balances and Activities

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

1. Fund Financial Statements

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

a. **Interfund loan –** amounts provided with a requirement for repayment are reported as interfund receivables and payables.

b. **Interfund services –** sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.

c. **Interfund reimbursements –** repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.

d. **Interfund transfers** – flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

2. Government-Wide Financial Statements

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

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

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

I. Use of Estimates

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

(I) (Continued)

J. New Accounting Standards

The County has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2019, the County implemented the following new standards issued by GASB:

GASB has issued Statement 83, *Certain Asset Retirement Obligations*.

GASB has issued Statement 84, *Fiduciary Activities*.

GASB has issued Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*.

GASB has issued Statement 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*.

K. Future Changes in Accounting Standards

GASB has issued Statement 87, *Leases*, which will be effective for the 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 91, *Conduit Debt Obligations*, which will be effective for reporting periods beginning after December 31, 2020.

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

II. Restatement of Net Position

For the year ended December 31, 2019, the County implemented GASB Statement No. 84, *Fiduciary Activities*. The County's net position has been restated as follows:

	Custodial Funds
Net position beginning of year, as previously stated	$ -
Adjustments for activities previously recorded in Agency Fund:	
Assets restricted for individuals, organizaitons, or other governmetns	1,274,642
Net position beginning of year, as restated	$ 1,274,642

III. Changes in Accounting Principles

For the year ended December 31, 2019, the County implemented GASB Statement No. 84, Fiduciary Activity. The implementation of the statement changes the reporting for certain activity previously reported in the Fiduciary Fund. The County is now required to report some or all of that activity in the Governmental funds. See Note II for the financial statement impact of implementation of the Statement.

IV. Stewardship, Compliance and Accountability:

A. Budgetary Information

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

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

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

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

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

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

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

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

B. Budget/GAAP Reconciliation

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

		General Fund
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	$	(2,542,023)
Encumbrances at December 31, 2019		2,609,233
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	**$**	**67,210**

C. Deposit and Investment Laws and Regulations

1. Ontario County, New York – Primary Government

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

Collateral valued at market, is required for demand deposits and certificates of deposit at 102 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

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

2. Component Units – Discretely Presented

a. Finger Lakes Community College

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

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

V. Detail Notes on All Funds and Account Groups:

A. Cash and Investments

1. Ontario County, New York – Primary Government

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

Uncollateralized	$ -
Collateralized with securities held by the pledging financial institution,	55,691,909
Collateralized within trust department or agent	55,424,688
Total	**$ 111,116,597**

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

	Issued	**Maturity**	**Interest Rate**	**Amount**
MetLife Short Term Funding Discount Commerical Paper	11/27/2019	5/22/2020	5.7800%	$ 1,459,569
Blackrock Liquidity Funds	11/27/2019	5/22/2020	1.4000%	847
Total				**$ 1,460,416**

2. Component Units – Discretely Presented

a. Finger Lakes Community College

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

Uncollateralized	$ -
Collateralized within trust department or agent	3,450,875
Total	**$ 3,450,875**

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

	Foundation	**Housing Association**	**Total**
Trust and savings	$ -	$ 2,374,841	$ 2,374,841
Money market	226,231	-	226,231
Government securities	10,046	-	10,046
Corporate bonds	161,445	-	161,445
Mutual Funds	2,082,476	-	2,082,476
Total Investments	**$ 2,480,198**	**$ 2,374,841**	**$ 4,855,039**

b. Ontario County Four Seasons Local Development Corporation

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

c. Ontario County Industrial Development Agency

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

Uncollateralized	$	152,597
Collateralized with securities held by the pledging financial institution,		151,296
Total	**$**	**303,893**

B. Receivables

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

Receivables	General	Capital Projects	Nonmajor Funds	Total
Accounts	$ 1,342,838	$ 2,101	$ 1,053,947	$ 2,398,886
Taxes	6,000,856	-	-	6,000,856
State & Federal	20,476,598	2,738,718	16,754	23,232,070
Due from other governments, net	609,129	257,250	14,653	881,032
Gross Receivables	**$ 28,429,421**	**$ 2,998,069**	**$ 1,085,354**	**$ 32,512,844**
Less: Allowance for uncollectibles	(127,451)	-	-	(127,451)
Net Total Receivables	**$ 28,301,970**	**$ 2,998,069**	**$ 1,085,354**	**$ 32,385,393**

At December 31, 2019, uncollected real property taxes of $5,948,162 which includes land held for resale of $386,620 and are offset by an allowance for uncollectible taxes of $52,694. Current year returned village and school taxes of $3,606,819 are offset by liabilities to the villages and school districts which will be paid no later than April 1, 2019. The remaining portion of tax assets is collected within the first sixty dates of the subsequent year or offset by deferred tax revenue of $2,341,343 (and represents an estimate of the tax liens which will not be collected within the first sixty days of the subsequent year).

Accounts receivable for Finger Lakes Community College are uncollateralized customer obligations due under normal trade terms generally requiring payment within 30 days from the invoice date. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management individually reviews all accounts receivable balances that exceed the due date by several days and, based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. The College's allowance for doubtful accounts at August 31, 2019 was $943,047. In addition, the College expensed $475,000 in bad debts for the year ended August 31, 2019. The Association, and Association Housing's management believe all accounts to be collectible.

C. Interfund Receivables, Payables, Revenues and Expenditures

Interfund receivables, payables, revenues and expenditures at December 31, 2019 were as follows:

Governmental Activitiy -	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General Fund	$ 1,080,168	$ 362,625	$ 1,713,008	$ 11,104,694
Capital Projects Fund	-	2,297,143	11,115,585	970,454
Non-Major Funds	1,744,567	339,917	2,287,152	3,085,597
Total government activities	$ 2,824,735	$ 2,999,685	$ 15,115,745	$ 15,160,745
Internal Service fund	$ 174,950	$ -	$ 45,000	$ -
Total	**$ 2,999,685**	**$ 2,999,685**	**$ 15,160,745**	**$ 15,160,745**

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

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

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

D. Change in Capital Assets

1. Governmental Activity

A summary of changes in capital assets follows:

Type	Balance 01/01/19	Additions	Deletions	Balance 12/31/19
Capital assets not being depreciated:				
Land	$ 4,308,647	$ -	$ -	$ 4,308,647
Work in progress	8,908,460	10,860,723	(11,172,820)	8,596,363
Total capital assets not being depreciated	$ 13,217,107	$ 10,860,723	$ (11,172,820)	$ 12,905,010
Other capital assets:				
Infrastructure	$ 170,666,162	$ 3,041,169	$ -	$ 173,707,331
Buildings and improvements	192,884,046	-	-	192,884,046
Machinery and equipment	27,039,159	700,168	(143,837)	27,595,490
Land improvements	4,232,510	6,324,139	-	10,556,649
Total other capital assets	$ 394,821,877	$ 10,065,476	$ (143,837)	$ 404,743,516
Less accumulated depreciation for:				
Infrastructure	$ 74,470,387	$ 4,724,800	$ -	$ 79,195,187
Buildings and improvements	89,497,277	7,217,809	-	96,715,086
Machinery and equipment	21,525,512	1,007,935	(143,837)	22,389,610
Land improvements	788,818	305,278	-	1,094,096
Total accumulated depreciation	$ 186,281,994	$ 13,255,822	$ (143,837)	$ 199,393,979
Other capital assets, net	$ 208,539,883	$ (3,190,346)	$ -	$ 205,349,537
Total	**$ 221,756,990**	**$ 7,670,377**	**$ (11,172,820)**	**$ 218,254,547**

