Finance, Ways and Means

Thursday, January 28, 2021 @ 9:00 AM
Zoom

AGENDA

9:00 AM Call Meeting to Order

Approval of Minutes

- FWMC Meeting Minutes 1/5/2021

County Clerk's Office / DMV:

1. Department Update

Treasurer/Budget Officer:

1. Department Update
2. Sales Tax Report

Finance/Payroll:

1. Department Update
2. Madison County Investment Policy and Procedures

Resolutions:

1. Authorizing Chairman to Enter Into an Agreement with Fiscal Advisors & Marketing
2. Authorizing the Chairman to Enter into an Agreement with Bonadio & Co. for Auditing Services
3. Adopting a set of Financial Principles for Madison County Reserve Funds
4. 2020 Budget Modification - Disability Insurance
5. 2020 Budget Modification - Dept. Health Insurance
6. Authorizing the Modification of the 2020 Adopted County Budget
7. Authorizing Modification of the 2021 Adopted County Budget - Inmate Haircuts
8. 2021 Solid Waste Dept. Budget Modifications: Rollovers / Leachate

Other Committee Business

Preferred Agenda

Next Meeting:

Adjourn

Finance, Ways and Means Committee

Meeting Minutes
January 5, 2021 1 p.m. via Zoom

PRESENT: Chairwoman Yvonne Nirelli via Zoom
Vice Chairman Clifford Moses via Zoom
Supervisor Mary Cavanagh via Zoom
Supervisor Matt Roberts via Zoom
Supervisor Jim Cunningham via Zoom

ALSO: County Administrator Mark Scimone via Zoom
Finance Director Lou Anne Randall via Zoom
Treasurer Cindy Edick via Zoom
County Clerk Mike Keville via Zoom
County Attorney Tina Wayland-Smith via Zoom
Supervisor Ron Bono
Public Information Officer Samantha Field

Chairwoman Yvonne Nirelli called the meeting to order at 1:00 p.m. via Zoom.

I. Approval of Minutes:
Motion by M. Roberts to approve the minutes of the December 15, 2020 meeting; seconded by M. Cavanagh. Motion unanimously approved.

II. Resolutions:

1. Authorizing Chairman to sign contract with a Not-For-Profit Organization for 2021 (MCIDA).
2. Authorizing Chairman to sign contract with a Not-For-Profit Organization for 2021 (Madison County Soil and Water Conservation District).
3. Authorizing Chairman to sign contract with a Not-For-Profit Organization for 2021 (Office for the Aging).

   Resolutions 1-3 were reviewed and M. Roberts made a motion to approve the resolutions; seconded by M. Cavanagh. Motion unanimously approved.

   Discussion: The committee discussed the distributions made to Madison County Industrial Development Agency, Madison County Soil and Water Conservation District and Office of the Aging. These are contracted programs which are mandated by New York State. In house costs for these three programs would surpass the current distributions made. These resolutions specify that payments will be made in February and July to the Not-For-Profit agencies. If state funding cuts occur, changes can be proposed through resolutions presented to the Board of Supervisors.
   .
4. Authorizing Chairman to sign contracts with Not-For-Profit Organizations for 2021 (Various Agencies).Motion by C. Moses to approve the resolution; seconded by M. Roberts. Motion unanimously approved.

5. Authorizing the assistance in defense of assessment review proceedings. Motion by M Roberts to approve the resolution; seconded by M. Cavanagh. Motion unanimously approved.

Discussion: Speedway agreed to be assessed at purchase price of $1.2 million rather than request of $110,000.

6. Modifying the 2021 adopted county budget for NYS Health Foundation Grant for Rural COVID-19 response. Motion by M. Cavanagh to approve the resolution; seconded by C. Moses. Motion unanimously approved

III. Preferred Agenda

A motion was made by M. Roberts to include resolutions 1-4 on the Committee's Preferred Agenda; seconded by J. Cunningham. Motion unanimously approved.

IV. Next Meeting Date: January 28, 2021 at 9 a.m.

V. Adjournment:

The Committee adjourned at 1:21 p.m. on the motion of C. Moses and second of M. Cavanagh. Motion unanimously approved.

Respectfully submitted by Heidi LaSalle on behalf of Chairwoman Yvonne Nirelli.

Madison County
Analysis of
Sales Tax Distributions

Actual Sales Tax Receipts

Distribution Date	2019	2020	Increase/ (Decrease)	%
February 7	$1,698,835	$1,827,766	$128,931	7.59%
February 13	382,749	411,499	28,750	7.51%
March 6	1,449,190	1,500,796	51,606	3.56%
March 13	303,036	291,605	(11,431)	(3.77)%
April 7	2,076,374	2,609,112	532,738	25.66%
April 13	526,220	549,301	23,081	4.39%
May 7	1,761,369	1,180,662	(580,707)	(32.97)%
May 13	868,995	266,661	(602,334)	(69.31)%
June 5	1,893,657	1,192,822	(700,835)	(37.01)%
June 15	317,778	498,369	180,591	56.83%
June 30	1,181,500	2,210,219	1,028,719	87.07%
July 1	1,116,644	907,859	(208,785)	(18.70)%
July 13	847,792	662,648	(185,144)	(21.84)%
August 7	2,022,067	1,878,870	(143,197)	(7.08)%
August 13	414,491	471,958	57,467	13.86%
September 8	2,062,460	1,856,393	(206,067)	(9.99)%
September 14	418,791	412,739	(6,052)	(1.45)%
October 7	2,846,665	3,991,775	1,145,110	40.23%
October 13	730,432	792,828	62,396	8.54%
November 6	1,954,536	1,938,495	(16,041)	(0.82)%
November 13	358,171	396,246	38,075	10.63%
December 7	1,720,325	1,606,986	(113,339)	(6.59)%
December 14	402,010	363,360	(38,650)	(9.61)%
December 31	1,258,782	2,037,202	778,420	61.84%
January 4	984,698	975,845	(8,853)	(0.90)%
January 13	851,167	899,994	48,827	5.74%
Total	$30,448,734	$31,732,010	$1,283,276	4.21%

Madison County
Sales Tax Distributions by Quarter
Fiscal Years 2005 thru 2020

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2005	$ 4,714,076	$ 5,444,803	$ 6,050,940	$ 5,263,832	$ 21,473,651
2006	4,925,381	5,445,734	5,810,662	5,294,682	21,476,459
2007	4,574,470	5,876,182	6,282,296	5,611,585	22,344,533
2008	4,955,177	5,684,810	6,023,261	5,195,273	21,858,521
2009	5,065,224	5,270,938	5,722,098	4,923,280	20,981,540
2010	4,747,426	6,057,305	5,903,788	5,643,578	22,352,097
2011	5,279,393	5,786,555	6,334,158	5,692,684	23,092,790
2012	5,434,472	6,099,325	6,236,049	6,090,937	23,860,783
2013	5,775,189	6,281,290	6,807,931	6,213,519	25,077,929
2014	5,742,069	6,418,531	6,974,057	6,519,154	25,653,811
2015	5,756,940	6,533,868	7,112,490	6,406,512	25,809,810
2016	6,039,067	6,627,129	6,896,340	6,566,418	26,128,954
2017	6,142,016	7,011,385	7,405,496	8,761,674	29,320,571
2018	6,168,451	7,795,506	7,906,666	7,253,066	29,123,689
2019	6,436,404	7,987,735	8,494,907	7,529,689	30,448,735
2020	7,190,079	6,919,240	9,404,563	8,218,128	31,732,010

MADISON COUNTY POLICY AND PROCEDURES

I. SUBJECT: MADISON COUNTY INVESTMENT POLICY AND PROCEDURES

II. ADOPTED: November 8, 2018

III. POLICY AND PROCEDURES:

A. SCOPE

This investment policy applies to all monies and other financial resource available for deposit and investment by Madison County ("the County") on its own behalf or on behalf of any other entity or individual.

B. OBJECTIVES

The primary objectives of Madison County's investment activities are, in priority order:

- To conform with all applicable federal, state and other legal requirements (legality);
- To adequately safeguard principal (safety);
- To provide sufficient liquidity to meet all operating requirements (liquidity); and
- To obtain a reasonable rate of return (yield).

To appropriately meet these objectives, the County will make investment decisions based on categories of cash with which the time horizon is continually calculated using a liquidity analysis of past and anticipated future financial requirements.

C. DELEGATION OF AUTHORITY

The ~~Board of Supervisors'~~ Director of Finance maintains responsibility for administration of the investment program ~~is delegated to the Director of Finance, whom~~ and shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an ~~adequate~~ internal control structure to provide a satisfactory level of accountability based ~~on a data base or~~ upon records incorporating the description and amounts of investments, ~~transaction dates~~ the fund(s) for which they are held, the place(s) where kept, and other relevant information. ~~and regulate the activities of County Officers and subordinate employees~~. In addition, the internal control procedures shall describe the responsibilities and levels of authority for key individuals involved in the investment program.

D. PRUDENCE

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction which might impair public confidence in Madison County to govern effectively.

Investments shall be made with prudence, diligence, skill, judgment and care, under circumstances then prevailing, which knowledgeable and prudent persons ~~of prudence and discretion and intelligence exercise in the management of their own affairs~~ acting in like capacity would use, not for speculation, but for investment, considering the safety of the principal, as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

E. DIVERSIFICATION

It is the policy of Madison County to diversify its deposits and investments by financial institution, by investment instrument and by maturity scheduling. The Director of Finance shall establish appropriate limits for the amount of investments which can be made with each financial institution or dealer, and shall evaluate this listing at least annually.

F. INTERNAL CONTROLS

It is the policy of Madison County for all monies collected by any officer or employee of the government to transfer those funds to the County Treasurer within ~~ten~~ five days of deposit, or within the time period specified in law, whichever is shorter.

The ~~Director of Finance~~ Director of Finance is responsible for establishing and maintaining internal control procedures ~~structure~~ to provide reasonable, but not absolute, assurance that deposits and investments are safe guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and ~~are~~ managed in compliance with applicable laws and regulations.

G. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

Pursuant to Section 10 of the General Municipal Law, the depositories designated by the County of Madison shall be any bank or trust company authorized to do business in the State of New York.

~~H. DESIGNATION OF DEPOSITORIES~~
COLLATERALIZATION

~~The banks and trust companies authorized for the deposit of monies up to the maximum amounts are as follows~~: All demand and time deposits of the County in excess of the amount insured under the provision of the Federal Deposit Insurance Act-

~~Depository Name~~	~~Maximum Amount~~
~~Chase Bank~~	~~$40,000,000~~
~~NBT Bank~~	~~$40,000,000~~
~~Community Bank~~	~~$40,000,000~~

$250,000 Transaction Accounts
$250,000 Time Deposits
$500,000 Total Coverage

Shall be secured by eligible collateral, consisting of any one, or combination, of the following outlined in Section I.

~~I. COLLATERALIZING OF DEPOSITS~~
SECURING DEPOSITS AND INVESTMENTS

~~In accordance with the provisions of General Municipal Law, § 10, all deposits of Madison County, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:~~
All deposits and investments at a bank or trust company, including all demand deposits, certificates of deposit and special time deposits (hereinafter, collectively, "deposits") made by officers of the County that are in excess of amount insured under provisions of Federal Deposit Insurance Act, including pursuant to a Deposit Placement Program in accordance with the law, shall be secured by:

1- ~~By~~ A pledge of "eligible securities" with an aggregate "market value" ~~as provided by GML§ 10~~. (As proved by New York State Law in appendix A) that is at least equal to the aggregate amount of deposits by the officers. See Schedule A of this policy for a listing of "eligible securities."

2- ~~By~~ an eligible "irrevocable letter of credit" issued ~~by a qualified bank other than the bank with the deposits in favor of Madison County for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one, nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements~~. In favor of the County by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, as security for the payment of 100 percent of the aggregate amount of deposits and the agreed –upon interest, if any.

~~3. By~~ an "eligible surety bond payable" to the government for an amount at least equal to 100 percent of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest category by at least two nationally recognized statistical rating organizations. The governing board shall approve the terms and conditions of the surety bond.

