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**Ciaschi • Dietershagen • Little • Mickelson
& Company, LLP**

Certified Public Accountants and Consultants

Frederick J. Ciaschi, C.P.A.

COUNTY OF TIOGA

Owego, New York

EXECUTIVE SUMMARY

December 31, 2011

CORTLAND

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Cortland, New York 13045
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ITHACA

401 East State Street ~ Suite 500
Ithaca, New York 14850
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COUNTY OF TIOGA

EXECUTIVE SUMMARY OF 2011 AUDIT REPORT AND FINDINGS

Basic Financial Statements

Report of Independent Auditors on Basic Financial Statements

Report of Independent Auditors on Supplemental Financial Information

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

Description of Report and Findings

Unqualified opinion on the County of Tioga's (the County's) financial statements for the year ended December 31, 2011.

Unqualified report on supplemental financial information in relation to primary audit report.

Report on the County's compliance with laws and regulations that may have a direct and material effect on the financial statements. This report identified **no material instances of noncompliance**.

Reports on the County's internal control over financial reporting based on the auditor's understanding of the internal control structure and assessment of control risk obtained as part of the audit of the basic financial statements. This report identified **one significant deficiency and no material weaknesses in internal control**.

Single Audit (OMB A-133) Report

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

Description of Report and Findings

Report on 1) the County's internal control structure policies and procedures used in administering federal award programs; 2) compliance with general requirements of the County's federal awards; and 3) compliance with specific requirements applicable to its major federal award programs. This report identified **no instances of noncompliance and no material weaknesses**.

Report on Schedule of Expenditures of Federal Awards

Unqualified report on the Schedule of Expenditures of Federal Awards supplemental information in relation to the primary audit report. Federal expenditures amounted to \$15,162,840.

Auditor's Communication with Those Charged with Governance

A letter that specifically addresses certain required communications to the Legislature in accordance with professional standards - there were **no comments of concern** to be reported regarding the following:

- Qualitative Aspects of Accounting Practices
- Difficulties Encountered in Performing the Audit
- Corrected or Uncorrected Misstatements
- Disagreements with Management
- Management Representations
- Management Consultations with Other Independent Accountants
- Other Information in Documents Containing Audited Financial Statements
- Other Audit Matters or Issues

COUNTY OF TIOGA

5 YEAR FINANCIAL STATEMENT ANALYSIS

<u>GENERAL FUND</u>	<u>12/31/11</u>	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>	<u>12/31/07</u>
<u>ASSETS</u>					
Cash and investments	\$ 13,173,961	\$ 11,153,897	\$ 7,495,821	\$ 8,149,756	\$ 6,478,455
Taxes receivable	5,900,648	5,382,910	5,450,979	5,094,743	5,344,497
Due from state and federal	5,407,426	6,625,293	5,135,001	4,706,410	4,394,838
Other receivables	675,863	187,813	389,992	388,736	754,101
Prepaid expenses	677,957	499,385	303,257	336,739	401,913
Due from other governments	-0-	27,490	317,629	13,011	31,078
Due from other funds	369,452	2,150,239	3,183,228	3,070,939	1,068,745
Total Assets	<u>\$ 26,205,307</u>	<u>\$ 26,027,027</u>	<u>\$ 22,275,907</u>	<u>\$ 21,760,334</u>	<u>\$ 18,473,627</u>
<u>LIABILITIES</u>					
Accounts payable and accruals	\$ 2,136,631	\$ 2,336,103	\$ 2,614,134	\$ 3,369,695	\$ 2,017,622
Due to other governments	5,136,504	5,064,472	5,672,512	3,630,349	3,434,865
Due to other funds	3,436,484	304,023	1,386,457	2,215,791	469,248
Deferred revenue	2,726,115	2,282,357	1,980,278	1,652,877	2,160,927
Total Liabilities	<u>13,435,734</u>	<u>9,986,955</u>	<u>11,653,381</u>	<u>10,868,712</u>	<u>8,082,662</u>
<u>FUND BALANCE</u>					
Nonspendable	677,957	499,385	303,257	336,739	350,238
Restricted	441,851	375,965	669,955	599,414	458,032
Assigned	6,464,067	5,463,742	4,344,900	4,993,403	4,447,731
Unassigned	5,185,698	9,700,980	5,304,414	4,962,066	5,134,964
Total Fund Balances	<u>12,769,573</u>	<u>16,040,072</u>	<u>10,622,526</u>	<u>10,891,622</u>	<u>10,390,965</u>
Total Liabilities and Fund Balances	<u>\$ 26,205,307</u>	<u>\$ 26,027,027</u>	<u>\$ 22,275,907</u>	<u>\$ 21,760,334</u>	<u>\$ 18,473,627</u>

Note: Abstracted from audited financials - See audit reports for complete information