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

Gevernmental Activities		
General government support	$	955,486
Education		5,310,988
Public safety		1,279,877
Health		155,661
Transportation		4,692,699
Economic assistance and opportunity		136,580
Culture and recreation		26,601
Home and community services		697,930
Total Depreciation Expense	**$**	**13,255,822**

2. Community College – Governmental Component Unit

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

	Balance 2018	Additions	Deletions	Balance 2019
Title vested in the County:				
Land and land improvements	$ 903,382	$ -	$ -	$ 903,382
Work in process	1,728,482	16,227	(1,654,390)	90,319
Total title vested in the County	$ 2,631,864	$ 16,227	$ (1,654,390)	$ 993,701
Title vested in the College:				
Building and improvements	$ 116,631,450	$ 3,656,602	$ 1,654,390	$ 121,942,442
Equipment and library books	11,180,305	1,007,104	(496,311)	11,691,098
Total Assets	**$ 130,443,619**	**$ 4,679,933**	**$ (496,311)**	**$ 134,627,241**
Less Accumulated Depreciation:				
Title vested in the County:				
Building and improvements	$ 36,877,921	$ 3,471,310	$ -	$ 40,349,231
Equipment and library books	6,343,196	1,160,097	(408,933)	7,094,360
Total title vested in the County	$ 43,221,117	$ 4,631,407	$ (408,933)	$ 47,443,591
Total Accumulated Depreciation	**$ 43,221,117**	**$ 4,631,407**	**$ (408,933)**	**$ 47,443,591**
Capital assets, net	**$ 87,222,502**	**$ 48,526**	**$ (87,378)**	**$ 87,183,650**

For the year ended August 31, 2019 depreciation expense amounted to $4,631,407.

The following is a summary of fixed assets for the Foundation, the Association, the Student Corporation, and the Association Housing as of June 30, 2019:

Type	Balance 2018	Additions	Deletions	Balance 2019
Capital assets not being depreciated:				
Land and land improvements	$ 516,362	$ 68,800	$ -	$ 585,162
Total capital assets not being depreciated	$ 516,362	$ 68,800	$ -	$ 585,162
Other capital assets:				
Buildings and improvements	$ 17,764,462	$ 10,327	$ (60,533)	$ 17,714,256
Machinery and equipment	1,834,636	59,585	-	1,894,221
Total other capital assets	$ 19,599,098	$ 69,912	$ (60,533)	$ 19,608,477
Less accumulated depreciation:	$ (7,317,170)	$ (733,130)	$ 51,049	$ (7,999,251)
Other capital assets, net	$ 12,281,928	$ (663,218)	$ (9,484)	$ 11,609,226
Total	**$ 12,798,290**	**$ (594,418)**	**$ (9,484)**	**$ 12,194,388**

3. Ontario County Industrial Development Agency – Proprietary Component Unit

The following is a summary of the capital assets for the Ontario County Industrial Development agency at December 31, 2019:

Type	Balance 01/01/19	Additions	Deletions	Balance 12/31/19
Capital assets not being depreciated:				
Land	$ 2,400,534	$ -	$ -	$ 2,400,534
Total capital assets not being depreciated	$ 2,400,534	$ -	$ -	$ 2,400,534
Other capital assets:				
Airport Runway and Lighting	$ 20,621,746	$ 588,435	$ (9,496)	$ 21,200,685
Equipment	715,393	39,092	(9,550)	744,935
Total other capital assets	$ 21,337,139	$ 627,527	$ (19,046)	$ 21,945,620
Less accumulated depreciation for:				
Airport Runway and Lighting	$ 8,406,230	$ 498,166	$ -	$ 8,904,396
Equipment	188,187	65,459	(8,186)	245,460
Total accumulated depreciation	$ 8,594,417	$ 563,625	$ (8,186)	$ 9,149,856
Other capital assets, net	$ 12,742,722	$ 63,902	$ (10,860)	$ 12,795,764
Total	**$ 15,143,256**	**$ 63,902**	**$ (10,860)**	**$ 15,196,298**

E. Deferred Outflows of Resources

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

	Amount
Pension system	$ 13,030,874
Loss on refunding	605,430
Total Deferred Outflows of Resources	**$ 13,636,304**

(V) (Continued)

F. Long-Term Debt

In February 2000, the Board of Supervisors adopted a Debt Management Policy providing for the types of debt which may be issued, the maximum amount of debt allowed, the purpose for which the County may issue debt and other financial objectives. At December 31, 2019 the total outstanding indebtedness of the County aggregated $82,924,193.

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

2. **Other Long-Term Debt** - In addition to the above long-term debt, the County has the following noncurrent liabilities:

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

3. **Summary of Long-Term Debt – Excluding TASC** - The following is a summary of long-term liabilities outstanding at December 31, 2019 by fund type and account group excluding TASC:

Description	Date of Issue	Maturity	Rate	Outstanding 12/31/19
Governmental Activities -				
New County Jail-Refunded	8/10	11/22	2.00%-4.00%	$ 730,000
New County Jail-Refunded	9/10	5/20	2.50%-4.00%	67,200
Finger Lakes Community College- Improvements	9/10	5/20	2.50%-4.00%	37,800
New County Jail-Refunded	8/12	4/23	2.00%-4.00%	875,000
Finger Lakes Community College- Improvements - Refunded	8/16	8/30	2.00%-5.00%	7,870,000
Geneva Campus Improvements - Refunded	7/19	5/32	4.00%-5.00%	7,845,000
Reconstruction 74 Ontario Street	4/19	4/29	2.00%-3.00%	4,600,000
Total Long-Term Debt Excluding TASC				**$ 22,025,000**

The following is a summary of bonds payable for the year ended December 31, 2019:

	Governmental Activities	
Year	**Principal**	**Interest**
2020	$ 2,130,000	$ 984,489
2021	2,105,000	840,325
2022	2,145,000	756,275
2023	1,940,000	665,575
2024	1,755,000	579,125
2025-29	9,260,000	1,597,500
2030-32	2,690,000	184,475
Total	**$ 22,025,000**	**$ 5,607,764**

On July 10, 2019, the County issued $7,845,000 in general obligation bonds with an average interest rate of 4.46% to advance refund $9,075,000 of outstanding serial bonds with an average interest rate of 3.00%. The net proceeds of $9,207,076 (after payment of $95,986 in underwriting fees, insurance and other issuance costs) were used to purchase United States government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased, and the liability for those bonds has been removed from the County's financial statements. The County advance refunded the bonds to revise its payment schedules due to changes in New York State's aid payment schedules. The economic gain (the difference between the present value of the debt service payments on the old and new debt) is approximately $576,582.

In prior years, the County defeased general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. $7,030,000 of bonds outstanding are considered defeased.

4. Summary of Long-Term Debt - TASC

Series 2001 NY Counties Trust II Bonds

As discussed in Note 1, the purchase price of the County's future rights, title and interest in the TSRs, was financed through the issuance of Series 2001 Bonds in the amount of $19,985,000 bearing interest at rates ranging from 5.25% to 5.75%. The bonds are secured by a perfected security interest in, which includes, among other things, the TSRs and all investment earnings on amounts on deposit in the accounts established under the Indenture (collectively, the Collections). Among the accounts so established are the Liquidity Reserve Account and the Trapping Account. The Corporation retains TSRs in an amount sufficient to service its debt, not otherwise provided for from bond proceeds, and pay its operating expenses, and remits the remaining balance to the Trust (Note I).

