GENESEE VALLEY
REGIONAL MARKET AUTHORITY

NEW YORK

B A S I C F I N A N C I A L S T A T E M E N T S

For Years Ended March 31, 2020 and 2019

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

T A B L E   O F   C O N T E N T S

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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Genesee Valley
Regional Market Authority, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Genesee Valley Regional Market Authority, New York (the Authority), as of and for the years ended March 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority'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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Genesee Valley Regional Market Authority, as of March 31, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in Authority's total OPEB liability and related ratio, schedule of Authority's proportionate share of the net pension liability, and schedule of the Authority contributions on pages 4–6 and 29-31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Genesee Valley Regional Market Authority's basic financial statements. The accompanying supplemental information as listed in the table of contents is presented for purposes of additional analysis and is 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. In our opinion, 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 May 21, 2020 on our consideration of the Genesee Valley Regional Market Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Genesee Valley Regional Market Authority's internal control over financial reporting and compliance.

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
May 21, 2020

Genesee Valley Regional Market Authority, New York

Management's Discussion and Analysis (MD&A)

March 31, 2020

INTRODUCTION

Our discussion and analysis of the Genesee Valley Regional Market Authority ("Authority"), New York's financial performance provides an overview of the Authority's financial activities for the year ended March 31, 2020. It should be read in conjunction with the basic financial statements to enhance understanding of the Authority's financial performance, which immediately follows this section.

FINANCIAL HIGHLIGHTS

- The Authority's net position was $20,202,264 at the end of 2020 an increase of $1,025,072 from the prior year.
- The Authority's total operating revenues were $3,646,632 in 2020.
- The Authority's total operating expenses were $1,919,899 in 2020.
- The Authority's operating income (loss) was $1,726,733 in 2020.
- The Authority's net investment in capital assets were $19,222,258 at the end of 2020.

OVERVIEW OF FINANCIAL STATEMENTS

The Authority's basic financial statements are entity-wide reporting on a proprietary fund that consists of basic operations and a fiduciary fund. Thus, the statement of net position and the statement of revenues, expenses and changes in net position report information about the Authority as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

The Authority's net position, the difference between assets and liabilities, are one way to measure the Authority's financial position or health. However, consideration should also be given to other factors, such as non-restricted current assets, and changes in the Authority's fee income and expenses to assess the overall health of the Authority.

NOTES TO FINANCIAL STATEMENTS

The financial statements also include notes that explain the information in the financial statements. They are essential to a full understanding of the data provided in the financial statements.

SUMMARY AND ANALYSIS OF OPERATIONS AND CHANGES IN NET POSITION

Operations

	Operating Fund		
	2020	2019	Variance
Operating Revenues	$ 3,646,632	$ 3,482,263	$ 164,369
Operating Expenses	(1,919,899)	(1,881,952)	37,947
Operating Income (Loss)	**$ 1,726,733**	**$ 1,600,311**	**$ 126,422**
Non-Operating Revenues (Expenses)	(701,661)	(542,515)	159,146
Change in Net Position	**$ 1,025,072**	**$ 1,057,796**	**$ (32,724)**

Net Position

	2020	2019	Variance
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Current Assets	$ 1,165,268	$ 1,378,231	$ (212,963)
Capital Assets	19,222,258	17,903,906	1,318,352
Deferred outflows of resources	115,283	142,805	(27,522)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 20,502,809**	**$ 19,424,942**	**$ 1,077,867**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION:			
Liabiliteis and Deferred Inflow of Resources -			
Current Liabilities	$ 18,997	$ 17,886	$ 1,111
Noncurrent Liabilities	126,259	101,211	25,048
Deferred Inflows of Resources	155,289	128,653	26,636
Total Liabilities and Deferred Inflow of Resources	$ 300,545	$ 247,750	$ 52,795
Net Position -			
Net investment in capital assets	$ 19,222,258	$ 17,903,906	$ 1,318,352
Restricted	717,821	950,224	(232,403)
Unrestricted	262,185	323,062	(60,877)
Total Net Position	$ 20,202,264	$ 19,177,192	$ 1,025,072
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$ 20,502,809**	**$ 19,424,942**	**$ 1,077,867**

As a whole, the Authority's net position consists of three components. The net investment in capital assets totaled $19,222,258 (95%) of the total net position as of March 31, 2020. Net investment in capital assets consists primarily of the land and improvements, buildings and improvements, tools and equipment, and vehicles, which are not considered to be highly liquid. The restricted net position totaled $717,821 (4%), which represents monies restricted for specific purposes. The unrestricted net position totaled $262,185 (1%), which represents the monies available for the ongoing operations of the Authority.

Capital Assets

On March 31, 2020, the Authority had $19,222,258, net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, and machinery and equipment. The capital assets, net of accumulated depreciation, are reflected below:

	2020	2019	Variance
Land and Land Improvements	$ 2,925,872	$ 3,054,547	$ (128,675)
Buildings and Improvements	13,605,304	14,454,399	(849,095)
Machinery and Vehicles	78,445	98,252	(19,807)
Construction in Progress	2,612,637	296,708	2,315,929
Total	**$ 19,222,258**	**$ 17,903,906**	**$ 1,318,352**

More detailed information about the Authority's capital assets is presented in the notes to the financial statements.