4. A pledge of a pro rata portion of a pool of eligible securities, having in the aggregate a market value at least equal to the aggregate amount of deposits from all such officers within New York State at the bank or trust company.

5. An "eligible letter of credit" payable to the County as security for the payment of 140 percent of the aggregate amount of deposits and the agreed-upon interest, if any. An "eligible letter of credit" shall be an irrevocable letter of credit issued in favor of the County, for a term not to exceed 90 days, by a qualified bank (other than the bank where the secured money is deposited). A qualified bank is either one whose commercial paper and other unsecured short-term debt obligations (or, in the case of a bank which is the principal subsidiary of a holding company, whose holding company's commercial paper and other unsecured short-term debt obligations) are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization, or one that is in compliance with applicable federal minimum risk-based capital requirements.

J. COLLATERALIZATION AND SAFEKEEPING

Eligible securities used for collateralizing deposits made by officers of the County shall be held by (the depository ~~and/~~or a third party) bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities (or the pro rata portion of a pool of eligible securities) are being pledged to secure ~~Madison County~~ such deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities (or pro rata portion of a pool of eligible securities) held may be sold, presented for payment, substituted or released and the events of default which shall enable Madison County to exercise its rights against the pledged securities.

In the event that the pledge securities are not registered or inscribed in the name of Madison County, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to Madison County or its custodial bank or trust company. Whenever eligible securities delivered to the custodial bank or trust company are transferred by entries on the books of federal reserve bank or other book-entry system operated by a federally regulated entity without physical delivery of the evidence of the obligations, then the records of the custodial bank or trust company shall be required to show, at all times the interest of the local government in the securities (or pro rata portion of a pool of eligible securities) as set forth in the security agreement.

The custodial agreement shall provide that pledge securities (or the pro rata portion of a pool of eligible securities) will be held by the ~~bank or trust~~ custodial bank or trust company, ~~or~~ as agent of and custodian for, Madison County, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, ~~in any circumstances,~~ be commingled with or become part of the backing for any other deposits or other ~~liabilities~~ liability. The agreement ~~should~~ shall also describe ~~that~~ how the custodian shall confirm the receipt, substitution or release of the collateral ~~securities. The agreement~~ and it shall provide for the frequency of revaluation of collateral by custodial bank or trust company ~~eligible securities~~ and for the substitution of securities when a change in the rating of a security may cause ineligibility. ~~Such agreement shall include all provisions necessary to provide Madison County a perfected interest in the securities.~~ The security and custodial agreements shall also include all other provisions necessary to provide the County with a perfected security interest in the eligible securities and to otherwise secure the local government's interest in the collateral, any may contain other provisions that the governing board deems necessary.

K. PERMITTED INVESTMENTS

As ~~authorized~~ provided by GML, § 11, Madison County ~~authorizes the investment of monies not required for immediate expenditure for terms not to exceed its projected cash flow needs by County Officers as outlined in the County Investment Procedures, to be developed by the Director of Finance, in the following types of investments~~: governing body authorizes the Director of Finance to invest moneys not required for immediate expenditure for terms not to exceed its projected liquidity and cash flow needs in the following types of investments:

- Special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in New York State;
- ~~Certificates of deposit~~ Through a Deposit Placement Program, certificates of deposit in one or more "banking institutions", as defined in Banking Law Section 9-r;
- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- ~~Obligations of the State of New York~~ With the approval of the State Comptroller, obligations issued pursuant to Local Finance Law Section 24.00 or 25.00 (i.e. Tax Anticipation Notes and Revenue Anticipation Notes) by any municipality, school district or district corporation in the State other than the County;

- ~~Obligations issued pursuant to LFL §24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than Madison County;~~
- ~~Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments~~

All investment obligations shall be payable or redeemable at the option of Madison County within such times as the proceeds will be needed to meet expenditures for purposes for which the monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event at the option of Madison County within two years of the date of purchase. Time deposit accounts and certificates of deposit shall be payable within such times as proceeds will be needed to meet expenditures for which the moneys were obtained, and shall be secured as provided in Sections I and J herein.

Except as may otherwise be provided in a contract with bondholders, or noteholders, any moneys of the county authorized to be invested may be commingled for investment purposes, provided that any investment of commingled moneys shall be payable or redeemable at the option of the County within such time as proceeds shall be needed to meet expenditures for which such moneys were obtained, or as otherwise specifically provided in General Municipal Law Section 11. The separate identity of the sources of these funds shall be maintained at all times and income received shall be credited on a pro rata basis to the fund or account from which the moneys were invested.

Any obligation that provides for the adjustment of its interest rate on set dates is deemed to be payable or redeemable on the date on which the principal amount can be recovered through demand by the holder.

L. AUTHORIZED FINANCIAL INSTITUTIONS

~~Madison County shall maintain a list of~~ All financial institutions and dealers ~~approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which Madison County conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of Madison County. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers~~ with which the County transact business shall be creditworthy, and have an appropriate level of experience, capitalization, size and other factors that make the financial institution or the dealer capable and qualified to transact business with the County. The Director of Finance ~~is responsible for evaluating~~ shall evaluate the financial position and maintaining a listing of proposed depositories, trading partners and custodians. ~~Such listing shall be evaluated by the conclusion of the first quarter of each fiscal year~~ Recent Reports of Condition and Income (call reports) shall be obtained to be classified as reporting dealers affiliated with the Federal Reserve Bank , as primary dealers.

The County shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amounts of investments that can be made with each financial institution or dealer.

M. PURCHASE OF INVESTMENTS

~~The written procedures created by the Director of Finance will identify which County Officers are authorized to contract for the purchase of investments subject to the following restrictions~~:

The Director of Finance is authorized to contract for the purchase of investments:

1. ~~Contracting~~ Directly, ~~including through a repurchase agreement~~, from an authorized trading partner.
2. ~~Contracting~~ By participating in a cooperative investment ~~program~~ agreement with ~~another~~ other authorized ~~governmental entity~~ municipal corporations pursuant to Article 5G of the GML, ~~where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the Board of Supervisor~~ and in accordance with Article 3-A of the General Municipal Law.
3. ~~Contracting by utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the Board of Supervisors.~~

All purchased obligations, unless registered or inscribed in the name of Madison County, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the County Officer authorized to make the investment. All such transactions shall be confirmed in writing to Madison County by the bank or trust company.

Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in GML, §10 (3)(a). The ~~custodial~~ agreement shall provide that securities held by the bank or trust company, as agent of and a custodian for Madison County, will be kept separate and apart from the general assets of the custodial bank or trust company and will not~~, in any circumstances~~, be commingled with or become part of the backing for any other deposits or ~~liabilities~~.liabilty. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide Madison County a perfected interest in the securities, and the agreement may also contain other provisions that the governing board deems necessary. The security and cusotidal agreements shall also include all other provisions necessary to provide Madison County with a perfected interest in the securities.

The Director of Finance, where authorized, can direct the bank or trust company to register and hold the evidences of investments in the name of its nominee or may deposit or authorize the bank or trust company to deposit, or arrange for the deposit of any such evidences of investments with a federal reserve bank or other book-entry transfer system operated by a federally regulated entity. The records of the bank or trust company shall show, at all times, the ownership of such evidences of investments, and they shall be, when held in the possession of the bank or trust company, at all times, kept separate from the assets of the bank or trust company. All evidences of investments delivered to a bank or trust company shall be held by the bank or trust company pursuant to a written custodial agreement as set forth in General Municipal Law Section 10(3)(a), and as described earlier in this section. When any such evidenece of investemtns are so registered in the name of a nominee, the bank or trust company shall be absolutely liable for any loss occasioned by the acts of such nominee with respect to such evidence of investments.

N. REPURCHASE AGREEMENT

Repurchase agreements are authorized subject to the following restrictions:

- All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- Trading partners are limited to bank or trust companies authorized to do business in New York State and primary reporting dealers.
- Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United State of America.
- No substitution of securities will be allowed.
- The custodian shall be a party other than the trading partner.

O. DEFINITIONS

The terms "public funds," "public deposits,", "bank," "trust company," "eligible securities," "eligible surety bond," and "eligible letter of credit" shall have the same meanings as set forth in General Municipal Law Section 10.

RESOLUTION NO. _______

AUTHORIZING THE CHAIRMAN TO ENTER INTO AN AGREEMENT WITH FISCAL ADVISORS & MARKETING, INC.

WHEREAS, from time-to-time it is necessary for the County to issue debt to finance capital projects; and

WHEREAS, the complex nature of municipal debt issuance warrants the services of a financial advisor relative to capital financings and prospective debt issuances; and

WHEREAS, the County is planning to issue approximately $37 million serial bonds and $3 million bond anticipation notes in 2021; and

WHEREAS, Fiscal Advisors & Marketing, Inc. has satisfactorily assisted the County with financial advisory services for the past several years and possesses historical knowledge of the County's debt issuances and finances; and

WHEREAS, Fiscal Advisors & Marketing, Inc. proposes to provide services including but not limited to: financing plans; official statement preparation; rating analysis and preparation; credit enhancement; market analysis; mathematical computations; closing services; and continuing disclosure filings; and

WHEREAS, based on Fiscal Advisors' fee schedule, the estimated cost for their services in 2021 amounts to approximately $50,000 for the upcoming debt issuances and required filings.

NOW, THEREFORE, BE IT RESOLVED that the Chairman of the Board be, and hereby is, authorized to execute an agreement with Fiscal Advisors & Marketing, Inc., as is on file with the Clerk of the Board of Supervisors.

Dated: February 9, 2021

____
Yvonne M. Nirelli, Chairwoman
Finance, Ways & Means Committee

AGREEMENT

THIS AGREEMENT, by and between **MADISON COUNTY**, a municipality of the State of New York, John M. Becker, Chairman, Madison County Board of Supervisors, with principal offices at 138 N. Court Street, Wampsville, NY 13163 (mailing: PO Box 635, Wampsville, NY 13163) hereinafter called the "County" and, Fiscal Advisors & Marketing, Inc. ________________, with principal offices at 250 South Clinton Street, Suite 502, Syracuse, NY 13202 ________________ hereinafter called the "Contractor";

WITNESSETH

WHEREAS, the Contractor possesses the special skills and training required to perform services in connection therewith;

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1) **TERM:** The term of this contract shall be from 1/1/2021 through 12/31/2021. This contract may be terminated without cause by either party hereto at any time upon thirty (30) days written notice of the intention to so terminate. The County reserves the right to terminate this Agreement for cause at anytime.

2) **SCOPE OF SERVICES:** The Contractor shall provide services as outlined in Schedule A attached hereto and made a part hereof. The Contractor shall report directly to Cindy Edick, County Treasurer, or his/her designee.

3) **COMPENSATION:** The County hereby agrees to pay the contractor in accordance with the fee schedule contained in Schedule A.
Payment shall be made in accordance with established Madison County procedures, upon submission of duly approved county claim forms, together with such other and further documentation as may reasonably be required including but not limited to Internal Revenue Service form W-9 (request for taxpayer identification number and certification).

4) **ASSIGNMENT:** The Contractor agrees that he shall not assign, transfer, convey, subcontract or otherwise dispose of this contract or his responsibility to perform under this contract or his right, title or interest in and/or to the same, nor any part thereof, nor to any monies which are or will become due and payable to him thereunder, nor the power to execute such contract to any other person, company or corporation without the prior express written consent of the County of Madison.

5) **INDEPENDENT CONTRACTOR:** For the purposes of this contract, the Contractor shall be considered an independent contractor and hereby covenants and agrees to act in accordance with that status, and the Contractor, the employees and agents of the Contractor shall neither hold themselves out as, nor claim to be, officers or employees of the Madison County, and shall make no claim for, nor shall be entitled to, workers' compensation coverage, medical and unemployment benefits, social security or retirement membership benefits from the County.