Principal and interest debt service requirements for required maturities and flexible amortization payments at December 31, 2019 for liquidation of the $11,480,000 bonds are as follows:

Year Ended December 31,	Amortization Assuming Super Sinker Payments: Principal	Amortization Assuming Super Sinker Payments: Interest	Amortization Assuming No Super Sinker Payments: Principal	Amortization Assuming No Super Sinker Payments: Interest
2020	$ 2,440,000	$ 586,719	$ -	$ 655,344
2021	1,130,000	486,313	-	655,344
2022	1,205,000	420,034	-	655,344
2023	1,270,000	349,025	-	655,344
2024	1,340,000	273,988	-	655,344
2025-29	4,095,000	340,831	-	3,276,719
2030-34	-	-	3,125,000	2,836,703
2035-39	-	-	3,975,000	1,864,156
2040-43	-	-	4,380,000	525,263
Total	**$ 11,480,000**	**$ 2,456,910**	**$ 11,480,000**	**$ 11,779,561**

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

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

At December 31, 2019, the outstanding principal, net of change in discount, totaled $17,242,596. The amortization schedule for the turbo amortization payments is as follows:

Amortization Schedule Assuming Turbo Amortization Payments

Year Ended December 31,	Turbo Redemption Payments	Gross Bond Balance	Remaining Discount	Net Bond Balance
2020	$ -	$ 35,208,831	$ (17,966,235)	$ 17,242,596
2021	-	35,208,831		
2022	767,597	34,441,234		
2023	853,842	33,587,392		
2024	899,399	32,687,993		
2025-29	8,896,581	23,791,412		
2030-34	11,278,665	12,512,747		
2035-39	11,981,330	531,417		
2040	531,417	-		

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

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

5. Changes In General Long-Term Debt

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

Governmental Activities:	Balance 01/01/19	Additions	Deletions	Balance 12/31/19	Classified As Current	Classified As Non-Current
Serial Bonds-Excluding TASC	$ 20,615,000	$ 12,445,000	$ 11,035,000	$ 22,025,000	$ 2,130,000	$ 19,895,000
Unamortized Premium	861,243	-	75,992	785,251	75,992	709,259
Serial Bonds-TASC	28,045,998	1,146,598	470,000	28,722,596	2,440,000	26,282,596
Compensated Absences	4,894,052	60,300	-	4,954,352	495,435	4,458,917
Judgements and Claims	4,762,670	730,000	1,602,746	3,889,924	-	3,889,924
Workers' Compensation	7,479,277	1,957,025	1,687,119	7,749,183	-	7,749,183
Net Pension Liability	6,485,021	8,312,866	-	14,797,887	-	14,797,887
Total Governmental Activities	$ 73,143,261	$ 24,651,789	$ 14,870,857	$ 82,924,193	$ 5,141,427	$ 77,782,766

Additions and deletions to compensated absences are shown net.

(V) (Continued)

Additions to Serial Bonds-TASC includes $1,146,598 of prior capital appreciation.

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

G. Deferred Intflows of Resources

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

		Amount
Pension system	$	5,594,471
Gain on refunding		1,230,000
Total Deferred Outflows of Resources	**$**	**6,824,471**

H. Fund Balances/Net Position

1. Fund Balances

a. Nonspendable

The County has the following nonspendable funds:

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

b. Restricted

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

1. GENERAL FUND RESERVES:		Balance 12/31/2019		Appropriated 2020
Capital Reserves -				
Capital Reserve - County Clerk - this reserve is funded with an annual contribution for future upgrades of computer equipment.	$	311,567	$	-
Capital Reserve - this reserve is to set aside monies for the future cost of construction, reconstruction, acquisition, repair, or maintaining capital projects. It will be funded through the annual lease payments received for the County landfill.		7,280,850		-
Equipment Reserve - established in 2007 to finance the future cost of purchasing equipment for the General Fund.		718,014		-
Vehicle Wash Reserve - established in 2007 to finance ongoing equipment operations and maintenance of the vehicle wash system.		153,488		-
Fuel Island Reserve - established in 2007 to finance capital replacement costs and maintenance of fuel island.		96,793		-
Total Capital Reserves	$	8,560,712	$	-

(V) (Continued)

1. **GENERAL FUND RESERVES (Continued):**	**Balance 12/31/2019**	**Appropriated 2020**
Subtotal from previous page	$ 8,560,712	$ -
Miscellaneous Reserves -		
Crime Proceeds - crime forfeitures to be used by the District Attorney for drug enforcement purposes.	9,251	-
DA State Forfeiture Funds - crime forfeitures to be used by the District Attorney for drug enforcement purposes.	109,674	-
Federal Forfeited Property - crime forfeitures to be used by the Sheriff for drug enforcement purposes.	64,422	-
Alternatives to Incarceration - monies derived from 1% of bail refunds to be used by the Employment and Training program for incarceration alternatives.	43,632	8,349
D.A.R.E. Reserve - contains accumulated excess of D.A.R.E. revenue less D.A.R.E. expenses.	4,680	-
Handicapped Parking - used for the establishment of a parking education program for the purpose of providing education advocacy and increased awareness of handicapped parking laws.	421	-
Wireless 9-1-1 Surcharge Reserve - surcharge revenues to be used to enhance the 9-1-1 wireless system.	915,703	-
Sheriff - Crime Proceeds - created in 2010 to segregate state and local crime forfeitures until appropriated for the law enforcement and investigation of penal law offenses.	63,310	-
Employee Benefit Accrued Liability Reserve - established in 2019 to fund expenses related to the vacation leave benefits accrued.	2,811,897	-
Total Miscellaneous Reserves	$ 4,022,990	$ 8,349
TOTAL GENERAL FUND RESERVES	$ 12,583,702	$ 8,349
2. **DEBT SERVICE FUND RESERVES:**		
Reserve for Debt Reserve Fund -		
Reserve for Bonded Debt - monies from closed Capital Projects and investments on bond proceeds which must be used to reduce interest and principal payment on debt.	$ 3,763,680	$ 570,744
Other TASC Reserve - this reserve is available to fund future costs of TASC.	1,654,449	-
TOTAL DEBT SERVICE FUND RESERVES	$ 5,418,129	$ 570,744

(V) (Continued)

		Balance 12/31/2019		Appropriated 2020
3. COUNTY ROAD FUND RESERVES:				
Capital Reserves -				
Capital Reserve for Roads and Bridges - established for the repair, maintenance, and reconstruction of County roads and briges.	$	3,103,416	$	-
Equipment Replacement Reserve - created to set aside money for the purchase/replacement of equipment for the County Road Fund.		299,411		160,500
Total Capital Reserves		3,402,827		160,500
Compensated Absences Reserve - established in 2019 to fund expenses related to the vacation leave benefits accrued.		103,293		-
TOTAL COUNTY ROAD FUND RESERVES	$	3,506,120	$	160,500
4. SEWER FUND RESERVES:				
Capital Reserves:				
Sewer Equipment Replacement Reserve - funded at 5% of sewer rents collected: Canandaigua Lake; Route 332 District; Honeoye Lake Combined District	$	4,293,869	$	460,000
Repair Reserve - established for the repair, and maintenance of the Route 332 District		129,366		-
Total Capital Reserves	$	4,423,235	$	460,000
Compensated Absences Reserve - established in 2019 to fund expenses related to the vacation leave benefits accrued.	$	40,703	$	-
TOTAL SEWER FUND RESERVE	$	4,463,938	$	460,000

c. Assigned

The County has the following assigned funds:

General Fund –
1. Appropriated for Taxes
2. Encumbrances
3. Board Designated Funds

County Road Fund -
1. Appropriated for Taxes
2. Year End Equity

Capital Projects –
1. Year End Equity

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.

(V) (Continued)

For the general fund management has determined that amounts in excess of $206,000 are considered significant and are summarized below:

- $1,226,551 for General Government Support, $1,088,272 for Public Safety, and $272,068 for Home and Community Services.

The Capital Projects Fund has $11,160,481 in encumbrances which will be utilized for capital additions, and improvements.