Future Factors

While the future outlook of the Regional Market looks very promising, we do have to recognize the potential effect of Coronavirus. The impact of the virus on the economy and small businesses directly impacts many of our tenants. The potential for businesses closing and decreasing demand for commercial space are very real threats however, we are positioned very well to find continued success for many years to come.

Requests for Information

This financial report is designed to provide a general overview of the Genesee Valley Regional Market Authority's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Genesee Valley Regional Market Authority
900 Jefferson Road
Rochester, New York 14623

Statement #1

Genesee Valley Regional Market Authority
Statement of Net Position
March 31, 2020 and 2019

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:		2020		2019
Current Assets -				
Cash and cash equivalents	$	283,905		564,980
Short term investments		749,760		689,088
Other receivables		29,859		30,483
Prepaid expenses		101,744		93,680
Total Current Assets	$	1,165,268	$	1,378,231
Capital Assets -				
Land and improvements	$	2,925,872	$	3,054,547
Construction in progress		2,612,637		296,708
Other capital assets		13,683,749		14,552,651
Total Capital Assets	$	19,222,258	$	17,903,906
TOTAL ASSETS	$	20,387,526	$	19,282,137
Deferred Outflows of Resources -				
Pension related	$	62,886	$	95,274
OPEB related		52,397		47,531
Total Deferred Outflows of Resources	$	115,283	$	142,805
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$**	**20,502,809**	**$**	**19,424,942**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION:				
Current Liabilities -				
Accounts payable	$	-	$	366
Accrued expenses		15,647		14,170
Deposits		3,350		3,350
Total Current Liabilities	$	18,997	$	17,886
Noncurrent Liabilities -				
Net pension liability	$	52,971	$	23,137
Net OPEB liability		73,288		78,074
Total Noncurrent Liabilities	$	126,259	$	101,211
Deferred Inflows of Resources -				
Contract amounts received in advance	$	88,356	$	31,593
Pension related		18,344		80,611
OPEB related		48,589		16,449
Total Deferred Inflows of Resources	$	155,289	$	128,653
Net Position -				
Net investment in capital assets	$	19,222,258	$	17,903,906
Restricted		717,821		950,224
Unrestricted		262,185		323,062
Total Net Position	$	20,202,264	$	19,177,192
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$**	**20,502,809**	**$**	**19,424,942**

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

Statement #2

Genesee Valley Regional Market Authority
Statement of Revenues, Expenses and Changes in Net Position
For Years Ended March 31, 2020 and 2019

	2020	2019
OPERATING REVENUES:		
Rental Income	$ 3,646,632	$ 3,482,263
TOTAL OPERATING REVENUES	**$ 3,646,632**	**$ 3,482,263**
OPERATING EXPENSES:		
Personal Services	$ 480,159	$ 425,398
Contractual Services	366,791	392,982
Other Supplies and Expenses	25,080	28,073
Depreciation	1,047,869	1,035,499
TOTAL OPERATING EXPENSES	**$ 1,919,899**	**$ 1,881,952**
OPERATING INCOME (LOSS)	$ 1,726,733	$ 1,600,311
NONOPERATING REVENUES (EXPENSES):	**$ (701,661)**	**$ (542,515)**
CHANGE IN NET POSITION	$ 1,025,072	$ 1,057,796
NET POSITION - BEGINNING OF YEAR	19,177,192	18,119,396
NET POSITION - END OF YEAR	**$ 20,202,264**	**$ 19,177,192**

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

Statement #3

Genesee Valley Regional Market Authority
Statement of Cash Flows
For Years Ended March 31, 2020 and 2019

		2 0 2 0		2 0 1 9
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from providing services	$	3,704,019	$	3,426,547
Cash paid for contractual expenses		(400,301)		(439,054)
Cash paid for personnel services and benefits		(456,239)		(445,247)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$**	**2,847,479**	$	2,542,246
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Agricultural related business funding	$	(703,065)	$	(576,401)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital asset additions	**$**	**(2,366,221)**	**$**	**(1,600,964)**
CASH FLOWS FROM INVESTING ACTIVITIES:				
Contributions to short-term investments	$	(1,335,205)	$	(249,139)
Withdrawals from short-term investments		1,256,528		61,562
Interest income received		19,409		9,794
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**$**	**(59,268)**	$	(177,783)
NET INCREASE (DECREASE) IN CASH	$	(281,075)	$	187,098
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		564,980		377,882
CASH AND CASH EQUIVALENTS - END OF YEAR	**$**	**283,905**	**$**	**564,980**
OPERATING INCOME (LOSS)	**$**	**1,726,733**	**$**	**1,600,311**
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities -				
Depreciation	$	1,047,869	$	1,035,496
Pension items		(45)		(6,723)
Other postemployment benefit obligation items		22,639		(15,777)
(Increase)/decrease in other receivables		624		(10,798)
(Increase)/decrease in prepaid expenses		(8,064)		(8,342)
Increase/(decrease) in accounts payable		(366)		(9,657)
Increase/(decrease) in accrued expenses		1,477		2,654
Increase/(decrease) in deposits		-		(525)
Increase/(decrease) in contract amounts received in advance		56,763		(44,393)
Total Adjustments	**$**	**1,120,897**	**$**	**941,935**
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$**	**2,847,630**	**$**	**2,542,246**