6) **HOLD HARMLESS:** To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the Madison County, its representatives, agents, servants, employees, officers, departments and authorities, from and against all claims, injuries, demands, judgments, settlements, damages, losses, liabilities, costs and expenses of any kind or nature, including but not limited to litigation costs and attorney's fees, whether arising in law or in equity, all without any limitation whatsoever, arising out of or resulting from the Contractor's performance of the work and/or duties and/or the transactions contemplated by this agreement and which are caused, in whole or in part, by or because of any act or omission of the Contractor, directly or indirectly, and/or by the Contractor's agents, servants, employees, subcontractors and/or any person or entity employed by Contractor or for whose conduct or action the Contractor may be found or held liable, directly or indirectly. In the event that the County is determined to be any percent negligent pursuant to any verdict or judgement, then the Contractor's obligation to indemnify the County for any amount, payment, judgement, settlement, mediation or arbitration award shall extend only to the percentage of negligence of the Contractor or anyone directly or indirectly engaged or retained by it and anyone else for whose acts the Contractor is liable. It is the intention of the parties that the right and entitlement to a defense; the right and entitlement to be held harmless; and the right and entitlement to indemnification shall be as broad as permitted under applicable law. Further, the Contractor agrees to indemnify the County in like regard in an action upon the contract between the parties and claims between the parties, including counsel fees and litigation costs and expenses. The terms of this agreement shall not be construed to negate, abridge or otherwise reduce any other right or obligation of contribution or indemnity which would otherwise exist as to any party or person subject to this agreement. This agreement and paragraph shall be liberally construed so as to afford the County the fullest possible protection and indemnity. In the event that Contractor shall fail or refuse to defend, hold harmless and/or indemnify the County against any such claim, loss, damage, judgment, settlement or action, Contractor shall be liable to the County for all expense, expenditure and cost incurred or to be incurred by the County in defending, resolving and/or satisfying any such claim, loss, damage, judgment, settlement or action, together with all cost and expense of the County, including all attorney's fees, incurred in the County pursuing claim or suit or action against or recovering fees costs and expense from Contractor.

7) **STATUTORY COMPLIANCE:** In acceptance of this Agreement, the Contractor covenants and agrees to comply in all respects with all Federal, State and County laws, rules, regulations and ordinances which pertain hereto and to the performance hereof, including but not limited to those regarding services for municipalities including but not limited to Workers' Compensation and Employers' Liability Insurance, hours of employment, wages and human rights.

8) **CERTIFICATE OF INSURANCE:** Prior to commencing the work under this Agreement the Contractor shall have furnished to the Certificate of Insurance Holder, who shall be Madison County, located at PO Box 635, Wampsville, NY 13163, a Certificate of Insurance (and, if requested pursuant to Paragraph 7, certified policies and proof of payment) which shall evidence all of the above requirements of insurance, including Workers' Compensation and Employers' Liability Insurance. Attached to the certificate of insurance shall be a copy of the Additional Insured endorsement that is part of the Contractor's General Liability

policy. Said Certificate must contain specific language so as to adequately advise the County of the Contractor's compliance with the aforesaid requirements of insurance, including but not limited to specifically detailing the types, amount and duration of the insurance coverages and verifying that the issuing company(s) endorsed such policies as hereinabove required so as to include the Madison County, its representatives, agents, servants, employees, officers, departments and authorities as additional insureds and to notify the County by certified mail thirty (30) days prior to any change diminishing coverage, limits, cancellation or non-renewal of the insurance policies. Upon any and all renewals of the subject insurances during the duration of this contract, a new Certificate of Insurance shall immediately be sent to the Certificate of Insurance Holder.

9) **LICENSES AND PERMITS:** The Contractor hereby agrees that he will obtain at his own expense all licenses or permits for the work performed under this contract, if any are necessary, prior to the commencement of work.

10) **APPROPRIATIONS:** It is understood by and between the parties hereto that this Agreement shall be deemed executory only to the extent of the monies appropriated and available for the purpose of this Agreement and no liability on account thereof shall be incurred by the County beyond monies appropriated and available for the purpose thereof.

11) **CONTRACT MODIFICATIONS:** This agreement represents the entire and integrated agreement between the County and the Contractor and supersedes all prior negotiations, representations or agreements either written or oral. This Agreement may be amended only by written instrument signed by both the County and the Contractor.

12) **SEVERABILITY:** If any term or provision of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and every other term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

13) **CLAUSES REQUIRED BY LAW:** The parties hereto understand and agree that each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to have been inserted herein, and if through mistake or inadvertence such provision is not inserted, said clause shall be deemed to have been inserted and shall have the full force and effect of law.

14) **LEGAL COMPLIANCE:** The Contractor agrees to comply with all Federal, State, and local laws and regulations governing the provision of goods and services under this Contract, including the rules and regulations of the County. Among such rules and regulations are the County's Corporate Compliance Plan and Code of Conduct. The County's Compliance Plan and Code of Ethics can be reviewed at: https://www.madisoncounty.ny.gov/CorporateCompliancePlan.
Additionally, the Health Services Code of Conduct can be reviewed at: https://www.madisoncounty.ny.gov/HealthServicesCodeOfConduct. Copies can be obtained by contacting Christina Kennedy, Corporate Compliance Officer at 315-366-2832. The Contractor agrees to abide by the terms of the Compliance Plan and Code of Conduct when delivering services under this Contract and shall ensure that each individual that provides

such services under this contract is provided with a copy of the Compliance Plan and Code of Conduct or given access to the same.

Requirements for Class A Contractors (Class A Contractors are defined as contractors that provide direct health and medical services):

(a) **Training**. In addition to reviewing the County's Corporate Compliance Plan and Code of Conduct, Class A Contractors are required to receive training related to the County's overall compliance program before or within 30 days of the contract's approval by the Madison County Board of Supervisors.

To access the County's Training Video and Acknowledgement Form, please visit the following links: https://www.madisoncounty.ny.gov/CorporateComplianceTrainingVideo and https://www.madisoncounty.ny.gov/CorporateComplianceTrainingAcknowledgementForm.

Upon completion of the training, the Class A Contractor will print, complete, and sign the acknowledgement form and mail to:

Christina Kennedy
Madison County Corporate Compliance Officer
P.O. Box 635
Wampsville, NY 13163

or by email to christina.kennedy@madisoncounty.ny.gov

Furthermore, the County strongly encourages all healthcare providers contracting with County to implement their own compliance program which addresses each of the seven elements of compliance recommended by the Office of the Inspector General, as well as the eight elements as recommended and/or mandated by the New York State Office of the Medicaid Inspector General.

(b) **Conflict of Interest.** Class A Contractors have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest and must disclose any potential conflicts of interest prior to contracting with the County. Furthermore, Class A Contractors will notify the Compliance Officer when a potential conflict arises. Class A Contractors are required to complete the Madison County Conflict of Interest Disclosure Statement form available at https://www.madisoncounty.ny.gov/Conflict-Of-Interest and return by mail to:

Christina Kennedy
Madison County Corporate Compliance Officer
P.O. Box 635
Wampsville, NY 13163

or by email to christina.kennedy@madisoncounty.ny.gov

Exclusion Screening Statement:

Madison County is committed to maintaining high quality care and service as well as integrity in its financial and business operations. Therefore, the County will conduct appropriate screening of providers, employees, independent contractors, vendors, and agents to ensure and verify that they have not been sanctioned/excluded by Federal or State law enforcement, regulatory or licensing contractor.

The County will also verify that entities and businesses that provide and/or perform services for County have not been the subject of adverse governmental actions and/or excluded from the Federal healthcare programs.

By signing this contract, the Contractor certifies it and/or the entity which it represents, has not been sanctioned nor excluded by any of the aforementioned entities.

15) **NEW YORK STATE SEXUAL HARASSMENT LAWS**: By signing this agreement, each party and each person signing on behalf of each party certifies, under penalty of perjury, that the party has and has implemented a written policy addressing sexual harassment prevention in the workplace and provides annual sexual harassment prevention training to all of its employees. Such policy shall, at a minimum, meet the requirements of section two hundred one-g of the NYS labor law. A model policy and training has been created by the NYS Department of Labor and can be found here: https://www.ny.gov/programs/combating-sexual-harassment-workplace.

16) **EXECUTIVE ORDER 38:** Contractor acknowledges that if this is an agreement for which the Contractor will, in whole or in part, be compensated with New York State funds, in acceptance of this agreement the Contractor agrees to comply with New York State Executive Order Number 38, including all reporting obligations thereunder. Executive Order Number 38 can be found at the following website address: **http://executiveorder38.ny.gov/** and its implementing regulations at 19 NYCRR Part 144.

17) **INSURANCE:** The Contractor shall purchase and maintain insurance of the following types with coverage and limits of liability with an insurance carrier qualified and admitted to do business in New York State. The Insurance carrier must have at least an A- (excellent) rating by A. M. Best.

1) Commercial General Liability (CGL) coverage with limits of Insurance of not less than $1,000,000 each occurrence and $2,000,000 Annual Aggregate.
   a) The CGL coverage shall include a General Aggregate Limit and such General Aggregate shall apply separately to each project.
   b) CGL coverage shall be written on ISO Occurrence form CG 00 01 1001 or a substitute form providing equivalent coverage and shall cover liability arising from premises, operations, independent contracts, products-completed operations, XCU (explosion, collapse & underground coverage), personal & advertising injury and where applicable any work within 50 feet of a railroad. **There shall be no exclusions to Contractual Liability for Employee Injuries (i.e. Labor Law Exclusions)**
   c) Madison County and all other parties required of the County for this project, shall be included as additional insureds. Coverage for the additional insureds shall apply as Primary and Non-contributing Insurance before any other insurance or self-insurance, including any deductible or self-insured retention, maintained by, or provided to, the additional insured's. Coverage for these additional insured's shall include completed operations. **If additional insured coverage can not be provided by endorsement an "Owners & Contractors' Protective" policy will be required for the same liability limits noted above in the name of the "Madison County".**

d) The Contractor's General Liability policy shall include coverage for the Contractor and any of the additional insured's for any operations performed on residential projects including single or multi-family housing, residential condominiums, residential apartments and assisted living facilities.

e) Contractor shall maintain CGL coverage for itself and all additional insureds for the duration of the project and maintain Completed Operations coverage for itself and each additional insured for at least 3 years after completion of the Work.

2) Automobile Liability

a) Business Auto Liability with limits of at least $1,000,000 each accident.

b) Business Auto coverage must include coverage for liability arising out of all owned, leased, hired and non-owned automobiles.

c) Madison County and all other parties required of the County, shall be included as additional insureds on the auto policy. Coverage for these additional insureds shall be on a primary and non-contributing basis.

3) Commercial Umbrella

a) Umbrella limits must be at least $5,000,000.

b) Umbrella coverage must include as additional insureds all entities that are additional insureds on the Commercial General Liability policy.

c) Umbrella coverage for such additional insureds shall apply as primary and non-contributing before any other insurance or self-insurance, including any deductible or self-insured retention, maintained by, or provided to, the additional insured other than the CGL, Auto Liability and Employers Liability coverages maintained by the Contractor.

4) Workers Compensation and Employers Liability

a) Statutory limits apply.

5) Disability Benefits-New York State Statutory Requirements.

6) ________ (**Optional** – check if to be required)
Contractors Pollution Liability – Pollution Liability with a limit of $2,000,000 per claim and $2,000,000 aggregate including completed operations for at least 3 years after completion of the project

7) ________ (**Optional** – check if to be required)
Professional Liability - with a limit of $2,000,000 per claim and $2,000,000 aggregate.

8) ________ (**Optional** – check if to be required)
Property Insurance/Installation Floater - The Contractor shall purchase and maintain property insurance written on an Installation Floater or Builders Risk "All Risk" or equivalent coverage form in the amount of the initial Contract sum, plus the value of subsequent Contract modifications and cost of materials supplied or installed by others, comprising the total value at the site. Coverage shall be at Replacement Cost

and the Contractor will be responsible for any deductibles associated with this coverage. This property insurance shall cover portions of the work stored off the jobsite and also portions of the work in transit.