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

Board Designated Funds:	**Balance 12/31/2019**	**Appropriated 2020**
Document Management System - created in 2006 for the purchase of a County-wide document management system.	$ 85,726	$ -
Real Property Tax Assessment Defense - established in 2007 to finance the services provided for the Real Property Tax Assessment Review Defense Sharing Policy.	100,000	-
Aerial Digital Imaging - established in 2007 to set aside money for aerial digital imaging software.	307,156	-
Sales Tax - created in 2009 to set aside money from the sales tax increase.	5,372,124	2,428,163
Digital Format Conversion - created in 2009 to support the project of converting building and site plans to a digital format.	30,000	-
Deferred Compensation - established in 2011 to fund expenses related to the Deferred Compensation Plan.	9,138	-
Sales and Real Property Tax - established in 2016 to set aside money from state and real property taxes.	1,307,559	-
Solid Waste - established in 2016 to finance implementation of the adopted Ontario County Solid Waste Management Plan	967,514	185,000
Time and Attendance - established in 2015 to set aside funds to purchase a computerized time and attendance system.	2,351,111	-
Total Board Designated Funds	**$ 10,530,328**	**$ 2,613,163**

d. Unassigned

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

(V) (Continued)

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

	General Fund	Capital Projects Fund	Debt Service Fund	Special Revenue Funds	Total
FUND BALANCE:					
Nonspendable -					
Prepaid items	$ 1,955,238	$ -	$ -	$ 91,917	$ 2,047,155
Total Nonspendable	**$ 1,955,238**	**$ -**	**$ -**	**$ 91,917**	**$ 2,047,155**
Restricted -					
Capital reserve	$ 8,560,712	$ -	$ -	$ 7,826,072	$ 16,386,784
Miscellaneous reserves	4,022,990	-	-	103,293	4,126,283
Reserve for bonded debt	-	-	3,763,680	-	3,763,680
TASC reserve	-	-	1,654,449	-	1,654,449
Revolving loan fund	-	-	-	199,251	199,251
Sewer fund	-	-	-	1,706,599	1,706,599
Animal control fund	-	-	-	75,088	75,088
Special grant fund	-	-	-	81,461	81,461
Total Restricted	**$ 12,583,702**	**$ -**	**$ 5,418,129**	**$ 9,991,764**	**$ 27,993,595**
Assigned -					
Appropriated for taxes	$ 9,786,944	$ -	$ -	$ 500,000	$ 10,286,944
Board designated funds	10,530,328	-	-	-	10,530,328
Capital projects	-	16,490,392	-	-	16,490,392
General government support	1,226,551	-	-	-	1,226,551
Public safety	1,088,272	-	-	-	1,088,272
Health	-	-	-	-	-
Transportation	-	-	-	3,416,000	3,416,000
Economic assistance and opportunity	22,342	-	-	-	22,342
Home and community	272,068				
service	-	-	-	-	-
Total Assigned	**$ 22,926,505**	**$ 16,490,392**	**$ -**	**$ 3,916,000**	**$ 43,332,897**
Unassigned	**$ 48,853,662**	**$ -**	**$ -**	**$ -**	**$ 48,853,662**
TOTAL FUND BALANCE	**$ 86,319,107**	**$ 16,490,392**	**$ 5,418,129**	**$ 13,999,681**	**$ 122,227,309**

(V) (Continued)

The following restricted fund balances have monies appropriated for 2020 taxes:

		Total
Special Revenue Funds -		
Sewer Fund	$	1,307,226
Total Special Revenue Appropriated for Taxes	**$**	**1,307,226**
Debt Service Fund -	**$**	**20,000**

2. Net Position - Restricted for Other Purposes

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

		Total
General Fund -		
Miscellaneous Reserve	$	1,211,093
Employee Benefit Accrued Liability Reserve		2,811,897
TASC reserve		1,654,449
County Road Fund -		
Miscellaneous Reserve		103,293
Animal Control Fund		75,088
Special Grant Fund -		
Community Development		48,945
Revolving Loan		199,251
Water Resource Council		32,516
Total Net Position - Restricted for Other Purposes	**$**	**6,136,532**

VI. Tax Abatement:

As of December 31, 2019 the County tax abatement programs include abatements on property taxes, sales taxes and mortgage recording taxes. All abatements agreements are made by either Ontario County Industrial Development Agency (OCIDA), a component unit of the County, or City of Geneva Industrial Development Agency (GCIDA).

A. Property Taxes

All property tax abatements are performed through Payment in Lieu of Tax (PILOT) agreements made by OCIDA and GCIDA. The PILOT agreements are made to support manufacturing, signature, retail, recreation, utilities and other purposes. Total taxes abated by OCIDA in each of these categories for the year ended December 31, 2019 is as follows:

Manufacturing	$	359,119
Signature retail	$	720,831
Utilities	$	376,477
Recreation	$	39,548
Other	$	233,251

PILOT agreements entered into by GCIDA abated $575,976 of property taxes on the County's behalf.

B. Sales Tax

Under agreements entered into by OCIDA and GCIDA, County sales tax revenues were reduced by $557,569.

C. Mortgage Recording Tax

Under agreements entered into by OCIDA and GCIDA, County mortgage recording tax revenues were reduced by $269,852.

VII. Other Notes:

A. Ontario County, Primary Government

1. General Information About Pension Plan

a. Plan Description

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

b. <u>Benefits Provided</u>

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.

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.

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.

c. Contributions

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

Prepayment Due Date	ERS
December 15, 2019	$ 8,999,837
December 15, 2018	$ 8,802,662
December 15, 2017	$ 8,791,721

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

At December 31, 2019, the County reported a liability of $14,797,887 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2019, the County's proportion was 0.2411032 percent for ERS.

For the year ended December 31, 2019 the County recognized pension expense of $9,480,453. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,914,013	$ 993,355
Changes of assumptions	3,719,584	-
Net difference between projected and actual earnings on pension plan investments	-	3,797,956
Changes in proportion and differences between the County's contributions and proportionate share of contributions	555,617	803,160
Subtotal	$ 7,189,214	$ 5,594,471
County's contributions subsequent to the measurement date	5,841,660	-
Grand Total	**$ 13,030,874**	**$ 5,594,471**

The County reported $5,841,660 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year	Amount
2020	$ 2,912,894
2021	(3,004,180)
2022	(290,005)
2023	1,976,034
Total	$ 1,594,743

a. Actuarial Assumptions

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

	ERS
Measurement date	March 31, 2019
Actuarial valuation date	April 1, 2018
Interest rate	7.00%
Salary scale	4.20%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience
Inflation rate	2.50%
COLA's	1.30%

Annuitant mortality rates are based on Society of Actuaries Scale MP-2014 System’s experience with adjustments for mortality improvements based on MP-2019.

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:

Long Term Expected Rate of Return

	ERS
Measurement date	March 31, 2019
Asset Type -	
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.

b. 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.

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

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 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:

	1% Decrease (6%)	Current Assumption (7%)	1% Increase (8%)
Employer's proportionate share of the net pension asset (liability)	$ (64,698,719)	$ (14,797,887)	$ 27,122,354

d. **Pension Plan Fiduciary Net Position**

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

	(In Thousands) ERS
Measurement date	March 31, 2019
Employers' total pension liability	$ 189,803,429
Plan net position	182,718,124
Employers' net pension asset/(liability)	$ (7,085,305)
Ratio of plan net position to the employers' total pension asset/(liability)	96.27%

B. Finger Lakes Community College – Discretely Presented Component Unit

1. Retirement Plans

The College's teaching faculty has the option of participating in the New York State Teachers' Retirement System (TRS) or the SUNY Optional Retirement Plan (ORP). Non-teaching professionals and College administrators have the option of participating in the New York State Employee's Retirement System (ERS) or ORP. Full-0time and electing part-time civil service employees have the option to participate in ERS.