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

Statement #4

Genesee Valley Regional Market Authority
Statement of Fiduciary Net Position - Other Postemployment Benefits
March 31, 2020 and 2019

	2 0 2 0	2 0 1 9
ASSETS:		
Cash and cash equivalents	407,295	$ 399,435
TOTAL ASSETS	**$ 407,295**	**$ 399,435**
NET POSITION:		
Restricted for OPEB	407,295	$ 399,435
TOTAL NET POSITION	**$ 407,295**	**$ 399,435**

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

Statement #5

Genesee Valley Regional Market Authority
Statement of Changes in Fiduciary Net Position - Other Postemployment Benefits
For Years Ended March 31, 2020 and 2019

	2020	2019
ADDITIONS:		
Employer contributions	$ 20,014	$ 26,453
Interest income	7,960	7,380
TOTAL ADDITIONS	**$ 27,974**	**$ 33,833**
DEDUCTIONS:		
Benefit payments and withdrawals	**$ 20,114**	**$ 26,453**
NET CHANGE IN NET POSITION	$ 7,860	$ 7,380
NET POSITION RESTRICTED FOR OPEB - BEGINNING OF YEAR	399,435	392,055
NET POSITION RESTRICTED FOR OPEB - END OF YEAR	**$ 407,295**	**$ 399,435**

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

GENESEE VALLEY REGIONAL MARKET AUTHORITY, NEW YORK

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

I. Organization:

The Genesee Valley Regional Market Authority (the Authority) is a tax-exempt public benefit corporation created by a 1951 act of the New York State Legislature. It serves as a centrally located food distribution center for a nine-county (Genesee, Livingston, Monroe, Ontario, Orleans, Steuben, Wayne, Wyoming and Yates) area in Western New York. The Authority's purpose, as defined in its enabling legislation, is to acquire, construct, reconstruct, improve, equip, operate, and maintain adequate regional market facilities. The Authority is a lessor of buildings and land located in the Town of Henrietta, New York.

II. Summary of Significant Accounting Policies:

A. Basis of Accounting

The financial statements are prepared in conformity with generally accepted accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board (GASB).

Enterprise funds account for activities that are similar to those found in the private sector. The measurement focus is on the determination of operating income, financial position, changes in net position, and cash flows.

Fiduciary funds for assets and activities when a governmental unit is functioning as either a trustee or an agent to another party. The Authority's fiduciary fund is an Other Employee Benefit Trust Fund (the Trust) which reports the Authority's Other Postemployment Benefit (OPEB) Trust agreement, which is a fiduciary component unit of the Authority.

B. Basis of Presentation

GASB requires the classification of net position into three classifications and defined as follows:

1. **Net Investment in Capital Assets** – This component of net position consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

2. **Restricted Net Position** – A component of net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

New York State legislation requires the Authority to allocate an amount that is strictly available to support agricultural related projects and programs in the nine-county region around Rochester, New York. The authority will provide funding directly to applicants approved jointly by the New York State Department of Agriculture and the Authority's Board of Directors.

3. **Unrestricted Net Position –** This component of net position consists of all other net position that does not meet the definition of the above two components and is available for general use by the Authority.

The Authority has not yet established a net position use policy, but follows a practice of utilizing restricted net position first, followed by unrestricted net position.

C. Cash and Cash Equivalents

Cash and cash equivalents include time deposits, money market accounts, and highly liquid debt instruments with original maturities of three months or less.

D. Investments

Investments are stated at market value, which approximates fair value, and consists of bonds, fixed income securities, and certificates of deposit with a maturity in excess of three month at the time of purchase.

E. Capital Assets

Capital assets are carried at cost. Depreciation is calculated using the straight-line method over estimated useful lives as follows:

Buildings and improvements	10-30 Years
Land improvements	15-30 Years
Vehicles	5 Years
Operating tools and equipment	5-10 Years
Office furniture and equipment	5-10 Years

F. 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 Authority-wide Statement of Net Position. This represents the effect of the net change in the Authority's proportion of the collective net pension asset or liability and difference during the measurement period between the Authority's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Lastly are the Authority contributions to the pension system (ERS) 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 Authority may have two items that qualify for reporting in this category. The 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 Authority-wide Statement of Net Position. This represents the effect of the net change in the Authority's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the Authority's contributions and its proportion share of total contributions to the pension systems not included in pension expense.

G. Revenue Recognition

Rental income is recognized monthly per the lease terms with the tenants. Amounts due from tenants are recorded as rent receivable. Amounts prepaid from tenants are recorded as contract amounts received in advance.

H. Operating Revenues and Expenses

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

I. Use of Estimates

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

J. New Accounting Standards

The Authority has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At March 31, 2020, the Authority implemented the following new standards issued by GASB:

GASB has issued Statement 92, *Omnibus 2020, Paragraphs 4, 5, 11, and 13*.