9) _________ (**Optional** – check if to be required)
Cyber Liability Insurance with limits not less than $1,000,000 per occurrence and an aggregate of $2,000,000. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. The policy shall include, or be endorsed to include, property damage liability coverage for damage to, alteration of, loss of, or destruction of electronic data and/or information "property" of the County in the care, custody, or control of the Contractor.

10) _________ (**Optional** – check if to be required)
Bonding Requirement (insert specific Bonding requirement)

____

____

____

If Contractor fails to procure insurance for the County as required, recoverable damages shall not be limited to the cost of premiums for such additional insurance, but shall include all sums expended, and damages incurred by County, and their respective insurers, which would have otherwise been paid by the Contractor's required insurance.

Waiver of Subrogation:
Contractor waives all rights against the County and the Architect and their agents, officers, directors and employees for recovery of damages to the extent these damages are covered by commercial general liability, commercial umbrella liability, business auto liability or workers compensation and employers liability insurance maintained per requirements stated above.

Certificates of Insurance:
Prior to the start of any work the contractor shall provide a certificate of insurance to Madison County, located at PO Box 635, Wampsville, NY 13163. Attached to each certificate of insurance shall be a copy of the Additional Insured Endorsement that is part of the Contractor's Commercial General Liability Policy. These certificates and the insurance policies required above shall contain a provision that coverage afforded under the policies will not be canceled or allowed to expire until at least 30 days prior written notice has been given to the County.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year hereinafter written.

MADISON COUNTY

DATED: ___________

By: ______________________________
John M. Becker
Chairman, Board of Supervisors

DATED: 1/22/2021

By: Christine Crowley
Christine M. Crowley
President/Municipal Advisor

STATE OF NEW YORK)
COUNTY OF MADISON)

On the ______ day of ____________, 20____, before me, the undersigned, personally appeared **John M. Becker**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public, State of New York
Appointed in ______________ County
My Commission Expires:

____
Notary

STATE OF NEW YORK)
COUNTY OF Onondaga)

On the 22 day of January, 2021, before me, the undersigned, personally appeared Christine M. Crowley personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public, State of New York
Appointed in Onondaga County
My Commission Expires:

Karen a Cannucciari
Notary

Karen A. Cannucciari
Notary Public, State of New York
Appointed in Onondaga County
No. 01CA5075686
My Commission Expires April 7, 2023

Schedule A

FISCAL ADVISORS &MARKETING, INC.

Municipal Advisors to Local Governments

FINANCIAL ADVISORY SERVICES AGREEMENT

This Financial Advisory Services Agreement ("Agreement"), entered into as of January 1, 2021 ("Effective Date"), is between the County of Madison, New York ("Client") and Fiscal Advisors & Marketing, Inc. ("Fiscal Advisors") (collectively referred to herein as the "Parties").

Client agrees to hire Fiscal Advisors and Fiscal Advisors agrees to act as financial advisor to the Client to provide services relating to the Client's Capital Projects including the issuance of Bond, Revenue and/or Tax Anticipation Notes, Leases, Serial Bonds, and Refunding Serial Bonds (the "Securities"), pursuant to the terms of this Agreement:

1. **ISSUANCE DESCRIPTION.** Client intends to issue Securities from time to time during the term of this engagement (the "Issuance").

2. **SCOPE OF SERVICES.** Client hires Fiscal Advisors to provide the services set forth in Appendix A attached hereto ("Services"). All services described in Appendix A are hereby incorporated by reference and the scope of Fiscal Advisor's engagement under the terms of this Agreement shall be solely limited to the Services. Client acknowledges that prior to the Effective Date that Fiscal Advisors has not provided any advice, recommendations or guidance with respect to the Issuance and that, to the extent any prior communications have occurred between Client and Fiscal Advisors relative to the Issuance, any such communications have been limited to communications involving general information relative to the Issuance.

3. **COMPENSATION.** As compensation for the provisions of Services, Client hereby agrees to compensate Fiscal Advisors in accordance with Fiscal Advisors' Fee Schedule attached hereto as Appendix B ("Compensation"). Any modification to the fee schedule agreed to by the Parties in writing will become effective upon the date and time mutually agreed upon by the Parties.

4. **TERM AND TERMINATION.** This Agreement shall be effective as of the Effective Date and shall remain in effect until December 31, 2021, unless terminated by either party upon (30) days written notice; provided, however, that in the event of termination of any such engagement, Fiscal Advisors reserves the right to receive a portion of Compensation based upon the services rendered under this Agreement up to and including the date of termination.

5. **AGREEMENT TO PROVIDE INFORMATION.** Client agrees to provide Fiscal Advisors with complete and accurate information as shall be deemed necessary by Fiscal Advisors for the performance of Services, which shall include financial statements, budgets, and other relevant documents. Client further agrees to not intentionally omit any material information relevant to Fiscal Advisors' provision of Services or to provide any misleading information.

6. **BILLING STATEMENT.** Client will receive an invoice upon the closing of the securities issuance which shall be due and payable within thirty (30) days of the invoice date.

7. **OUT-OF-POCKET EXPENSES.** Fiscal Advisors will not charge for out-of-pocket expenses.

8. **INDEMNITY.** Client hereby agrees to indemnify Fiscal Advisors and hold it harmless against any loss, liability, assessments, or expense (including reasonable attorneys' fees) incurred or assessed arising out of, or in connection with, Fiscal Advisors' acceptance, administration, or performance of its duties hereunder, except such as may arise from Fiscal Advisors' own bad faith, willful misconduct, or gross negligence, including the cost and expense of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under the terms of this Agreement.

9. AMENDMENT. This Agreement constitutes and expresses the entire agreement of the Parties with respect to the subject matter hereof, and all promises, undertakings, representations, agreements, understandings and arrangements, whether oral or written, with reference thereto are merged herein. No amendments to or alterations or variations of this Agreement shall be valid unless made in writing and signed by the Parties; provided, however, that changes to Appendix C – Disclosure of Conflicts of Interest may be provided by Fiscal Advisors in writing without the need for the Parties' signature, and modifications or amendments to Appendix B – Fee Schedule or changes to or the provision of the fees for any particular transaction or issuance type may be provided by Fiscal Advisors in writing (which may be by email) without the need for the Parties' signature. Fiscal Advisors agrees to promptly amend or supplement this Agreement to reflect any material changes or additions to this Agreement.

10. HEADINGS. The headings of the various sections in this Agreement are inserted for the convenience of the Parties and shall not affect the meaning, construction or interpretation of this Agreement.

11. GOVERNING LAW. This Agreement shall be governed by the laws of the State of New York. Any suit or legal proceeding brought pursuant to, touching upon, relating to, or otherwise arising out of this Agreement or performance hereunder will be brought solely in the County of Onondaga, New York.

12. DODD-FRANK COMPLIANCE. Fiscal Advisors is a registered municipal advisor with both the SEC (#866-00478-00) and the MSRB (#K0191). The website address for the Municipal Securities Rulemaking Board is www.msrb.org, where you may find a municipal advisory client brochure that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority.

13. DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION. Client acknowledges that it has received those disclosures set forth and contained within Appendix C attached hereto. Client further acknowledges that it has been given the opportunity to raise questions and discuss the foregoing matters with Fiscal Advisors and that it fully appreciates the nature of these conflicts and corresponding disclosures. Client hereby waives such conflicts and authorizes Fiscal Advisors to provide those services described herein. Client further agrees that in the event Fiscal Advisors shall provide any additional disclosures, that such disclosures may be provided to Client's Treasurer or designated signatory and any such additional disclosures shall be deemed to be a part of this Agreement as if fully set forth herein.

14. COUNTERPARTS. This Agreement may be executed in any number of identical counterparts, via facsimile transmission or otherwise, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective duly authorized officers as of the date first written above.

COUNTY OF MADISON, NEW YORK	**FISCAL ADVISORS & MARKETING, INC.**
By: ____________________	By: Christine M. Crowley
Signature: ____________________	Signature: Christine Crowley
Title: ____________________	Title: President/Municipal Advisor

APPENDIX A – SERVICES

1. **FINANCING PLAN.** Fiscal Advisors will develop a financing plan that will include recommendations with respect to the timing of the Securities sale, a maturity schedule, redemption features, and other terms required to market the Securities.

2. **RECOMMENDATIONS AND REVIEW OF SECURITIES TYPE.** Upon the written request of Client, Fiscal Advisors shall review the financing type selected by Client. Unless specifically requested by Client, in writing, Fiscal Advisors shall assume that Client has already conducted an analysis of the suitability of a particular financing type and shall be under no duty to investigate and/or advise Client of alternatives to the proposed financing structure that are then suitable to Client.

3. **OFFICIAL STATEMENT PREPARATION.** Fiscal Advisors will prepare the Preliminary and Final Official Statement (collectively the "Official Statement") based on information provided by the Client and/or third parties, including bond counsel for certain language relating to legal matters. Fiscal Advisors will make no representation, warranty or guarantee regarding the accuracy or completeness of the information in the Official Statement, and its assistance in preparing these documents should not be construed as a representation that it has independently verified such information.

4. **PRIVATE PLACEMENT MEMORANDUM PREPARATION.** When appropriate, Fiscal Advisors will assist Client in preparing a private placement memorandum or other necessary offering document necessary to complete such financings. Fiscal Advisors will prepare the private placement memorandum based on information provided by the Client and/or third parties, including bond counsel for certain language relating to legal matters. Fiscal Advisors will make no representation, warranty or guarantee regarding the accuracy or completeness of the information in the private placement memorandum, and its assistance in preparing these documents should not be construed as a representation that it has independently verified such information.

5. **RATING ANALYSIS AND PREPARATION.** Fiscal Advisors shall use its best efforts in obtaining the highest possible rating for Client's Securities. Fiscal Advisors will analyze the overall credit conditions of Client including the probable impact of any potential financing plan on the credit rating of Client. Fiscal Advisors will assist Client official(s) in their preparation for the rating interview with rating agency personnel, which may occur at the office(s) of the rating agency(ies). Fiscal Advisors will meet or engage in discussions with municipal rating agencies to review Client's economic and financial condition and financing plans.

6. **CREDIT ENHANCEMENT.** Fiscal Advisors will make recommendations as to the appropriateness of municipal bond insurance for an offering. Fiscal Advisors will take into consideration the requirements for insurance and likelihood that a particular offering would qualify. Fiscal Advisors will also make recommendations as to the appropriateness of other forms of credit enhancements that might be available to Client, if any.

7. **METHOD OF SALE.** Fiscal Advisors shall provide advice with respect to the method of sale (i.e., competitive bid, negotiated underwriting or private placement). For a competitive sale, Fiscal Advisors shall prepare all necessary bidding documents and offering materials, including the notice of sale and *Bond Buyer* publication, as applicable. For a negotiated sale, Fiscal Advisors shall prepare, as applicable, a request for proposals, appraise the proposals received, make recommendations as to the firm to be selected, and finalize the terms of the sale to reflect Client's best interest.

8. MARKET ANALYSIS. In order to appropriately advise Client on the establishment of a desirable sale date and to keep Client abreast of the cost of the financing plan under development, Fiscal Advisors shall monitor the following:

a. General conditions and trends in the economy;
b. Capital market conditions including the imposition of any unusual restraints on monetary supply by the Federal Reserve System;
c. The status of recently sold municipal issues; and
d. The supply of municipal securities coming to market.

9. PAYING AGENT OR TRUSTEE & ESCROW AGENT SELECTION. Fiscal Advisors shall assist Client in selection a Paying Agent or Trustee & Escrow Agent, as applicable.

10. MATHEMATICAL COMPUTATIONS. Fiscal Advisors will prepare maturity and other schedules showing mathematical results including the source and disbursement of funds, yield calculations, savings and escrow account calculations.

11. ATTENDANCE AT MEETINGS. Fiscal Advisors shall attend Client meetings to explain the progress of the transaction and the various documents to be adopted by Client.

12. CLOSING. Fiscal Advisors will prepare a memo or similar document showing the expected or required fund transfers at closing. Fiscal Advisors will obtain CUSIP numbers as requested by Client or as required by MSRB rules.