2. SUNY Optional Retirement Plan (ORP)

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

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

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

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

Year	ORP
2019	$ 1,147,130
2018	$ 1,178,236
2017	$ 1,168,540

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

ERS is a cost-sharing, multiple-employer defined benefit retirement system. ERS provides retirement benefits, as well as death and disability benefits. The net position of ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to ERS. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). Once a public employee elects to participate in ERS, the election is irrevocable. The New York State Constitution provides that the pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) services as the sole trustee and administrative head of ERS. The Comptroller adopts and amends rules and regulations for the administration and transaction of the business of ERS and for the custody and control of its funds.

The ERS issues a publicly available financial report that includes financial statements and supplementary information and provides detailed information about the pension plan's fiduciary net position at: http://www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

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

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

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

Year	ERS
2019	$ 1,265,962
2018	$ 1,200,856
2017	$ 1,134,618

a. <u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions</u>

At August 31, 2019, the College reported a liability of $2,285,009 for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At August 31, 2019, the College's proportion was 0.032250 percent.

For the year ended August 31, 2019 the College recognized pension expense of $1,501,629. At August 31, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 449,966	$ 153,388
Changes of assumptions	574,358	-
Net difference between projected and actual earnings on pension plan investments	-	586,460
Changes in proportion and differences between the College's contributions and proportionate share of contributions	85,795	124,020
Subtotal	$ 1,110,119	$ 863,868
College's contributions subsequent to the measurement date	587,707	-
Grand Total	**$ 1,697,826**	**$ 863,868**

$587,707 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year		Amount
2020	$	449,793
2021		(463,889)
2022		(44,781)
2023		305,128
Total	**$**	**246,251**

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:

	ERS
Measurement date	March 31, 2019
Actuarial valuation date	April 1, 2019
Interest rate	7.00%
Salary scale	4.20%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience
Inflation rate	2.50%

For ERS, annuitant mortality rates are based on Society of Actuaries Scale MP-2014 System’s experience with adjustments for mortality improvements based on MP-2019.

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:

Long Term Expected Rate of Return	ERS
Measurement date	March 31, 2018
Asset Type -	
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%

2. Discount Rate

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

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

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

	1% Decrease (6%)	Current Assumption (7%)	1% Increase (8%)
Employer's proportionate share of the net pension asset (liability)	$ (9,990,427)	$ (2,285,009)	$ 4,188,087

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:

	(In Thousands) ERS
Measurement date	March 31, 2018
Employers' total pension liability	$ 189,803,429
Plan net position	182,718,124
Employers' net pension asset/(liability)	$ 7,085,305
Ratio of plan net position to the employers' total pension asset/(liability)	96.27%

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

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

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

a. Contributions

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

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

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

Year	TRS
2019	$ 521,278
2018	$ 466,886
2017	$ 541,953

b. <u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions</u>

At August 31, 2019, the College reported the following asset/(liability) for its proportionate share of the net pension asset /(liability) for ERS. The net pension asset/(liability) was measured as of June 30, 2019 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The College's proportion of the net pension asset/(liability) was based on a projection of the College's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS System in reports provided to the College.

	TRS
Measurement date	June 30, 2019
Net pension assets/(liability)	$ 750,146
College's portion of the Plan's total net pension asset/(liability)	0.028874%

For the year ended August 31, 2019, the College recognized pension expenses of $964,568 for TRS. At August 31, 2019 the College's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 508,355	$ 55,782
Changes of assumptions	1,417,126	345,535
Net difference between projected and actual earnings on pension plan investments	-	601,578
Changes in proportion and differences between the College's contributions and proportionate share of contributions	155,755	14,130
Subtotal	$ 2,081,236	$ 1,017,025
College's contributions subsequent to the measurement date	70,645	-
Grand Total	**$ 2,151,881**	**$ 1,017,025**

College contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	Amount
2020	$ 376,838
2021	58,995
2022	375,607
2023	246,996
2024	32,441
Thereafter	(26,666)
Total	**$ 1,064,211**

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:

	TRS
Measurement date	June 30, 2019
Actuarial valuation date	June 30, 2018
Interest rate	7.10%
Salary scale	1.90% - 4.72%
Decrement tables	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.20%
COLA's	1.30%

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

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

Long Term Expected Rate of Return	
	TRS
Measurement date	June 30, 2019
Asset Type -	
Domestic equity	6.30%
International equity	7.80%
Global equities	7.20%
Real estate equities	4.60%
Private equity	9.90%
Domestic fixed income securities	1.30%
Global fixed income securities	0.90%
Private debt	6.50%
Real estate debt	2.90%
High-yield fixed income securities	3.60%
Short-term	0.30%

2. Discount Rate

The discount rate used to calculate the total pension liability was 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.10% for TRS, as well as what the College's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.10% for TRS) or 1-percentagepoint higher (8.10% for TRS) than the current rate :

TRS	**1% Decrease (6.10%)**	**Current Assumption (7.10%)**	**1% Increase (8.10%)**
Employer's proportionate share of the net pension asset (liability)	$ (3,386,080)	$ 750,146	$ 4,219,972

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:

	(In Thousands)
	TRS
Measurement date	June 30, 2019
Employers' total pension liability	$ 119,879,474
Plan net position	122,477,481
Employers' net pension asset/(liability)	$ 2,598,007
Ratio of plan net position to the employers' total pension asset/(liability)	102.20%

c. Annuity Match Program

Effective September 1, 2006, the College adopted a 2% annuity match for professional, Civil Service Employees Association, Inc. (CSEA), and FLAG employees. Effective September 1, 2008, the College allowed the faculty employees to participate in the match. The College will match employee contributions by an amount not to exceed 2%. The College's contributions to the program for the current year and the two preceding years were as follows:

Year	Amount
2019	$ 302,504
2018	$ 311,239
2017	$ 306,145

VIII. 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.

IX. Ontario County 401(a) Savings Match Plan

Effective January 1, 2007, the Board of Supervisors authorized a five year agreement for the County's 401(a) 2% savings match plan with the Hartford Life Insurance Company as Plan Administrator. Employees eligible to participate in the Plan are those employees included in an "eligible class" as defined by the Plan document. On the day that coincides with or immediately follows the date for which an employee is considered "eligible", the County will contribute matching funds up to a maximum of 2% of the employee's compensation for that period if the employee participates in the County's 457 Deferred Compensation Plan. The total cost incurred by the County, for this program during 2019 totaled $915,233.

X. Other Postemployment Benefits

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

An agreement between the Ontario County Board of Supervisors and the Faculty Association of Finger Lakes Community College permits faculty members with at least 10 years of service to receive payment of unused sick leave time, as defined, upon termination. The sick day provision was revised under a subsequent agreement between the Ontario County Board of Supervisors and The Faculty Association of Finger Lakes Community College, effective September 1, 1991. Sick days accumulated as of August 31, 1992 were frozen and each member was viewed as starting over with regard to sick day accumulation. Members can elect the option to apply the amount due to fund their self-funded future postretirement medical insurance premiums. A similar arrangement exists between the College's Board of Trustees and The Finger Lakes Administrative Group (nonfaculty College employees). At August 31, 2019 and 2018 the related estimated liability for sick pay totaled $67,916 and $74,784, respectively, which is included in accrued liabilities.