GASB has issued Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

(II.) (Continued)

K. Future Changes in Accounting Standards

GASB has issued Statement 83, *Certain Asset Retirement Obligations*, which will be effective for reporting periods beginning after June 15, 2019.

GASB has issued Statement 84, *Fiduciary Activities*, which will effective for the periods beginning after December 15, 2019.

GASB has issued Statement 87, *Leases*, which will be effective for the periods beginning after June 15, 2021.

GASB has issued Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*, which will be effective for reporting periods beginning after June 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, 2020.

GASB has issued Statement 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, which will be effective for reporting periods beginning after December 15, 2019.

GASB has issued Statement 91, *Conduit Debt Obligations*, which will be effective for reporting periods beginning after December 15, 2021.

GASB has issued Statement 92, *Omnibus 2020, Paragraphs 6, 7, 8, 9, 10, and 12*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement 93, *Replacement of Interbank Offered Rates, Paragraphs 1-11a and 12*, which will be effective for reporting periods beginning after June 15, 2020.

GASB has issued Statement 93, *Replacement of Interbank Offered Rates, Paragraphs 13 and 14*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement 93, *Replacement of Interbank Offered Rates, Paragraph 11b*, which will be effective for reporting periods beginning after December 15, 2021.

GASB has issued Statement 94, *Arrangements*, which will be effective for reporting periods beginning after June 15, 2022.

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

L. Reclassification

Certain amounts in the 2019 financial statements have been reclassified to conform with the current year presentation.

III. Detail Notes on All Funds and Account Groups:

A. Cash and Cash Equivalents

The Authority's investment policies are governed by state statutes. In addition, the Authority has its own written investment policy. The Authority’s monies must be deposited in FDIC insured commercial banks or trust companies located within the state. The Treasurer 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.

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity. The Combined Statement of Cash Flows uses the indirect method of reporting cash flows.

Deposits at year-end were entirely covered by federal depository insurance. The investments are not currently insured or collateralized. Deposits and investments consisted of:

Deposits - All deposits including certificates of deposit are carried at cost.

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

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

	2020	2019
Uncollateralized	$ -	$ -
Collateralized with securities held by the pledging financial institution	70,731	244,850
Total	**$ 70,731**	**$ 244,850**

B. Fair Value Measurements – Investments

The Authority categorizes its fair value measurements into the fair value hierarchy established by GASB Statement No. 72. Three levels of inputs used to measure fair value are as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Authority has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally form or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term the Level 2 input must be observable for substantially the full term of the assets.

(III.) (Continued)

Level 3 – Inputs to the valuation methodology are unobservable inputs and significant to the fair value measurement.

The Authority does not have any investments that are measured using Level 3 inputs. Fair value measurements of the Authority are as follows as of March 31, 2020 and 2019:

1. Fixed income securities and certificates of deposit based on quoted market prices (Level 1 inputs).

C. Capital Assets

The following is a summary of capital assets for the Authority at March 31, 2020:

Type	Balance 3/31/2019	Additions	Deletions	Balance 3/31/2020
Property Held for Lease				
Buildings and improvements	$ 27,704,408	$ 8,158	$ -	$ 27,712,566
Land Improvements	7,991,633	36,730	-	8,028,363
Total	$ 35,696,041	$ 44,888	$ -	$ 35,740,929
Less accumulated depreciation for:				
Buildings and improvements	$ (13,250,009)	$ (857,253)	$ -	$ (14,107,262)
Land Improvements	(5,319,620)	(165,405)	-	(5,485,025)
Total	$ (18,569,629)	$ (1,022,658)	$ -	$ (19,592,287)
Capital assets not being Depreciated:				
Land	$ 382,534	$ -	$ -	$ 382,534
Construction in progress	296,708	2,324,087	(8,158)	2,612,637
Total	$ 679,242	$ 2,324,087	$ (8,158)	$ 2,995,171
Net property held for lease	$ 17,805,654	$ 1,346,317	$ (8,158)	$ 19,143,813
Other capital assets:				
Vehicles	$ 240,730	$ 2,651	$ -	$ 243,381
Operating tools and equipment	340,674	1,934	-	342,608
Office furniture and equipment	60,235	819	-	61,054
Total	$ 641,639	$ 5,404	$ -	$ 647,043
Less accumulated depreciation for:				
Vehicles	$ (195,479)	$ (14,127)	$ -	$ (209,606)
Operating tools and equipment	(291,560)	(9,479)	-	(301,039)
Office furniture and equipment	(56,348)	(1,605)	-	(57,953)
Total	$ (543,387)	$ (25,211)	$ -	$ (568,598)
Net Property used in operations	$ 98,252	$ (19,807)	$ -	$ 78,445
Governmental activities capital assets, net	**$ 17,903,906**	**$ 1,326,510**	**$ (8,158)**	**$ 19,222,258**

IV. General Information and Pension Plans:

A. General Information About Pension Plan

1. Plan Description

The Authority participates in the New York State Local Employees' Retirement System (ERS). 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 Authority 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.