13. REQUEST FOR PROPOSALS FOR SERVICE PROVIDERS. Fiscal Advisors will prepare a request for proposal for the selection of Senior Managing Underwriter to perform underwriting services as required for the Issuance.

14. SECONDARY DISCLOSURE. Unless otherwise directed by Client, Fiscal Advisors will, on an annual basis, file Client's Continuing Disclosure Report with the Municipal Securities Rulemaking Board's ("MSRB") EMMA online document repository as required under the terms of the Continuing Disclosure Agreement or other written agreement requiring the filing of a Continuing Disclosure Report using information provided by the Client or obtained from third parties. Under the terms of this Agreement, Fiscal Advisors is not responsible for determining whether any Continuing Disclosure Report makes an untrue statement of material fact or omits to state any material information, or to make any determination with respect to the "materiality" of an event or whether such event reflects "financial difficulties" of the Client.

The services provided under this Agreement are limited to the services described herein unless amended or supplemented in accordance with this Agreement or otherwise agreed to in writing by Fiscal Advisors.

APPENDIX B – FEE SCHEDULE [1][2][3][4]

SERVICE	FEES
SHORT-TERM FINANCINGS:	
Bond, Revenue, and Tax Anticipation Notes, Etc.	
Par amount:	
Up to $1,000,000 (Notice of Sale only)	$1,620
$1,000,001 to $3,000,000	$5,190
$3,000,001 - $7,000,000	$6,005
$7,000,001 and over	$6,720
LONG-TERM FINANCINGS:	
Serial Bonds, Energy Performance Contracts (Lease Purchase Agreements), Etc.	
Par amount:	
Up to $1,000,000 (Notice of Sale only)	$2,850
$1,000,001 to $3,000,000 (Official Statement)	$8,450
(Bond fee increases based on size - $1,000 per every $1 million above $3 million)	
Refunding Serial Bonds [5]	
Par amount:	
Up to $1,000,000 (Notice of Sale)	$3,850
$1,000,001 to $3,000,000 (Official Statement)	$12,500
(Bond fee increases based on size - $1,250 per every $1 million above $3 million)	
HOURLY FEE [6]:	$190
CONTINUING DISCLOSURE:	
Annual Continuing Disclosure	$2,445
Material Event Notices (per occurrence)	$540

Notes:

(1) *Actual Fees will be based on actual work performed: Fees may be affected by additional hourly fees charged for additional services specifically requested by the Client.*

(2) *This fee schedule is proprietary information provided to the Client only;* ***It is not for dissemination.***

(3) *Fees may adjust yearly based on Consumer Price Index (CPI) beginning July 1, 2021, and annually thereafter.*

(4) *The fees shown above are only for the services provided by Fiscal Advisors. The Client will also incur charges from (including, but not limited to) Bond Counsel, Rating Agency (as applicable), and Premier Printing, Inc. for printing/mailing services and publication of Preliminary Official Statement and/or Notice of Sale.*

(5) *The Refunding Serial Bond fee is typically paid with premium from Purchaser and not part of Project Costs.*

(6) *Hourly charges are generally not incurred by the Client as all work is included in the Serial Bond or Bond Anticipation Note fee. Hourly charges may apply to special projects as requested by the Client.*

APPENDIX C - DISCLOSURE OF CONFLICTS OF INTEREST

OTHER MATERIAL CONFLICTS OF INTEREST

The Municipal Securities Rulemaking Board requires us, as your Municipal Advisor, to provide written disclosure to you about material conflicts of interest. The following represent Fiscal Advisors material conflicts of interest known to Fiscal Advisors as of the date of this Agreement.

Affiliated Entities and Subsidiaries. For most securities issuances, clients will need to utilize the services of a financial printer of the Official Statement, Notice of Sale and/or Bid Forms. In connection with these printing undertakings, Fiscal Advisors utilizes Premier Printing, Inc., a wholly owned subsidiary of Fiscal Advisors, to print, mail and electronically post client documents.

Armory Associates, LLC is an affiliate of Fiscal Advisors that provides valuations for Other Post-Employment Benefits, and may provide these services to you under separate contract for which it receives a separate fee. In addition, valuations provided by Armory Associates, LLC may be reported in your official statements and in your continuing disclosure (either separately or as part of your audited financial statements) and may affect a creditor's or investor's assessment of your financial position or credit strength.

With respect to all of the above conflicts, Fiscal Advisors manages and mitigates these conflicts primarily by adherence to the fiduciary duty which it owes to municipal entities such as the Client which require it to put the interests of the Client ahead of its own.

VARIOUS FORMS OF COMPENSATION

The Municipal Securities Rulemaking Board requires us, as your Municipal Advisor, to provide written disclosure to you about the actual or potential conflicts of interest presented by various forms of compensation. We must provide this disclosure unless you have required that a particular form of compensation be used. You should select a form of compensation that best meets your needs and the agreed upon scope of services.

Forms of compensation; potential conflicts. The fees to be paid by the Client to Fiscal Advisors are partially contingent on the successful closing of the transaction. Although this form of compensation may be customary, it presents a conflict because Fiscal Advisors may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the Client. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, Fiscal Advisors may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Fixed fee. Under a fixed fee form of compensation, the Municipal Advisor is paid a fixed amount established at the outset of the transaction. The amount is usually based upon an analysis by the client and the advisor of, among other things, the expected duration and complexity of the transaction and the agreed-upon scope of work that the advisor will perform. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the advisor may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. There may be additional conflicts of interest if the Municipal Advisor's fee is contingent upon the successful completion of a financing, as described below.

Hourly fee. Under an hourly fee form of compensation, the municipal advisor is paid an amount equal to the number of hours worked by the advisor times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the Client and the advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked. In some cases, an hourly fee may be applied against a retainer (*e.g.*, a retainer payable monthly), in which case it is payable whether or not a financing closes. Alternatively, it may be contingent upon the successful completion of a financing, in which case there may be additional conflicts of interest, as described below.

Fee contingent upon the completion of a financing or other transaction. Under a contingent fee form of compensation, payment of an advisor's fee is dependent upon the successful completion of a financing or other transaction. Although this form of compensation may be customary for the client, it presents a conflict because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the client. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Fee paid under a retainer agreement. Under a retainer agreement, fees are paid to a Municipal Advisor periodically (*e.g.*, monthly) and are not contingent upon the completion of a financing or other transaction. Fees paid under a retainer agreement may be calculated on a fixed fee basis (*e.g.*, a fixed fee per month regardless of the number of hours worked) or an hourly basis (*e.g.*, a minimum monthly payment, with additional amounts payable if a certain number of hours worked is exceeded). A retainer agreement does not present the conflicts associated with a contingent fee arrangement (described above).

Fee based upon principal or notional amount and term of transaction. Under this form of compensation, the Municipal Advisor's fee is based upon a percentage of the principal amount of an issue of securities (*e.g.*, bonds) or, in the case of a derivative, the present value of or notional amount and term of the derivative. This form of compensation presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue or modify the derivative for the purpose of increasing the advisor's compensation.

With respect to each of the compensation conflicts described above, Fiscal Advisors manages and mitigates these conflicts primarily by adherence to the fiduciary duty which it owes to municipal entities such as the Client which require it to put the interests of the Client ahead of its own.

REQUIRED REGULATORY DISCLOSURES

Fiscal Advisors is registered as a "Municipal Advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB").

The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.

As part its SEC registration, Fiscal Advisors is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving Fiscal Advisors. Pursuant to MSRB Rule G-42, Fiscal Advisors is required to disclose any legal or disciplinary event that is material to the Client's evaluation of Fiscal Advisors or the integrity of its management or advisory personnel. Fiscal Advisors has determined that no such event exists.

Copies of Fiscal Advisors filings with the United States Securities and Exchange Commission can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at https://www.sec.gov/edgar/searchedgar/companysearch.html and searching for either Fiscal Advisors & Marketing, Inc. or for our CIK number which is 0001591452.

There have been no material changes to the legal or disciplinary events that Fiscal Advisors has disclosed to the SEC.

CERTIFICATION OF COMPLIANCE WITH IRAN DIVESTMENT ACT

As a result of the Iran Divestment Act of 2012 (Act), Chapter 1 of the 2012 Laws of New York, a new provision has been added to the State Finance Law (SFL), § 165-a, effective April 12, 2012. Under the Act, the Commissioner of the Office of General Services (OGS) will be developing a list (prohibited entities list) of "persons" who are engaged in "investment activities in Iran" (both are defined terms in the law). Pursuant to SFL § 165-a(3)(b), the initial list is expected to be issued no later than 120 days after the Act's effective date, at which time it will be posted on the OGS website.

By entering into this Contract, Contractor (or any assignee) certifies that once the prohibited entities list is posted on the OGS website, it will not utilize on such Contract any subcontractor that is identified on the prohibited entities list.

Additionally, Contractor agrees that after the list is posted on the OGS website, should it seek to renew or extend the Contract, it will be required to certify at the time the Contract is renewed or extended that it is not included on the prohibited entities list. Contractor also agrees that any proposed Assignee of the Contract will be required to certify that it is not on the prohibited entities list before Madison County may approve a request for Assignment of Contract

During the term of the Contract, should Madison County receive information that a person is in violation of the above-referenced certification, Madison County will offer the person an opportunity to respond. If the person fails to demonstrate that it has ceased its engagement in the investment which is in violation of the Act within 90 days after the determination of such violation, then Madison County shall take such action as may be appropriate including, but not limited to, imposing sanctions, seeking compliance, recovering damages, or declaring the Contractor in default.

Madison County reserves the right to reject any request for assignment for an entity that appears on the prohibited entities list prior to the award of a contract, and to pursue a responsibility review with respect to any entity that is awarded a contract and appears on the prohibited entities list after contract award.

____
Signed

President/Municipal Advisor
Title

Fiscal Advisors & Marketing, Inc.
Company Name

Sworn to before me this
____day of ________________, _____

____
Notary Public

RESOLUTION NO.__________

AUTHORIZING THE CHAIRMAN TO ENTER INTO AN AGREEMENT WITH BONADIO & CO. FOR AUDITING SERVICES

WHEREAS, pursuant to the standards and guidelines contained in the Single Audit Act, as amended, and Office of Management and Budget Super Circular (formally OMB Circular A-133), the County is required to engage an independent auditor for the purpose of annually performing a Federal Single Audit of financial assistance awards; and

WHEREAS, the County is required to engage an independent auditor for the purpose of annually auditing the County Basic Financial Statements: and

WHEREAS, the County is required to engage an independent auditor for the purpose of annually performing agreed-upon procedures relative to financial assurance requirements for the County's municipal Solid Waste Landfill; and

WHEREAS, the County is also required to engage an independent auditor for the purpose of annually performing a New York State Department of Transportation Single Audit; and

WHEREAS, Bonadio & Co, LLP has successfully provided the County with various consulting services over the past several years; and

WHEREAS, Bonadio & Co, LLP has experience performing financial audits for various other New York State county governments and the County has received positive recommendations from other counties who utilize this firm for their annual financial audit services; and

WHEREAS, Bonadio & Co, LLP has provided a proposal for the aforementioned auditing service for the County's fiscal year ending 2020, for a fee of $64,500.

NOW, THEREFORE, BE IT RESOLVED , that the Chairman of the Board of Supervisors be, and hereby is, authorized to enter into an agreement with Bonadio & Co, LLP as is on file with the Clerk of the Board of Supervisors.

Dated: February 9, 2021

____

Yvonne Nirelli, Chairman
Finance, Ways, and Means Committee

Bonadio & Co., LLP
Certified Public Accountants

December 4, 2020

Deferred Compensation Plan for Employees of the County of Madison, New York
C/O Lou Anne Randall, Director of Finance
PO Box 665
Wampsville, NY 13163

To the Deferred Compensation Committee:

We are pleased to confirm our understanding of the services we are to provide for Deferred Compensation Plan for Employees (the Plan) of the County of Madison, New York (the County) for the year ended December 31, 2020 in connection with its annual reporting obligation under Section 9005.1 of the Rules and Regulations of the New York State Deferred Compensation Board.