XI. Risk Management

A. General Information

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

B. Liability

The County is exposed to various risks of loss related to torts; theft of or damage to, or destruction of assets; and natural disasters. The County has a self-insurance program to assume the liability for the aforementioned items which is recorded in the General Fund. Under this program judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. The County has excess insurance coverage totaling $20,000,000 which is effective for any occurrence in excess of $5,000,000. As of December 31, 2019, the County has accrued as other liabilities $3,889,924 for the payment of future judgments and claims. An actuarial study was completed during 2019, which states that at year end the balance is sufficient to cover estimated liabilities at a 75% confidence level. Based upon the requirements of GASB #10, which requires that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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

	2019	2018	2017	2016	2015
Beginning of Year	$ 4,762,670	$ 5,108,914	$ 5,021,914	$ 4,873,814	$ 4,153,537
Incurred Claims	730,000	700,000	987,000	900,000	890,000
Claims Paid	(1,602,746)	(1,046,244)	(900,000)	(751,900)	(169,723)
Balance at End of Year	**$ 3,889,924**	**$ 4,762,670**	**$ 5,108,914**	**$ 5,021,914**	**$ 4,873,814**

	2014	2013	2012	2011	2010
Beginning of Year	$ 5,272,420	$ 5,272,420	$ 3,061,660	$ 2,779,700	$ 2,779,700
Incurred Claims	812,000	828,948	3,034,716	1,074,608	743,702
Claims Paid	(1,930,883)	(828,948)	(823,956)	(792,648)	(743,702)
Balance at End of Year	**$ 4,153,537**	**$ 5,272,420**	**$ 5,272,420**	**$ 3,061,660**	**$ 2,779,700**

C. Workers' Compensation – Risk Pool

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

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

	2019	2018	2017	2016	2015
Beginning of Year	$ 7,479,277	$ 6,842,980	$ 6,933,822	$ 7,710,593	$ 7,291,337
Incurred Claims	1,547,025	2,903,633	1,863,692	1,023,583	2,057,776
Claims Paid	(1,687,119)	(2,267,336)	(1,954,534)	(1,800,354)	(1,638,520)
Balance at End of Year	**$ 7,339,183**	**$ 7,479,277**	**$ 6,842,980**	**$ 6,933,822**	**$ 7,710,593**

	2014	2013	2012	2011	2010
Beginning of Year	$ 6,199,868	$ 6,199,868	$ 6,012,697	$ 4,898,340	$ 4,898,340
Incurred Claims	3,130,368	2,418,350	2,558,924	3,501,641	2,281,577
Claims Paid	(2,038,899)	(2,418,350)	(2,371,753)	(2,387,284)	(2,281,577)
Balance at End of Year	**$ 7,291,337**	**$ 6,199,868**	**$ 6,199,868**	**$ 6,012,697**	**$ 4,898,340**

XII. Commitments and Contingencies

A. Contingent Liabilities

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

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

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

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

B. Leases

1. Operating Lease/Landfill

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

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

2. The County entered into various operating leases for equipment, vehicles and copiers, which totaled $1,133,425 for the year ended December 31, 2019.

The future minimum lease payments for the above leases are as follows:

Year		Amount
2020	$	586,427
2021		528,308
2022		395,035
2023		306,999
2024		279,919
Total	**$**	**2,096,688**

XIII. Subsequent Event

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the County's financial condition, liquidity, budgetary projections and future results of operation. Management is actively monitoring the global situation on its financial condition, liquidity, budgetary projections, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the County is not able to estimate the effects of the COVID-19 outbreak on its budgetary projections, results of operations, financial condition, or liquidity for fiscal year 2020.

Required Supplemental Schedule (Unaudited)

COUNTY OF ONTARIO, NEW YORK

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

General Fund

For the Year Ended December 31, 2019

	GENERAL FUND				
	Original Budget (Incl. Carryover Encumbrances)	**Budget (Amended)**	**Actual**	**Encumbrances**	**Variance**
Revenues:					
Real property and tax items	$ 51,108,424	$ 51,108,424	$ 51,290,452	$ -	$ 182,028
Non-property taxes	85,418,791	87,661,721	89,911,124	-	2,249,403
Departmental income	6,954,608	8,290,708	11,481,940	-	3,191,232
Intergovernmental charges	2,045,510	2,059,260	1,444,045	-	(615,215)
Use of money and property	3,682,805	3,687,805	4,043,508	-	355,703
Licenses and permits	-	-	1,207	-	1,207
Fines and forfeitures	473,068	473,068	525,319	-	52,251
Sale of property and compensation for loss	60,000	90,000	128,457	-	38,457
Miscellaneous	2,051,681	1,715,765	982,329	-	(733,436)
Interfund revenues	2,362,888	2,362,888	2,232,368	-	(130,520)
State and county aid	26,559,837	30,920,004	24,520,341	-	(6,399,663)
Federal aid	13,689,697	14,593,668	13,394,573	-	(1,199,095)
Total Revenues	$ 194,407,309	$ 202,963,311	$ 199,955,663	$ -	$ (3,007,648)
Expenditures:					
Current:					
General government support	$ 77,494,159	$ 82,259,708	$ 76,319,793	$ 1,226,551	$ 4,713,364
Education	5,141,531	4,752,031	4,671,496	-	80,535
Public safety	42,957,408	44,951,580	39,089,113	1,088,272	4,774,195
Health	16,106,785	17,097,641	15,449,149	-	1,648,492
Transportation	190,000	190,000	183,356	-	6,644
Economic assistance and opportunity	54,409,302	54,604,127	51,844,829	22,342	2,736,956
Culture and recreation	613,741	629,741	444,378	-	185,363
Home and community services	3,562,243	4,090,091	2,494,653	272,068	1,323,370
Total Expenditures	$ 200,475,169	$ 208,574,919	$ 190,496,767	$ 2,609,233	$ 15,468,919
Excess (deficiency) of revenue over expenditures	$ (6,067,860)	$ (5,611,608)	$ 9,458,896	$ (2,609,233)	$ 12,461,271
Other Financing Sources and Uses:					
Operating transfers - in	$ 2,185,482	$ 2,185,482	$ 1,713,008	$ -	$ (472,474)
Operating transfers - out	(8,522,822)	(15,927,876)	(11,104,694)	-	4,823,182
Total Other Financing Sources and Uses	$ (6,337,340)	$ (13,742,394)	$ (9,391,686)	$ -	$ 4,350,708
Net change in fund balances	$ (12,405,200)	$ (19,354,002)	$ 67,210	$ (2,609,233)	$ 16,811,979
Fund Balance - Beginning	86,251,897	86,251,897	86,251,897	-	-
Fund Balance - Ending	$ 73,846,697	$ 66,897,895	$ 86,319,107	$ (2,609,233)	$ 16,811,979

Required Supplemental Schedule (Unaudited)
COUNTY OF ONTARIO, NEW YORK
Schedule of the County's Proportionate Share of the Net Pension Liability
For the Year Ended December 31, 2019

NYSERS Pension Plan (In Thousands)

	2019	2018	2017	2016	2015
Proportion of the net pension liability (assets)	0.24110320%	0.23129280%	0.19647500%	0.20403352%	0.20922000%
Proportionate share of the net pension liability (assets)	$ 14,798	$ 6,485	$ 18,461	$ 32,748	$ 7,068
Covered-employee payroll	$ 52,555	$ 51,599	$ 47,009	$ 46,182	$ 53,608
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	28.16%	12.57%	39.27%	70.91%	14.90%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%	97.95%

FINGER LAKES COMMUNITY COLLEGE
Schedule of the College's Proportionate Share of the Net Pension Liability
For the Year Ended August 31, 2019

NYSERS Pension Plan (In Thousands)