2. Benefits Provided

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

Tier 1 and 2

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

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

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.

(IV.) (Continued)

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 and 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.

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, 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.

3. Contributions

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

Contributions	ERS
2020	$ 31,206
2019	$ 30,539
2018	$ 26,911

(IV.) (Continued)

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

At March 31, 2020, the Authority reported a liability of $52,971 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2020, the Authority's proportion was .0007476 percent for ERS.

For the year ended March 31, 2020 the Authority recognized pension expense of $31,167. At March 31, 2020, the Authority 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	$ 10,431	$ 3,556
Changes of assumptions	13,315	-
Net difference between projected and actual earnings on pension plan investments	-	13,595
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	7,934	1,193
Subtotal	$ 31,680	$ 18,344
Authority's contributions subsequent to the measurement date	31,206	-
Grand Total	**$ 62,886**	**$ 18,344**

The Authority reported $31,206 as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2020. 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	$ 13,239
2021	(8,593)
2022	963
2023	7,727
Total	**$ 13,336**

(IV.) (Continued)

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, 2018
Actuarial valuation date	April 1, 2018
Interest rate	7.00%
Salary scale	3.80%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience
Inflation rate	2.50%

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

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

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%
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.

2. Discount Rate

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

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

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

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension asset (liability)	$ (231,599)	$ (52,971)	$ 97,089

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, 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%

V. Postemployment Benefits

A. General Information About the OPEB Plan

Plan Description – The Authority administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The Plan is not a written plan but has been approved by the board of directors. A retiring employee is provided a benefit from the Authority provided that the employee has a minimum of twenty years of service, has attained age 62, and is employed by the Authority at the time of retirement. The assets of the fund are held in a trust for the exclusive benefit of plan members and their beneficiaries in accordance with the terms of the OPEB plan.

Basis of Accounting for the Retiree Health Plan – The Retiree Health Plan is a fiduciary component unit of the Authority and is composed of: (1) the Trust which is used to receive, hold, and disburse assets accumulated to pay for some of the OPEB provided by the Authority to its retired employees, and (2) OPEB paid for directly by the Authority out of its general resources rather than through the Trust. The Trust was established for the exclusive benefit of the Authority's retired employees. Amounts contributed to the Trust are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants. No separate financial statements of the Trust are prepared.

Benefits Provided – The Authority provides healthcare benefits for eligible retirees and their spouses.

Employees Covered by Benefit Terms – At March 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Active Employees	4
Total	**8**

B. Net OPEB Liability

The following is a summary of the net OPEB liability as of March 31, 2020, measured as of March 31, 2020 with a valuation date of March 31, 2020:

Actuarial Assumptions and Other Inputs – The total OPEB liability in the March 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	4.0 percent, average, including inflation
Discount Rate	3.12 percent
Healthcare Cost Trend Rates	3.0% Compounded annually
Retirees' Share of Benefit-Related Costs	None
Asset Valuation Method	Market value

(V.) (Continued)

The discount rate was based on Fidelity General Obligation AA-20 Year Municipal Bond rate.

Mortality rates were based on the RP-2014 Mortality Table, with separate rates for males and females and for actives and retirees.

C. Changes in the Total OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at March 31, 2019	$ 477,509	$ 399,435	$ 78,074
Changes for the Year -			
Service cost	$ 9,051	$ -	$ 9,051
Interest on total OPEB Liability	18,635	-	18,635
Differences between expected and actual experience	(45,086)	-	(45,086)
Changes in assumptions or other inputs	40,488	-	40,488
Employer contributions	-	20,014	(20,014)
Net investment income	-	7,960	(7,960)
Benefit payments	(20,014)	(20,114)	100
Net Changes	$ 3,074	$ 7,860	$ (4,786)
Balance at March 31, 2020	**$ 480,583**	**$ 407,295**	**$ 73,288**

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

Changes of assumptions and other inputs reflect a change in the discount rate from 3.83 percent in 2019 to 3.12 percent in 2020.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.12 percent) or 1-percentage-point higher (4.12 percent) than the current discount rate:

	1% Decrease (2.12%)	Discount Rate (3.12%)	1% Increase (4.12%)
Total OPEB Liability	$ 549,381	$ 480,583	$ 425,051

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (2.0 percent) or 1-percentage-point higher (4.0 percent) than the current healthcare cost trend rate:

	1% Decrease (2.0%)	Healthcare Cost Trend Rates (3.0%)	1% Increase (4.0%)
Total OPEB Liability	$ 419,687	$ 480,583	$ 555,037

(V.) (Continued)

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

For the year ended March 31, 2020, the Authority recognized OPEB expense of $42,653. At March 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected return on assets	$ 9,925	$ -
Differences between actual and expected experience	8,335	38,014
Changes of assumptions	34,137	10,575
Grand Total	**$ 52,397**	**$ 48,589**

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

Year	
2021	$ 2,154
2022	2,153
2023	126
2024	370
2025	(721)
Thereafter	(274)
Total	**$ 3,808**

E. Long-Term Expected Rate of Return:

The actuarial valuation as of March 31, 2020 uses a long-term rate of return 3.12 percent per annum, net of investment expenses and including inflation. This is the long-term rate of return assumption on plan assets.