We will audit the financial statements of Deferred Compensation Plan for Employees of the County, which comprise the statement of net position available for benefits as of December 31, 2020 and the related statement of changes in net position available for benefits for the year then ended, and the related notes to the financial statements. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Plan's 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. As part of our engagement, we will apply certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) MD&A

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the plan's financial statements. Our report will be addressed to the Deferred Compensation Committee of Deferred Compensation Plan for Employees of the County of Madison, New York.

432 North Franklin Street, #60
Syracuse, New York 13204
p (315) 476-4004
f (315) 254-2384

www.bonadio.com

Audit Objective (Continued)
We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Audit Procedures
Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of investments, and certain other assets and liabilities by correspondence with financial institutions, and other third parties. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the plan or to acts by management or employees acting on behalf of the plan.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the plan and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Other Services
We will also assist in preparing the financial statements and related notes of the County's Deferred Compensation Plan in conformity with U.S. generally accepted accounting. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities
You are responsible for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; for establishing an accounting and financial reporting process for determining appropriate value measurements; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the plan from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the plan involving (1) plan management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the plan received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the plan complies with applicable laws and regulations.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means of distributing information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Electronic Communications
In performing services under this Agreement, Bonadio & Co., LLP and/or Client may wish to communicate electronically either via facsimile, electronic mail or similar methods (collectively, "E-mail"). However, the electronic transmission of information cannot be guaranteed to be secure or error free, and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Unless you notify us otherwise, we shall regard your acceptance of this Agreement as including your consent to use E-mail.

Electronic Communications (Continued)
All risks related to your business and connected with the use of E-mail are borne by you and are not our responsibility, unless such risks, or any part thereof, is the fault attributable to us.

Both parties will carry out procedures to protect the integrity of data. In particular, it is the recipient's responsibility to carry out a virus check on any attachments before launching or otherwise using any documents, whether received by E-mail or on disk or otherwise.

Engagement Administration, Fees, and Other
We understand that your personnel will prepare schedules, analyses, and all confirmations we request and will locate any invoices or other documents selected by us for testing.

The audit documentation for this engagement is the property of Bonadio & Co., LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to the U.S. Department of Labor pursuant to authority given to it by law. If requested, access to such audit documentation will be provided under the supervision of Bonadio & Co., LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the U.S. Department of Labor. The U.S. Department of Labor may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Keeley Ann Hines is the engagement principal and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Our fees for the audit and preparation of the financial statements will be billed based on our standard hourly rates, not to exceed $10,000. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement and that we receive all information from your third-party administrators on a timely basis and prior to the commencement of fieldwork. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

Indemnification
Client agrees to indemnify and hold harmless Bonadio & Co., LLP and its personnel from any and all Third-Party claims, liabilities, costs, and expenses, including reasonable attorney fees, arising from or relating to the services under this Agreement, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of Bonadio & Co., LLP relating to such services.

Dispute Resolution
In the event of a dispute related in any way to our services, our firm and you agree to discuss the dispute and if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorneys' fees. In the unlikely event that differences concerning this Agreement or our services provided hereunder should arise that are not resolved by mutual agreement, to facilitate judicial resolution and save time and expense of both parties, Bonadio & Co., LLP and the Client agree not to demand a trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement.

We have the right to withdraw from this engagement if you do not provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests, or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

We appreciate the opportunity to be of service to Deferred Compensation Plan for Employees of the County of Madison, New York and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

BONADIO & CO., LLP

by:
Keeley Ann Hines, CPA

RESPONSE:
This letter correctly sets forth the understanding of Deferred Compensation Plan for Employees of the County of Madison, New York.

____
Plan Administrator's Signature and Title

Date: ____________________________________

Appendix A

Deferred Compensation Plan for Employees of the County of Madison, New York
Circumstances Affecting Timing and Fee Estimate
Year Ended December 31, 2020

The fee quoted for the audit is based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at the Plan's request. Changes to the timing of the engagement usually requires reassignment of personnel used in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, Bonadio & Co., LLP may incur significant unanticipated costs. The audit start date will be agreed upon with management.

2. All audit schedules are (a) not provided by the Plan on the date requested and agreed to with management, (b) not completed in an appropriate format or mathematically correct, or (c) not in agreement with the appropriate Plan records (e.g., general ledger accounts, source documents, confirmations).

3. If all requested information is not provided by the date requested, additional fees at standard hourly rates will be charged for all work performed after the scheduled fieldwork dates.

4. Weaknesses or significant changes in the internal control structure or systems.

5. Necessary changes to management prepared financial statements.

6. Significant new issues or changes as follows:
    a. Significant new accounting issues that require an unusual amount of time to resolve,

    b. Significant changes or transaction that occur prior to the issuance of our reports,

    c. Significant changes in auditing requirements set by regulators.

7. Significant delays in the Plan’s assistance in the engagement or delays in reconciling variances as requested by Bonadio & Co., LLP.

8. All invoices, contracts, or other documents, which we will identify for the Plan, are not located by the Plan’s personnel or made ready for our easy access.

9. Significant level of proposed adjustments identified during our audit.

10. Changes in audit scope caused by events that are beyond our control.

11. Untimely payment of our invoices as they are rendered.

12. Delays in engagement continuance due to outside parties including attorneys, third party administrators and investment custodians.

13. Additional major funds that you choose to report which do not qualify as a major fund in accordance with Government Accounting Standards Board Statement No. 34.

P&N
Postlethwaite & Netterville

8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809
225-922-4600 Phone - 225-922-4611 Fax - pncpa.com

A Professional Accounting Corporation

Report on the Firm's System of Quality Control

To the Partners of
Bonadio & Co., LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP (the firm) applicable to engagements not subject to PCAOB inspection in effect for the year ended April 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under Single Audit Act; audits of employee benefit plans, audit performed under FDICIA, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP applicable to engagements not subject to PCAOB inspection in effect for the year ended April 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Bonadio & Co., LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
October 30, 2017

Bonadio & Co., LLP
Certified Public Accountants

December 4, 2020

County of Madison, New York
Lou Anne Randall, Director of Finance
PO Box 665
Wampsville, NY 13163

We are pleased to confirm our understanding of the services we are to provide County of Madison, New York (the County) for the year ended December 31, 2020. We will audit the financial statements of the governmental activities, business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the County as of and for the year ended December 31, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the County's 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. As part of our engagement, we will apply certain limited procedures to the County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis (MD&A)
2) Budgetary Comparison Schedules
3) Schedule of Changes in the Net Other Postemployment Benefit Plan (OPEB) Liability and Related Ratios
4) Schedule of Contributions - OPEB
5) Schedule of Proportionate Share of Net Pension Liability (Asset)
6) Schedule of Contributions – Pension Plans
7) Notes to Required Supplementary Information, as applicable

432 North Franklin Street, #60
Syracuse, New York 13204
p (315) 476-4004
f (315) 254-2384

www.bonadio.com

We have also been engaged to report on supplementary information other than RSI that accompanies the County's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

1) Schedule of Expenditures of Federal Awards (SEFA).
2) Combining Financial Statements and Nonmajor Fund Budgetary Comparison Schedules.

Under a separate engagement letter, we will perform agreed upon procedures as of and for the year ended December 31, 2020:

1) County compliance with certain portions of the Environmental Protection Agency's Finance Assurance Mechanisms for Local Government Owners and Operators of Municipal Solid Waste Landfill Facilities.
2) New York State Department of Mental Hygiene Consolidated Fiscal Report (CFR).
3) New York State Department of Transportation Capital Project Close Out, when requested by County management following a completion and close out of a project.

Under a separate engagement letter, we will perform an audit as of and for the year ended December 31, 2020:

1) New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on the County's state transportation assistance program.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on -

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Audit Objectives (Continued)
The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Federal Single Audit. Our reports will be addressed to the Members of the Madison County Board of Supervisors. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Audit Procedures - General
An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs.

Audit Procedures - General (Continued)
However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Control
Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures - Compliance
As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the County's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Audit Procedures – Compliance (Continued)
The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the County's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services
We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the County in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities
Management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

Management Responsibilities (Continued)
You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants.

Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on a date agreed upon with management.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management Responsibilities (Continued)
Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Electronic Communications
In performing services under this Agreement, Bonadio & Co., LLP and/or Client may wish to communicate electronically either via facsimile, electronic mail or similar methods (collectively, "E-mail"). However, the electronic transmission of information cannot be guaranteed to be secure or error free, and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Unless you notify us otherwise, we shall regard your acceptance of this Agreement as including your consent to use E-mail. All risks related to your business, Client employee access, and connected with the use of E-mail are borne by you and are not our responsibility. Regarding Client employee access to electronic systems, it is Client's responsibility to notify Bonadio & Co., LLP when Client employee no longer requires access to such systems.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

With regard to using the auditor's report, you understand you must obtain our prior written consent to reproduce our report in bond offerings, official statements, or other documents, if required under the agreements.

Engagement Administration, Fees, and Other
We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

Engagement Administration, Fees, and Other (Continued)
In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documentation, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original estimate.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the County; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Bonadio & Co., LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the U.S. Department of Health and Human Services, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bonadio & Co., LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the U.S. Department of Health and Human Services.

If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to issue our reports no later than July 31, 2021. Keeley Ann Hines is the engagement principal and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Engagement Administration, Fees, and Other (Continued)
Our fee for these services will be at our standard hourly rates plus out of pocket expenses (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree to our gross fee, including expenses, will not exceed $55,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full.

If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all the time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

In the event of a dispute related in any way to our services, our firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorney's fees.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2017 peer review report accompanies this letter. We appreciate the opportunity to be of service to the County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

BONADIO & CO., LLP

by:
Keeley Ann Hines, CPA

RESPONSE:

This letter correctly sets forth the understanding of County of Madison, New York.

Signature: ______________________________

Title: County Administrator

Signature: ______________________________

Title: Director of Finance

Appendix A

County of Madison, New York
Circumstances Affecting Timing and Fee Estimate
Year Ended December 31, 2020

The fee quoted for the audit is based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at the County's request. Changes to the timing of the engagement usually requires reassignment of personnel used in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, Bonadio & Co., LLP may incur significant unanticipated costs. The audit start date will be agreed upon with management.

2. All audit schedules are (a) not provided by the County on the date requested and agreed to with management, (b) not completed in an appropriate format or mathematically correct, or (c) not in agreement with the appropriate County records (e.g., general ledger accounts, source documents, confirmations).

3. If all requested information is not provided by the date requested, additional fees at standard hourly rates will be charged for all work performed after the scheduled fieldwork dates.

4. Weaknesses or significant changes in the internal control structure or systems.

5. Necessary changes to management prepared financial statements.

6. Significant new issues or changes as follows:
    a. Significant new accounting issues that require an unusual amount of time to resolve,

    b. Significant changes or transaction that occur prior to the issuance of our reports,

    c. Significant changes in auditing requirements set by regulators.

7. Significant delays in the County's assistance in the engagement or delays in reconciling variances as requested by Bonadio & Co., LLP.

8. All invoices, contracts, or other documents, which we will identify for the County, are not located by the County's personnel or made ready for our easy access.

9. Significant level of proposed adjustments identified during our audit.

10. Changes in audit scope caused by events that are beyond our control.

11. Untimely payment of our invoices as they are rendered.

12. Delays in engagement continuance due to outside parties including attorneys and lending institutions.

13. Additional major funds that do not qualify as major in accordance with Government Accounting Standards Board Statement No. 34.

P&N
Postlethwaite & Netterville

8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809
225-922-4600 Phone - 225-922-4611 Fax - pncpa.com

A Professional Accounting Corporation

Report on the Firm's System of Quality Control

To the Partners of
Bonadio & Co., LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP (the firm) applicable to engagements not subject to PCAOB inspection in effect for the year ended April 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under Single Audit Act; audits of employee benefit plans, audit performed under FDICIA, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP applicable to engagements not subject to PCAOB inspection in effect for the year ended April 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Bonadio & Co., LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
October 30, 2017

Bonadio & Co., LLP
Certified Public Accountants

December 4, 2020

County of Madison, New York
Lou Anne Randall, Director of Finance
PO Box 665
Wampsville, New York 13163

We are pleased to confirm our understanding of the services we are to provide County of Madison, New York, (the County) for the year ended December 31, 2020. We will audit the County's compliance with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on the County's state transportation assistance program tested for the year ending December 31, 2020.