	2019	2018	2017	2016	2015
Proportion of the net pension liability (assets)	0.03225%	0.03036%	0.02835%	0.02921%	0.02722%
Proportionate share of the net pension liability (assets)	$ 2,285	$ 980	$ 2,664	$ 4,688	$ 920
Covered-employee payroll	$ 8,832	$ 10,463	$ 8,879	$ 8,593	$ 6,730
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	25.87%	9.37%	30.00%	54.56%	13.67%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%	97.95%

NYSTRS Pension Plan (In Thousands)

	2019	2018	2017	2016	2015
Proportion of the net pension liability (assets)	0.02887%	0.02865%	0.02918%	0.03037%	0.03240%
Proportionate share of the net pension liability (assets)	$ (750)	$ (518)	$ (222)	$ 325	$ (3,366)
Covered-employee payroll	$ 4,834	$ 5,552	$ 5,315	$ 5,478	$ 5,754
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-15.52%	-9.33%	-4.18%	5.93%	-58.50%
Plan fiduciary net position as a percentage of the total pension liability	102.20%	101.53%	100.66%	99.01%	111.48%

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

Required Supplemental Schedule (Unaudited)
COUNTY OF ONTARIO, NEW YORK
Schedule of County Contributions
For the Year Ended December 31, 2019

NYSERS Pension Plan (In Thousands)

	2019	2018	2017	2016	2015
Contractually required contributions	$ 7,537	$ 7,673	$ 7,697	$ 7,654	$ 8,697
Contributions in relation to the contractually required contribution	(7,537)	(7,673)	(7,697)	(7,654)	(8,697)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 52,555	$ 51,599	$ 47,009	$ 46,182	$ 53,608
Contributions as a percentage of covered-employee payroll	14.34%	14.87%	16.37%	16.57%	16.22%

FINGER LAKES COMMUNITY COLLEGE
Schedule of College Contributions
For the Year Ended August 31, 2019

NYSERS Pension Plan (In Thousands)

	2019	2018	2017	2016	2015
Contractually required contributions	$ 1,177	$ 1,154	$ 1,105	$ 1,233	$ 1,313
Contributions in relation to the contractually required contribution	(1,266)	(1,201)	(1,095)	(1,085)	(1,164)
Contribution deficiency (excess)	$ (89)	$ (47)	$ 10	$ 148	$ 149
Covered-employee payroll	$ 9,282	$ 10,374	$ 9,371	$ 8,653	$ 8,264
Contributions as a percentage of covered-employee payroll	13.64%	11.58%	11.68%	14.09%	14.09%

NYSTRS Pension Plan (In Thousands)

	2019	2018	2017	2016	2015
Contractually required contributions	$ 512	$ 457	$ 542	$ 621	$ 853
Contributions in relation to the contractually required contribution	(521)	(469)	(517)	(627)	(853)
Contribution deficiency (excess)	$ (9)	$ (12)	$ 25	$ (6)	$ -
Covered-employee payroll	$ 5,041	$ 5,613	$ 5,313	$ 5,549	$ 5,693
Contributions as a percentage of covered-employee payroll	10.34%	8.36%	9.73%	11.30%	14.98%

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

COUNTY OF ONTARIO, NEW YORK

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2019

	Debt Service Fund	County Road Fund	Revolving Loan Fund
Assets			
Cash and cash equivalents	$ 3,992,713	$ 6,132,208	$ 171,607
Investments	1,460,416	-	-
Receivables, net	-	677	30,000
Due from other funds	-	1,744,530	-
Due from other governments, net	-	14,653	-
State and federal aid receivable	-	-	-
Prepaid items	-	65,336	-
Total Assets	$ 5,453,129	$ 7,957,404	$ 201,607
Liabilities and Fund Balance			
Liabilities:			
Accounts payable and other current liabilities	$ 35,000	$ 162,697	$ 596
Accrued wages and benefits	-	40,917	-
Due to other funds	-	251,529	-
Due to other governments	-	-	1,760
Overpayments and collections in advance	-	-	-
Unearned revenue	-	14,795	-
Total Liabilities	$ 35,000	$ 469,938	$ 2,356
Fund Balances:			
Nonspendable	$ -	$ 65,336	$ -
Restricted	5,418,129	3,506,130	199,251
Assigned	-	3,916,000	-
Total Fund Balances	$ 5,418,129	$ 7,487,466	$ 199,251
Total Liabilities and Fund Balances	$ 5,453,129	$ 7,957,404	$ 201,607

Sewer Fund	Animal Control Fund	Special Grant Fund	Total Nonmajor Governmental Funds
$ 5,463,898	$ 75,311	$ 71,364	$ 15,907,101
-	-	-	1,460,416
1,023,270	-	-	1,053,947
-	-	37	1,744,567
-	-	-	14,653
-	-	16,754	16,754
22,935	-	3,646	91,917
$ 6,510,103	$ 75,311	$ 91,801	$ 20,289,355
$ 240,508	$ -	$ 3,041	$ 441,842
25,539	-	3,653	70,109
88,165	223	-	339,917
-	-	-	1,760
3,122	-	-	3,122
-	-	-	14,795
$ 357,334	$ 223	$ 6,694	$ 871,545
$ 22,935	$ -	$ 3,646	$ 91,917
6,129,834	75,088	81,461	15,409,893
-	-	-	3,916,000
$ 6,152,769	$ 75,088	$ 85,107	$ 19,417,810
$ 6,510,103	$ 75,311	$ 91,801	$ 20,289,355

COUNTY OF ONTARIO, NEW YORK

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2019

	Debt Service Fund	County Road Fund	Revolving Loan Fund
Revenues:			
Real property and tax items	$ -	$ 10,362,996	$ -
Departmental income	-	-	30,000
Intergovernmental charges	978,340	24,806	-
Use of money and property	112,676	97,597	-
Licenses and permits	-	79,223	-
Sale of property and compensation for loss	1,115,231	16,491	-
Miscellaneous	-	7,682	120
Interfund revenues	-	97,833	-
State and county aid	-	150,259	-
Federal aid	-	-	744,756
Premium on obligations issued	1,625,941	-	-
Total Revenues	$ 3,832,188	$ 10,836,887	$ 774,876
Expenditures:			
Current:			
General government support	$ 226,145	$ -	$ -
Public safety	-	309,040	-
Transportation	-	8,584,113	-
Economic assistance and opportunity	-	-	-
Home and community services	-	-	752,262
Debt Service:			
Debt service - principal	2,430,000	-	-
Debt service - interest and other charges	1,294,731	-	-
Total Expenditures	$ 3,950,876	$ 8,893,153	$ 752,262
Excess (deficiency) of revenue over expenditures	$ (118,688)	$ 1,943,734	$ 22,614
Other Financing Sources and Uses:			
Operating transfers - in	$ 993,432	$ 1,279,019	$ -
Operating transfers - out	-	(2,271,212)	-
Proceeds from advance refunding	7,851,668	-	-
Transfer to escrow agent	(9,105,341)	-	-
Total Other Financing Sources and Uses	$ (260,241)	$ (992,193)	$ -
Net change in fund balances	$ (378,929)	$ 951,541	$ 22,614
Fund Balance - Beginning	5,797,058	6,535,925	176,637
Fund Balance - Ending	$ 5,418,129	$ 7,487,466	$ 199,251

(See Independent Auditors' Report)