The long-term rate of return is based on the target asset allocation of the Fund's investment policy and was estimated based on returns for similarly situated plans. These ranges are combined to produce the long-term expected rate of return by weighting the expected further real rates of return by the target asset allocation percentage and by adding expected inflation. As of March 31, 2020, the plan's targeted allocation, upon which the long-term expected rate of return is based, includes only United States Treasuries. The annual money-weighted rate of return, net of investment expenses for the OPEB Trust Fund plan was 1.88 percent for fiscal 2020. The money-weighted rate of return considers the changing amounts actually invested during a period and assumes that contributions and expense are paid in the middle of the plan year.

VI. Leases:

The Authority leases land, office space, and warehouse space on both short and long-term lease arrangements to various tenants. All of the leases are operating leases for accounting purposes.

The following is a schedule of future minimum rentals under leases at March 31, 2020:

Year	
2021	$ 2,893,718
2022	2,064,424
2023	1,495,772
2024	1,240,308
2025	782,907
Thereafter	5,338,891
Total	**$ 13,816,020**

VII. Grant Programs:

For the fiscal years ended March 31, 2020 and 2019, the Authority expended $740,000 and $597,114, respectively, of restricted net position in assistance, net of unspent funds returned. The amounts below represent the gross award paid the following agriculturally related businesses:

	2020	2019
NYS Agriculture Experiment Station	$ 400,000	$ 300,000
NYS Wine & Culinary Center	15,000	15,000
NY Wine and Grape Foundation	200,000	200,000
Cornell Cooperative Extension of Monroe County	15,000	15,000
Cornell Cooperative Extension of Orleans County	-	4,536
Town of Irondequoit	-	5,736
Bishop Kearney High School	15,000	15,000
Homesteads for Hope, Inc.	-	15,000
Finger Lakes Wine Alliance	15,000	15,000
City of Geneva	-	11,842
Western New York Maple Producers Assoc.	15,000	-
Ontario County Agributural Society	15,000	-
Cornell University - NYSAES Work Force	50,000	-
Total	**$ 740,000**	**$ 597,114**

VIII. Commitments and Contingencies:

A. Pending or Threatened Litigation

Management is not aware of any pending litigation as of the date of this report.

IX. COVID-19:

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 Authority'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 Authority 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 #1

Required Supplemental Information
Genesee Valley Regional Market Authority
Schedule of Changes in Authority's Total OPEB Liability and Related Ratio
(Unaudited)
For Year Ended March 31, 2020

TOTAL OPEB LIABILITY

	2 0 2 0	2 0 1 9
Total OPEB Liability:		
Service cost	$ 9,051	$ 10,223
Interest	18,635	16,561
Differences between expected and actual experiences	(45,086)	15,283
Changes of assumptions or other inputs	40,488	(19,386)
Benefit payments	(20,014)	(26,453)
Net Change in Total OPEB Liability	**$ 3,074**	**$ (3,772)**
Total OPEB Liability - Beginning	477,509	481,281
Total OPEB Liability - Ending	**$ 480,583**	**$ 477,509**
Plan Fiduciary Net Position:		
Contributions to the Plan	$ 20,014	$ 26,453
Net investment income	7,960	7,380
Benefit payments	(20,114)	(26,453)
Net Change in Plan Fiduciary Net Position	**$ 7,860**	**$ 7,380**
Plan Fiduciary Net Position - Beginning	399,435	392,055
Plan Fiduciary Net Position - Ending	**$ 407,295**	**$ 399,435**
Net OPEB Liability at End of Year	$ 73,288	$ 78,074
Covered-Employee Payroll	$ 240,582	$ 225,905
Net OPEB Liability as a Percentage of Covered-Employee Payroll	30.46%	34.56%

10 years of historical information is not available and will be reported each year going forward

(See Independent Auditors' Report)

Required
Supplemental
Schedule #2

Required Supplemental Information

Genesee Valley Regional Market Authority

Schedule of the Authority's Proportionate Share of the Net Pension Liability

(Unaudited)

For Year Ended March 31, 2020

NYSERS Pension Plan

	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (assets)	0.0007476%	0.0007169%	0.0005682%	0.0005882%	0.0005926%	0.0005926%
Proportionate share of the net pension liability (assets)	$ 52,971	$ 23,137	$ 53,385	$ 94,406	$ 20,021	$ 26,780
Covered-employee payroll	$ 227,929	$ 214,221	$ 142,675	$ 188,575	$ 201,547	$ 195,761
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	23.240%	10.801%	37.417%	50.063%	9.934%	13.680%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	98.24%	94.70%	90.70%	97.90%	97.20%

10 years of historical information is not available and will be reported each year going forward

(See Independent Auditors' Report)

Required
Supplemental
Schedule #3

Required Supplemental Information

Genesee Valley Regional Market Authority

Schedule of Authority Contributions

(Unaudited)