Audit Objectives
The objective of our audit is the expression of an opinion about whether the schedule is fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. The objective also includes reporting on internal control over compliance related to the major program(s) and an opinion (or disclaimer of opinion) on compliance with the types of compliance requirements described in the Draft Part 43 of the New York State Codification of Rules and Regulations (NYSCRR).

The report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of NYSCRR. The paragraph will also state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of NYSCRR, and will include tests of the accounting records of the program and other procedures we consider necessary to enable us to express an opinion. We will issue written reports upon completion of our audit. Our reports will be addressed to the County Treasurer of the County. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinion on the schedule or our opinion on compliance is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

432 North Franklin Street, #60
Syracuse, New York 13204
p (315) 476-4004
f (315) 254-2384

www.bonadio.com

Audit Procedures—General
An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 schedule. We will plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the County or to acts by management or employees acting on behalf of the County. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the schedule or on the program. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a program-specific audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control
Our audit will include obtaining an understanding of the County and its environment, including internal control, sufficient to assess the risks of material misstatement of the schedule and to design the nature, timing, and extent of further audit procedures. As required by NYSCRR, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to the federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to NYSCRR.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and NYSCRR.

Audit Procedures—Compliance
NYSCRR requires that we plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable compliance requirements of the state transportation assistance. Our procedures will consist of tests of transactions and other applicable procedures described in NYSCRR for the types of compliance requirements that could have a direct and material effect on the state transportation assistance program. The purpose of these procedures will be to express an opinion on the County's compliance with requirements applicable to the program in our report on compliance issued pursuant to NYSCRR.

Other Services
We will also assist in preparing the schedule of state transportation assistance expended and related notes in conformity with U.S. generally accepted accounting principles and NYSCRR based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the schedule of state transportation assistance expended, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities
Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over state awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the schedule of the financial activities of the state transportation assistance programs in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all program financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the schedule, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the NYSCRR, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the County from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the schedule to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the schedule as a whole.

Management Responsibilities (Continued)
You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the County involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the schedule. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the County received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the County complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provision of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the NYSCRR, it is management's responsibility to evaluate and monitor noncompliance with applicable compliance requirements of state transportation assistance; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all state transportation assistance received and understanding and complying with the compliance requirements and for the preparation of the schedule of state transportation assistance expended (including notes and noncash assistance received) in conformity with NYSCRR. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of state transportation assistance expended in accordance with NYSCRR; (2) you believe the schedule of state transportation assistance expended, including its form and content, is stated fairly in accordance with the NYSCRR; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of state transportation assistance expended.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the schedule and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the schedule of state transportation assistance expended and related notes and that you have reviewed and approved the schedule and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other
We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the County; however, management is responsible for distribution of the reports and the schedule. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Bonadio & Co., LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to certain regulatory agency or its designee, a state transportation agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bonadio & Co., LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the regulatory agency. If we are aware that a state transportation awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to issue our reports no later than July 31, 2021. Keeley Ann Hines, CPA is the engagement principal and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be $3,000. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Engagement Administration, Fees, and Other (Continued)
In the event of a dispute related in any way to our services, our firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorney's fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date of either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, exception our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorney's fees.

We appreciate the opportunity to be of continued service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

BONADIO & CO., LLP

Keeley Ann Hines

by:
Keeley Ann Hines, CPA

RESPONSE:

This letter correctly sets forth the understanding of the County of Madison, New York.

Signature: ______________________________

Title: County Administrator

Signature: ______________________________

Title: Director of Finance

Appendix A

County of Madison, New York
Circumstances Affecting Timing and Fee Estimate
Year Ended December 31, 2020

The fee quoted for the audit is based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at the County's request. Changes to the timing of the engagement usually requires reassignment of personnel used in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, Bonadio & Co., LLP may incur significant unanticipated costs. The audit start date will be agreed upon with management.

2. All audit schedules are (a) not provided by the County on the date requested and agreed to with management, (b) not completed in an appropriate format or mathematically correct, or (c) not in agreement with the appropriate County records (e.g., general ledger accounts, source documents, confirmations).

3. If all requested information is not provided by the date requested, additional fees at standard hourly rates will be charged for all work performed after the scheduled fieldwork dates.

4. Weaknesses or significant changes in the internal control structure or systems.

5. Necessary changes to management prepared financial statements.

6. Significant new issues or changes as follows:
    a. Significant new accounting issues that require an unusual amount of time to resolve,

    b. Significant changes or transaction that occur prior to the issuance of our reports,

    c. Significant changes in auditing requirements set by regulators.

7. Significant delays in the County’s assistance in the engagement or delays in reconciling variances as requested by Bonadio & Co., LLP.

8. All invoices, contracts, or other documents, which we will identify for the County, are not located by the County’s personnel or made ready for our easy access.

9. Significant level of proposed adjustments identified during our audit.

10. Changes in audit scope caused by events that are beyond our control.

11. Untimely payment of our invoices as they are rendered.

12. Delays in engagement continuance due to outside parties including attorneys and lending institutions.

13. Additional major funds that do not qualify as major in accordance with Government Auditing Standards Board Statement No. 34.

P&N
Postlethwaite & Netterville

8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809
225-922-4600 Phone - 225-922-4611 Fax - pncpa.com

A Professional Accounting Corporation

Report on the Firm's System of Quality Control

To the Partners of
Bonadio & Co., LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP (the firm) applicable to engagements not subject to PCAOB inspection in effect for the year ended April 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under Single Audit Act; audits of employee benefit plans, audit performed under FDICIA, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP applicable to engagements not subject to PCAOB inspection in effect for the year ended April 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Bonadio & Co., LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
October 30, 2017

Bonadio & Co., LLP
Certified Public Accountants

December 4, 2020

County of Madison, New York
Lou Anne Randall, Director of Finance
PO Box 665
Wampsville, New York 13163

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for the County of Madison, New York.

We will apply the agreed-upon procedures which management of the County of Madison, New York (the County) has specified, listed below, to assist you in your compliance with certain portions of the Environmental Protection Agency's Finance Assurance Mechanisms for Local Government Owners and Operators of Municipal Solid Waste Landfill Facilities (Title 40 CFR Part 258.74 of the Federal Register) for the year ended December 31, 2020. This engagement is solely to assist the County in its compliance as described above. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

Because the agreed-upon procedures listed in the attached schedule do not constitute an examination, we will not express an opinion on your compliance with certain portions of the Environmental Protection Agency's Financial Assurance Mechanisms for Local Government Owners and Operators of Municipal Solid Waste Landfill Facilities (Title 40 CF Part 258.74 of the Federal Register). In addition, we have no obligation to perform any procedures beyond those listed below.

Procedures:

1. Obtain correspondence from Moody's or Standard & Poor's indicating the County's bond rating.
2. Obtain the Financial Statements and determine if they have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).
3. Under Part 258.74(f), determine the County has not:
    - Defaulted on any outstanding general obligation bonds by inquiring of management;
    - Had any outstanding general obligation bonds rated lower than Baa as issued by Moody's of BBB as issued by Standard & Poor's by inquiring of management and examining the outstanding bond documents on the Municipal Securities Rulemaking Board (MSRB) website;
    - Operated at a deficit equal to five percent or more of total annual revenue for the years ended December 31, 2020 and 2019 by examining the County's calculation;

432 North Franklin Street, #60
Syracuse, New York 13204
p (315) 476-4004
f (315) 254-2384

www.bonadio.com

Procedures: (Continued)

- Received an adverse opinion, disclaimer of opinion, or other modified opinion from the independent auditor by obtaining the independent auditor's report issued on the County's financial statements for the year ended December 31, 2020.

4. Obtain the audited financial statements for the County as of and for the year ended December 31, 2020, including the footnote entitled "Solid Waste Management – Landfill Closure and Post-Closure Costs." We will inquire of management that the footnote disclosure requirements meet the GAAP requirements.
5. We will evaluate the County's maximum amount of closure, post-closure, and corrective action costs for which a local government may demonstrate financial assurance through the use of the financial test. We will agree the total of the revenue as defined in 40 CFR 258.74(f)(4)(i) of the Federal Register to the Government-Wide Statement of Activities of the County for the year ended December 31, 2020.

We will submit a report listing the procedures performed and out findings. This report is intended solely for the use of the management of the County of Madison, New York, and should not be used by anyone other than these specified partied. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

You are responsible for the presentation of compliance documents in accordance with Environmental Protection Agency's Financial Assurance Mechanisms for Local Government Owners and Operators of Municipal Solid Waste Landfill Facilities (Title 40 CFR Part 258.74 of the Federal Register); and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for assuming all management responsibilities and for overseeing the agreed-upon procedures we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

Keeley Ann Hines, CPA is the engagement principal and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

At the conclusion of our engagement, we will require a representation letter from management that, among other things, will confirm management's responsibility for the presentation of the County's compliance in accordance with Environmental Protection Agency's Financial Assurance Mechanisms for Local Government Owners and Operators of Municipal Solid Waste Landfill Facilities (Title 40 CFR Part 258.74 of the Federal Register).

We estimate that our fees for these services will not exceed $2,500. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-or-pocket expenditures through the date of termination.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of procedures.

Very truly yours,

BONADIO & CO., LLP

by:
Keeley Ann Hines, CPA

RESPONSE:
This letter correctly sets forth the understanding of County of Madison, New York.

Management signature: ________________________

Title: ____

RESOLUTION No. _________

ADOPTING A SET OF FINANCIAL PRINCIPLES FOR MADISON COUNTY RESERVE FUNDS

WHEREAS, it is appropriate and necessary for Madison County to set goals for its reserve balances for long range financial and strategic planning; and

WHEREAS, the County has reviewed its Reserve requirements and determine that it is necessary to establish reserve funds and cash balances; and

NOW, THEREFORE BE IT RESOLVED, DETERMINDED, AND ORDERED by the Board of Supervisors of Madison County as the following findings and establish the Reserve Funds listed below:

- Reserve Retirement Contribution
- Reserve Alternate to Incarceration
- Reserve Building Improvement
- Reserve Bus Operations
- Reserve Stop DWI
- Reserve Handicap Parking
- Reserve Technology (IT)
- Reserve Fleet
- Reserve Workers Compensation Insurance
- Reserve Disability Insurance
- Reserve Unemployment
- Reserve Health Insurance
- Reserve Future Debt Service
- Reserve ARE Park Water
- Reserve Clockville Water

Each of these reserves are defined in Exhibit “A” Reserve Policy attached to the Resolution. The Board of Supervisors shall review the Reserve Policy and the level of reserve in each fund on an annual basis.

Date: February 9, 2021

____

Yvonne Nirelli, Chairwoman
Finance, Ways, and Means Committee

MADISON COUNTY RESERVE POLICY

EXHIBIT A

Purpose

The purpose of the Madison County Reserve Policy is to ensure that the County has sufficient funding available at all times to meet its operating, capital, and debt service obligations. Reserves should be managed in a manner to fund costs consistent with its policy, forward-looking financial plan, and other long-term plans while avoiding significant rate fluctuations due to changes in cash flow requirements.

Policy

The Board of Supervisors of the Madison County may establish reserve funds and reserve minimum balances as it determines to be in the best interest of the County. The reserve balances are intended to ensure that the County has sufficient reserves to meet current and future needs. Such balances shall be reviewed by the Board and Finance/Treasurer staff on an annual basis as part of the budget process.

With this Policy, the County establishes and segregates several reserve funds to protect the investment in various assets and to meet its financial, regulatory, and contractual obligations. The proper management of these reserves will provide additional assurance that the current levels of service quality and reliability will be met now and into the future.