Sewer Fund	Animal Control Fund	Special Grant Fund	Total Nonmajor Governmental Funds
$ -	$ 125,074	$ 45,281	$ 10,533,351
3,463,326	-	-	3,493,326
-	230,061	-	1,233,207
25,613	1,488	385	237,760
-	-	-	79,223
23,600	-	-	1,155,322
62	-	-	7,864
-	-	-	97,833
-	-	-	150,259
-	-	201,393	946,148
-	-	-	1,625,941
$ 3,512,601	$ 356,623	$ 247,059	$ 19,560,234
$ -	$ -	$ -	$ 226,145
-	334,921	-	643,961
-	-	-	8,584,113
-	-	250,013	250,013
3,329,810	-	19,052	4,101,124
-	-	-	2,430,000
-	-	-	1,294,731
$ 3,329,810	$ 334,921	$ 269,065	$ 17,530,087
$ 182,791	$ 21,702	$ (22,006)	$ 2,030,147
$ -	$ -	$ 14,701	$ 2,287,152
(809,832)	(1,958)	(1,708)	(3,084,710)
-	-	-	7,851,668
-	-	-	(9,105,341)
$ (809,832)	$ (1,958)	$ 12,993	$ (2,051,231)
$ (627,041)	$ 19,744	$ (9,013)	$ (21,084)
6,779,810	55,344	94,120	19,438,894
$ 6,152,769	$ 75,088	$ 85,107	$ 19,417,810

COUNTY OF ONTARIO, NEW YORK
Capital Projects Fund
Schedule of Project Expenditures
December 31, 2019

Project Title	Project #	Original Budget	Revised Budget	Total Current Year Expenditures	Prior Year Expenditures	Total Expenditures	Variance
OC Emergency Comm. Systems	#7-06	$ 182,908	$ 17,541,202	$ -	$ 17,627,289	$ 17,627,289	$ (86,087)
Replace N Wayne St. Bridge	#3-07	197,000	2,404,826	-	2,001,039	2,001,039	403,787
Replace Dueul Road Bridge over Deuel Gully	#4-07	140,000	1,343,407	-	1,225,918	1,225,918	117,489
FLCC Student Services Ctr & Auditorium	#5-08	2,500,000	48,302,291	-	48,282,364	48,282,364	19,927
Highway Safety Improvements	#6-08	350,000	886,797	-	716,461	716,461	170,336
FLCC Geneva Campus	#4-09	12,000,000	15,433,653	-	15,407,601	15,407,601	26,052
FLCC Viticulture	#5-11	2,525,000	4,191,691	-	4,137,111	4,137,111	54,580
911 Switch Replacement	#4-12	-	-	-	8,387	8,387	(8,387)
Space Utilization and Reallocation	#5-12	730,000	3,899,331	27,153	3,877,600	3,904,753	(5,422)
UHF Simulcast Network	#6-12	437,033	1,025,539	2,794	1,022,854	1,025,648	(109)
Allen Padgham Rd Bridge	#1-13	693,000	2,937,950	12,321	2,515,295	2,527,616	410,334
FLCC 2013 Cap Maintenance	#2-13	1,000,000	1,000,000	423	999,984	1,000,407	(407)
74 Ontario St. Phase	#3-13	75,000	14,011,415	5,322,817	1,410,928	6,733,745	7,277,670
700 NHZ Interop Project	#5-13	1,960,000	2,272,329	-	2,246,256	2,246,256	26,073
Intersection CR8, CR41, Shortsville Rd	#6-13	96,000	2,446,847	-	2,128,842	2,128,842	318,005
Jail Modifications	#7-13	100,000	685,000	20,013	487,071	507,084	177,916
FLCC Capital Maintenance 2014	#1-14	1,000,000	1,000,000	-	994,123	994,123	5,877
County Road 33	#2-14	850,000	11,947,459	1,243,809	11,545,947	12,789,756	(842,297)
FLCC Capital Maintenance 2015	#1-15	2,750,000	2,756,528	26,673	2,728,622	2,755,295	1,233
Hopewell Complex Improvements	#2-15	250,000	650,000	217,043	55,912	272,955	377,045
Sidewalk Improvements	#3-15	75,000	2,206,560	-	1,924,505	1,924,505	282,055
Closing of Geneva PSAP	#6-15	1,166,881	1,293,607	1,358	1,265,199	1,266,557	27,050
CR 42 Preventative Maintenance	#7-15	47,000	1,293,065	18,184	1,214,145	1,232,329	60,736
CR 9 Preventative Maintenance	#8-15	65,000	1,601,732	-	1,277,711	1,277,711	324,021
FLCC G Parking & Utility Rehabilitation Project	#11-15	200,000	2,150,000	559,169	1,099,637	1,658,806	491,194
Federally Aided Bridge Painting Project	#12-15	88,000	1,110,366	-	492,538	492,538	617,828
Multiple Culvert Replacement	#13-15	1,000,000	4,034,655	593,493	2,726,772	3,320,265	714,390
FLCC 2016 Cap Maintenance	#1-16	1,100,000	1,020,396	3,674	1,013,576	1,017,250	3,146
Space Org/Security HS Bldg	#2-16	42,740	42,740	-	38,740	38,740	4,000
Ferguson Rod Bridge at Flint	#3-16	26,622	1,486,055	-	977,862	977,862	508,193
Old Mill Bridge at Flint Ck	#4-16	111,756	1,432,341	5	1,084,253	1,084,258	348,083
FLCC 2019 Cap Maintenance	#1-17	1,187,000	12,790,000	209,870	702,135	912,005	11,877,995
Bridge Prev Maintenance	#2-17	776,270	776,270	-	645,425	645,425	130,845
Reconstruction	#3-17	2,178,000	2,178,000	-	2,180,070	2,180,070	(2,070)
Mcinvor/ft Hill Imps	#4-17	205,000	3,240,825	2,312,490	257,512	2,570,002	670,823
CR 1 Trib to CDGA Lake	#5-17	175,000	1,356,996	162,934	1,195,498	1,358,432	(1,436)
FLCC Athletic Field Upgrade	#6-17	100,000	5,953,029	428,897	5,360,187	5,789,084	163,945
FLCC Greenhouse Replacement	#7-17	100,000	100,000	4,516	85,803	90,319	9,681
FLCC Phone Room	#8-17	800,000	800,000	152,532	397,487	550,019	249,981
Bridge Preventive Maintenance	#9-17	10,300	10,300	-	-	-	10,300
Mary St 00 MHZ Project	#10-17	716,143	716,143	17,074	673,272	690,346	25,797
Co Rd 28 @ Short	#1-18	205,000	412,815	177,853	47,970	225,823	186,992
74 Ontario St.	#2-18	682,338	682,338	16,280	539,952	556,232	126,106
FLCC Capital Maintenance	#3-18	747,273	747,273	266,714	8,427	275,141	472,132
Co Rd 46/Smith Rd Intersection	#4-18	374,000	374,000	41,949	-	41,949	332,051
Replace Main St Fisher Bridge	#5-18	111,099	1,303,732	37,438	-	37,438	1,266,294
SCADA System Installation	#6-18	425,000	425,500	39,959	-	39,959	385,541
FLCC/CMAC Evac & Fencing	#1-19	114,000	119,325	109,799	-	109,799	9,526
Chiler Replacement	#2-19	1,295,492	1,374,693	78,625	-	78,625	1,296,068
TOTAL		**$ 41,960,855**	**$ 185,769,021**	**$ 12,105,859**	**$ 144,628,280**	**$ 156,734,139**	**$ 29,034,882**

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*

<u>Independent Auditors' Report</u>

Board of Supervisors
County of Ontario, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Ontario, New York as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County of Ontario, New York's basic financial statements, and have issued our report thereon dated June 2, 2020. Our report includes a reference to other auditors who audited the financial statements of the Finger Lakes Community College as described in our report on the County of Ontario, New York's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

100 Chestnut Street | Suite 1200 | Rochester, NY 14604 | P 585.423.1860 | F 585.423.5966 | mengelmetzgerbarr.com
Additional Offices: Elmira, NY • Canandaigua, NY • Hornell, NY

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

Compliance and Other Matters

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

Purpose of this Report

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

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
June 2, 2020