For Year Ended March 31, 2020

NYSERS Pension Plan	2020	2019	2018	2017	2016	2015
Contractually required contributions	$ 31,206	$ 30,539	$ 22,626	$ 31,968	$ 18,752	$ 26,875
Contributions in relation to the contractually required contribution	(31,206)	(30,539)	(22,626)	(31,968)	(18,752)	(26,875)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 227,929	$ 214,221	$ 142,675	$ 188,575	$ 201,547	$ 195,761
Contributions as a percentage of covered-employee payroll	13.69%	14.26%	15.86%	16.95%	9.30%	13.73%

10 years of historical information is not available and will be reported each year going forward

(See Independent Auditors' Report)

Supplemental
Schedule #1

Genesee Valley Regional Market Authority
Schedule of Revenues and Expenses - Budget and Actual
For Year Ended March 31, 2020

	Amended Budget	2020	Variance
OPERATING REVENUES:			
Rental income	$ 3,647,900	$ 3,646,632	$ (1,268)
TOTAL OPERATING REVENUES	**$ 3,647,900**	**$ 3,646,632**	**$ (1,268)**
OPERATING EXPENSES:			
Advertising and promotion	$ 6,000	$ 6,557	$ (557)
Auditing and accounting fees	12,000	11,950	50
Directors' fees and expenses	15,000	13,944	1,056
Dues and subscriptions	4,000	4,031	(31)
Employees' travel and reimbursed expenses	4,000	3,211	789
Employer's health insurance contribution	110,500	121,026	(10,526)
Insurance	66,000	71,725	(5,725)
Legal fees	35,000	8,498	26,502
Local property tax assessments	110,000	98,168	11,832
Office supplies and expenses	4,000	4,352	(352)
Operating Expenses	14,000	10,319	3,681
Other professional services	5,000	15,624	(10,624)
Payroll taxes	24,000	23,208	792
Refuse and snow removal	18,000	20,362	(2,362)
Repairs and maintenance	38,000	49,784	(11,784)
Salaries and wages	288,000	280,027	7,973
Security services	20,000	23,222	(3,222)
State retirement fund contribution	31,000	31,161	(161)
Telephone	6,000	6,019	(19)
Truck and automotive expense	11,000	10,409	591
Utilities	60,000	58,433	1,567
TOTAL OPERATING EXPENSES	**$ 881,500**	**$ 872,030**	**$ 9,470**
OPERATING INCOME (LOSS)	$ 2,766,400	$ 2,774,602	$ 8,202
NONOPERATING REVENUES (EXPENSES):			
Interest income	$ 15,000	$ 1,404	$ (13,596)
Agricultural related business funding	-	(703,065)	(703,065)
TOTAL NONOPERATING REVENUES (EXPENSES)	**$ 15,000**	**$ (701,661)**	**$ (716,661)**
Capital expenditures	**$ 2,080,000**	**$ -**	**$ 2,080,000**
Depreciation	**$ -**	**$ 1,047,869**	**$ (1,047,869)**
CHANGE IN NET POSITION	$ 701,400	$ 1,025,072	$ 323,672
NET POSITION - BEGINNING OF YEAR, restated	19,177,192	19,177,192	-
NET POSITION - END OF YEAR	**$ 19,878,592**	**$ 20,202,264**	**$ 323,672**

(See Independent Auditors' Report)

Supplemental
Schedule #2

Genesee Valley Regional Market Authority
Schedule of Operating Expenses and Non-Operating Expenses
For Years Ended March 31, 2020 and 2019

OPERATING EXPENSES:	**2 0 2 0**	**2 0 1 9**	**Increase (Decrease)**
Advertising and promotion	$ 6,557	$ 3,797	$ 2,760
Auditing and accounting fees	11,950	16,750	(4,800)
Depreciation	1,047,869	1,035,499	12,370
Directors' fees and expenses	13,944	8,245	5,699
Dues and subscriptions	4,031	3,868	163
Employees' travel and reimbursed expenses	3,211	3,160	51
Employer's health insurance contribution	121,026	88,837	32,189
Insurance	71,725	73,406	(1,681)
Legal fees	8,498	25,818	(17,320)
Local property tax assessments	98,168	90,992	7,176
Office supplies and expenses	4,352	6,939	(2,587)
Other professional services	15,624	16,581	(957)
Payroll taxes	23,208	22,050	1,158
Refuse and snow removal	20,362	21,004	(642)
Repairs and maintenance	49,784	48,473	1,311
Salaries and wages	280,027	266,617	13,410
Security services	23,222	22,678	544
State retirement fund contribution	31,161	23,816	7,345
Janitorial supplies	10,319	12,165	(1,846)
Telephone	6,019	6,258	(239)
Truck and automotive expense	10,409	8,969	1,440
Utilities	58,433	76,030	(17,597)
TOTAL OPERATING EXPENSES	**$ 1,919,899**	**$ 1,881,952**	**$ 37,947**
NONOPERATING REVENUES (EXPENSES):			
Other Income	$ -	$ 12,091	$ (12,091)
Interest income	1,404	21,795	(20,391)
Agricultural related business funding	(703,065)	(576,401)	(126,664)
TOTAL NONOPERATING REVENUES (EXPENSES)	**$ (701,661)**	**$ (542,515)**	**$ (159,146)**