This Reserve Policy establishes the reserve funds and the level of reserves necessary for adequately providing for the following:

- Funding infrastructure replacement
- Cash flow requirements
- Economic uncertainty
- Local disasters or catastrophic events
- Unfunded mandates and regulatory changes and requirements

Reserve Funds

The County reserve funds may be generally classified as operating, capital and restricted funds. A "fund" is a segregation within the County's accounting system to keep sources and uses of funds easily identifiable and reportable. The funds established with this Reserve Policy are General, County Road, Road Machinery, Landfill, Self Insurance and Debt Service.

The cash reserve balances are to be maintained in separate funds within the accounting system in a manner that ensures accurate tracking transactions and transparency to the County taxpayers. The County Finance Office will follow standardized methods of Generally Accepted Accounting principles set forth by New York State General Municipal Law.

The reserve levels are considered to be the minimum levels for each fund. The minimum reserve balances are intended to support a sustainable financial condition, recognizing the risk and long-range financial planning perspective that is acceptable to Madison County. It is intended that interest income generated from any specific restricted reserve fund remain in such fund until any regulatory or contractual maximum is achieved.

The following funds with this Reserve Policy:

Retirement Contribution

Purpose: For the payment of "retirement contributions" which are defined as all or any portion of the amount payable to either the New York State Local Employees Retirement System or the New York State and Local Police and Fire Retirement, pursuant to Sections 17 or 317 of the Retirement and Social Security Law.

Goals: There is no specific goal amount for this reserve.

Recommendation – There is not a goal for this reserve as it was originally set up to pay the ever increasing costs in the retirement system as set forth by New York State.

Alternate to Incarceration Fee

Purpose: To cover outstanding costs associated with the Probation Department for alternative ways of incarceration.

Goals: There is no specific goal amount for this reserve.

Recommendation – This reserve is for the Probation Department who receives a small percentage of Revenue from NYS Unified Court System. A goal would not be warranted.

Building Improvement

Purpose: Building improvements are capital events that materially extend the useful life of a building and/or increases the value of a building.

Goals: There is no specific goal amount for this reserve

Recommendation – This is a reserve that should be set aside for capital projects and a goal is warranted.

Bus Operations

Purpose: Generally follows the traditional vehicle cycle. Thus can be used for events that occur during the vehicle cycle of life.

Goals: There is no specific goal amount for this reserve.

Recommendation – This reserves is used by the Planning Department and should only be funded when bus operations are warranted.

Stop DWI

Purpose: To fund the Stop DWI program for the Sheriff's Department to promote safe driving.

Goals: There is no specific goal amount for this reserve.

Recommendation – No Goal is needed

Handicap Parking

Purpose: To promote Handicap accessibility for those in need.

Goals: There is no specific goal amount for this reserve.

Recommendation- Very little revenue is added every year. Discuss with Sheriff.

Technology IT

Purpose: To cover the cost of technology necessary for Madison County and its employees to fulfill their functions adequately.

Goals: There is no specific goal amount for this reserve.

Recommendations – Consensus of Budget Officer, Finance and IT Director we would like to see $400,000 to $500,000

Fleet

Purpose: Finance all or part of the cost for the fleet vehicles of Madison County.

Goals: All monies collected from selling vehicles will be appropriated to this account.

Recommendations – The Chairman stated he would like to see this Reserve increase just in case the Enterprise Fleet agreement did not save the County money, as promised.

Workers' Compensation Insurance

Purpose: To pay compensation and benefits, medical, hospital or other expenses authorized by Article 2 of the Workers' Compensation law and by the Volunteer Firefighters' Benefit Law and to pay the expenses of administering a self-insurance program.

Goals: An actuarial report will advise each year of amount to be reserved for future claims.

Disability Insurance

Purpose: To pay for expert or professional services in connection with the investigation, adjustment or settlement of claims, actions or judgements.

Goals: There is no specific goal amount for this reserve.

Recommendations – To close this out. We are fully insured now.

Unemployment Insurance

Purpose: To reimburse the State Unemployment Insurance Fund for payments made to claimants where the municipality has elected to use the "benefit reimbursement" method.

Goals: There is no specific goal amount for this reserve.

Recommendations – Due to COVID and Unemployment extensions and increases for the next year we should fund this Reserve.

Health Insurance

Purpose: To cover the cost of claims, administrative costs, high claims, stabilizing premiums/contributions during high cost and/or low budgets and/or funding levels.

Goals: To maintain one million dollars in reserve.

Recommendations – Further discussion is warranted.

Future Debt Service

Purpose: Used to pay for the interest and principle payments on debt.

Goals: To cover debts for the year

Recommendations – Can we specify for Landfill – Budget Officer stated this was original used for Landfill. Set aside future debt payments.

ARE Park Water

Purpose: Water and sewer distribution project for the landfill and area businesses.

Goals: Project costs until the construction is completed. * has been completed.

Recommendations – Change the name to: Water Pipeline project for the Agricultural and Renewable Energy Park. Budget Officer has been budgeting $6,600 per year.

Clockville Water

Purpose: Public water infrastructure project for designated areas in the Town of Lincoln and Town of Lenox.

Goals: Project cost until construction is completed. ** Change Goal this is for Debt Service and is unrelated to actual construction.

Recommendations – If this project moves forward, then this Reserve can be used for the initial year of debt payments. If project fails, than the Reserve can be used to pay debt service for other projects.

Reserve Balances as of December 31, 2019

Org- Fund	Object	Description of Reserve	2019 Actual
A	382701	Retirement Contribution	$ 93,016.71
A	387801	Building Improvement	$ 49,257.29
A	388200	Alternate to Incarceration	$ 26,719.15
A	388301	Bus Operations	$ 63,878.42
A	388400	Stop DWI	$ 12,209.01
A	388525	Handicapped Parking	$ 8,462.50
A	388580	Fleet	$ 164,619.00
A	388575	Technology (IT)	$ 127,154.43
A	388920	Workers Compensation Insurance	$ 13,217.05
A	388930	Disability Insurance	$ 90,771.57
A	388940	Unemployment Insurance	$ 71,810.76
A	388950	Health Insurance	$1,288,240.08
D	382701	Retirement Contribution	$ 38,415.30
DM	382701	Retirement Contribution	$ 0
EE	388825	Future Debt SVC	$ 216,388.74
V	388403	Water ARE Park	$ 112,109.17
V	388404	Clockville Water	$ 70,800.00

RESOLUTION NO. _____

AUTHORIZING THE MODIFICATION OF THE 2020 ADOPTED COUNTY BUDGET

BE IT RESOLVED that the 2020 Adopted County budget be modified as follows:

General Fund

Disability Insurance Expense	From	To	Change +/(-)
Expense			
A101010 585100 Legislative Board	$1,802	$1,818	16
A131010 585100 Director of Finance	944	988	44
A134510 585100 Purchasing	257	259	2
A135510 585100 Real Property Assessment	359	360	1
A141010 585100 County Clerk	2,231	2,163	(68)
A143010 585100 Personnel	515	517	2
A148010 585100 Public Information	86	87	1
A167010 585100 Central Service	86	87	1
A296020 585100 Preschool Education	343	256	(87)
A296120 585100 Early Intervention	343	462	119
A401040 585100 Public Health Administration	944	660	(284)
A401240 585100 Public Health Preventive	815	995	180
A401640 585100 Public Health Grants	43	114	71
A430840 585100 Mental Health Clinic	2,317	2,316	(1)
A431040 585100 Mental Health Administration	172	173	1
A601060 585100 Social Services Administration	10,382	10,381	(1)
A661060 585100 Consumer Affairs	86	87	1
A714570 585100 Youth Bureau	172	173	1
A751070 585100 Historian	86	87	1
Control Total	$21,983	$21,983	$0

Dated: February 9, 2020

____

Yvonne M. Nirelli, Chairperson
Finance Ways & Means Committee

RESOLUTION NO. _____

AUTHORIZING THE MODIFICATION OF THE 2020 ADOPTED COUNTY BUDGET

BE IT RESOLVED that the 2020 Adopted County budget be modified as follows:

General Fund

Employee Health Insurance Expense

Expense	From	To	Change +/(-)
A101010 586100 Board of Supervisor's	$441,196	$437,618	$(3,578)
A117010 586100 Public Defender	0	1,638	1,638
A131010 586100 Finance Office	176,998	155,474	(21,524)
A142010 586100 County Attorney	56,423	66,593	10,170
A145010 586100 Board of Elections	102,026	111,742	9,716
A296120 586100 Early Intervention	27,445	43,709	16,264
A311030 586100 Sheriff Road & Civil	695,471	712,657	17,186
A315030 586100 Sheriff Corrections	712,201	673,447	(38,754)
A341030 586100 Emergency Management	47,500	69,068	21,568
A401040 586100 Public Health Administration	118,013	115,523	(2,490)
A401240 586100 Public Health Preventive	73,063	85,079	12,016
A409040 586100 Public Health Environmental	144,385	139,560	(4,825)
A430840 586100 Mental Health Clinic	359,227	341,839	(17,388)
A431040 586100 Mental Health Administration	46,431	46,432	1
Control Total	$3,000,379	$3,000,379	$0

Dated: February 9, 2020

____

Yvonne M. Nirelli, Chairperson
Finance, Ways & Means Committee

RESOLUTION NO. _____

AUTHORIZING THE MODIFICATION OF THE 2020 ADOPTED COUNTY BUDGET

WHEREAS, the Madison County Health Department provides services to Madison County Children through the Preschool program; and

WHEREAS, the current budget amount in the Tuition and Evaluation account is not sufficient for the County needs; and

WHEREAS, the Health and Human Services Committee has reviewed and approves this budget modification;

NOW, THEREFORE, BE IT RESOLVED that the 2020 Adopted County Budget be modified as follows:

General Fund

2960 PRESCHOOL SPECIAL EDUCATION	From	To
Expense		
A296020.541210 Tuition & Evaluation Expense	$1,650,000	$1,720,000
A296020.541050 Transportation	$670,000	$600,000
Control Total	$2,320,000	$2,320,000

Dated: February 9, 2021

Alexander Stepanski, Chairman
Health & Human Services Committee

Yvonne Nirlelli, Chairwoman
Finance, Ways & Means Committee

RESOLUTION NO. _____

AUTHORIZING THE MODIFICATION OF THE 2021 ADOPTED COUNTY BUDGET

BE IT RESOLVED that the 2021 Adopted County Budget be modified as follows:

General Fund

3150 Sheriff-Correctional Facility	From	To
Expense		
A315030 547165 Inmate Hair Cuts	$-0-	$3,000
Control Total		$3,000
Revenue		
A315030 427709 Inmate Commissary Account	$-0-	$3,000
Control Total		$3,000

Dated: February 9, 2021

____
Paul H. Walrod, Chairman
Criminal Justice, Public Safety and
Emergency Communications Committee

____
Yvonne M. Nirelli, Chairwoman
Finance, Ways & Means Committee

RESOLUTION NO. _____

AUTHORIZING THE MODIFICATION OF THE 2021 ADOPTED COUNTY BUDGET

BE IT RESOLVED that the 2021 Adopted County Budget be modified as follows:

Enterprise Landfill Fund		
8164 Environmental Control (Landfill)	From	To
Expense		
EE816480 529330 Miscellaneous Equipment	$110,000	$169,000
EE816480 540101 Computer Equip Not Capitalized	0	1,000
EE816480 540123 Site Security	$5,000	$102,750
EE816480 540124 Office Bldg Design/Bidding	0	50,000
EE816480 540157 Tire Management	10,000	16,000
EE816480 540300 Miscellaneous Building Expense	25,000	31,000
EE816480 540460 Leachate Treatment Transport	10,000	150,000
EE816480 540461 Leachate Disposal	0	200,000
8171 Facilities		
Expense		
EE817180 546250 Facilities Expense	20,500	75,500
Totals	$180,500	$795,250
Control Total		$614,750
Net Assets		
EE 300599 Budgetary Fund Balance Unreserved	$291,257	$906,007
Control Total		$614,750

Dated: February 9. 2021

James S. Goldstein, Chairman
Solid Waste and Recycling Committee

Yvonne M. Nirelli, Chairwoman
Finance, Ways and Means Committee