(See Independent Auditors' Report)

Supplemental
Schedule #3

Genesee Valley Regional Market Authority
Schedule of Land Rent
For Years Ended March 31, 2020 and 2019

	2020	2019	Increase (Decrease)
157 LaGrange Avenue, Inc. (Shaheen) (Pinecrest Assoc.)	$ 5,349	$ 15,452	$ (10,103)
200 Mushroom Boulevard, LLC	42,525	42,525	-
40 Mushroom Boulevard, LLC	25,320	22,428	2,892
975 Jefferson Road, LLC (Jodie Rose)	9,902	9,661	241
A Jar of Clay Enterprises, LLC	9,417	9,126	291
Andy Patel (Holiday Inn)	76,586	72,332	4,254
Ashland Oil (Valvoline)	17,631	16,430	1,201
Asti Real Estate Holdings, LLC	13,800	13,800	-
B. Giambrone & Co.	19,342	19,342	-
Clay Road Industrial Park, Inc.	19,702	18,972	730
DeCarolis Truck Rental, Inc.	38,061	36,468	1,593
Durhan Oldhan	22,190	22,190	-
Econolodge (Best Western)	54,313	50,603	3,710
Economy Self Storage	20,097	19,654	443
Fong Q. Lo and Chochieng Liou (L&L Company)	20,020	20,020	-
Getinge/Castile, Inc.	3,208	5,499	(2,291)
Home Properties of New York (Jefferson Associates)	165,401	129,116	36,285
Jefferson/Henrietta Associates	52,216	32,568	19,648
J & L Realty (Lou Bivone)	25,511	24,181	1,330
James Gudonis	3,000	3,000	-
J.P. Morgan Chase	79,350	79,350	-
Jamestown Lodging (Jefferson Hotel)	69,550	69,550	-
Kerry Ventures Tech Park	2,291	-	2,291
Lanovara Food Dist.	21,491	20,533	958
LLS Company (Lou Bivone)	27,068	27,068	-
McCarthy Tire (Main Tire Exchange)	-	1,954	(1,954)
Metzger Gear	20,051	19,280	771
Mike Papapanu (Hooters)	21,752	21,221	531
Monroe Muffler	21,706	21,037	669
Mushroom Real Estate LLC	29,288	-	29,288
Norry Company	43,248	43,248	-
Palmer Food Services	10,819	10,080	739
Pittsford Realty Group	25,340	24,210	1,130
Rebegg LLC	27,000	26,667	333
Reed Properties	12,931	12,931	-
Regional Industrial Park (Shaheen)	14,644	42,575	(27,931)
RG & E	36,789	36,789	-
Sticky Lips (830 Jefferson)	60,500	60,500	-
Spectrum Land Company	91,292	91,292	-
Tim Horton	19,507	18,905	602
Wigberto Perez, LLC	10,777	-	10,777
Total Land Rent	**$ 1,288,985**	**$ 1,210,557**	**$ 78,428**

(See Independent Auditors' Report)

Supplemental
Schedule #4

Genesee Valley Regional Market Authority
Schedule of Rental Income
For Years Ended March 31, 2020 and 2019

	2 0 2 0	2 0 1 9	Increase (Decrease)
Total Land Rent	$ 1,288,985	$ 1,210,557	$ 78,428
Administration building	111,887	104,194	7,693
Wholesale house #1 - annual and monthly tenants	141,702	138,567	3,135
Wholesale house #2	-	14,639	(14,639)
Building #1	173,986	173,769	217
Building #2	103,524	103,524	-
Building #3	51,398	51,150	248
Building #4	210,762	202,656	8,106
Building #5	95,118	95,118	-
Building #6	88,111	88,111	-
Building #7	51,912	51,877	35
Building #8	41,202	40,767	435
Building #11	115,787	116,409	(622)
Building #15	38,873	38,402	471
Building #16	81,824	81,243	581
Building #17	107,674	107,674	-
Building #18	81,482	78,643	2,839
Building #19	82,941	82,980	(39)
Building #20	118,125	112,500	5,625
Building #21	68,548	65,349	3,199
Building #22	34,907	30,270	4,637
Building #1 West	54,900	54,900	-
Building #2 West	76,451	75,500	951
Building #3 West	104,545	104,545	-
Building #4 West	53,976	53,856	120
Building #5 West	90,120	90,090	30
Building #6 West	100,120	33,523	66,597
120 Mushroom Blvd	71,082	73,110	(2,028)
Parking Area	6,690	8,340	(1,650)
Total Rental Income	**$ 3,646,632**	**$ 3,482,263**	**$ 164,369**

(See Independent Auditors' Report)

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

Independent Auditors' Report

To the Board of Directors
Genesee Valley
Regional Market Authority, 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 Genesee Valley Regional Market Authority, (Authority) as of and for the years ended March 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Genesee Valley Regional Market Authority, New York's basic financial statements, and have issued our report thereon dated May 21, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Genesee Valley Regional Market Authority'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 Genesee Valley Regional Market Authority, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Genesee Valley Regional Market Authority, 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 Authority's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
May 21, 2020