COUNTY OF TIOGA
(CONTINUED)
5 YEAR FINANCIAL STATEMENT ANALYSIS

	<u>12/31/11</u>	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>	<u>12/31/07</u>
<u>REVENUES</u>					
Real property taxes and tax items	\$ 22,569,265	\$ 22,479,665	\$ 20,620,771	\$ 20,593,026	\$ 18,735,668
Nonproperty tax items	18,573,837	16,858,161	16,865,711	16,895,480	16,007,800
Departmental income	6,583,679	8,221,866	8,306,344	8,030,635	6,910,370
Intergovernmental charges	479,682	704,385	579,018	504,101	581,067
Use of money and property	223,481	102,965	87,658	253,453	595,260
Fines and forfeitures	116,642	117,600	141,813	133,867	138,024
Other	579,616	452,311	328,578	612,542	709,969
State sources	9,194,566	9,137,655	9,700,304	8,780,736	8,932,542
Federal sources	6,801,319	9,043,633	8,410,117	6,418,455	8,959,189
Total Revenues	<u>65,122,087</u>	<u>67,118,241</u>	<u>65,040,314</u>	<u>62,222,295</u>	<u>61,569,889</u>
<u>EXPENDITURES</u>					
General governmental support	10,062,138	9,471,874	9,888,484	10,430,420	9,900,808
Education	4,405,340	4,494,316	5,191,138	4,526,465	4,214,424
Public safety	6,740,298	6,868,533	6,401,237	6,497,446	6,150,246
Public health	7,094,388	7,092,383	7,324,576	7,426,805	7,066,839
Transportation	869,717	1,072,579	630,986	785,701	807,844
Economic assistance and opportunity	20,270,319	19,879,247	20,342,519	19,704,320	19,670,902
Culture and recreation	223,387	229,476	232,827	215,570	212,401
Home and community service	608,096	605,536	657,064	635,062	592,107
Employee benefits	11,125,587	10,089,514	8,678,869	7,979,120	7,844,385
Debt service (principal and interest)	1,341,163	874,600	862,138	-0-	139,948
Total Expenditures	<u>62,740,433</u>	<u>60,678,058</u>	<u>60,209,838</u>	<u>58,200,909</u>	<u>56,599,904</u>
Excess of Revenues	<u>2,381,654</u>	<u>6,440,183</u>	<u>4,830,476</u>	<u>4,021,386</u>	<u>4,969,985</u>
Transfers (out)	<u>(5,652,153)</u>	<u>(1,022,637)</u>	<u>(5,099,572)</u>	<u>(3,115,766)</u>	<u>(2,456,579)</u>
Net Change in Fund Balance	<u>\$ (3,270,499)</u>	<u>\$ 5,417,546</u>	<u>\$ (269,096)</u>	<u>\$ 905,620</u>	<u>\$ 2,513,406</u>
Restatement	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (404,963)</u>	<u>\$ -0-</u>	<u>\$ (4,082,353)</u>

Note: Abstracted from audited financials - See audit reports for complete information

COUNTY OF TIOGA
(CONTINUED)
5 YEAR FINANCIAL STATEMENT ANALYSIS

<u>EXPENDITURES AND TRANSFERS</u> <u>IN OTHER FUNDS</u>	<u>12/31/11</u>	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>	<u>12/31/07</u>
Refuse and Garbage Fund	\$ 1,187,363	\$ 1,229,018	\$ 1,240,149	\$ 1,243,391	\$ 1,182,692
County Road Fund	\$ 1,984,096	\$ 1,846,969	\$ 1,801,061	\$ 1,756,699	\$ 1,730,025
Road Machinery Fund	\$ 637,672	\$ 616,333	\$ 632,046	\$ 660,935	\$ 609,474
Special Grant Fund	\$ 288,918	\$ 688,571	\$ 719,869	\$ 291,126	\$ 628,460
Capital Funds	\$ 10,487,725	\$ 6,007,097	\$ 4,226,178	\$ 7,644,938	\$ 8,179,379

Note: Abstracted from audited financials - See audit reports for complete information

COUNTY OF TIOGA

EXECUTIVE SUMMARY OF 2011 AUDIT

AUDIT FOCUS/REPORTING OBJECTIVES:

- 1) Financial Statements
 - * Management's Discussion and Analysis
 - * Government-wide Financial Statements
 - * Governmental Fund Financial Statements
 - * Notes to Financial Statements
 - * Budgetary Comparison Schedules
 - * Supplementary Information

- 2) Single Audit
 - * Study and Evaluation of Internal Controls
 - * Testing of Compliance with Laws and Regulations

AUDIT APPROACH:

- * Preliminary Planning
- * Consideration of Internal Control Structure
- * Tests of Controls
- * Tests of Compliance with Laws and Regulations
- * Substantive Testing of Financial Information

AUDIT REPORTS:

- * Report on Financial Statements and Schedule of Expenditures of Federal Awards
- * Report on Internal Control over Financial Reporting and on Compliance and Other Matters
- * Report on Compliance with Requirements Applicable to Major Programs and Internal Control over Compliance with Circular A-133

UNDERSTANDING THE COUNTY'S OPERATIONS:

- * Services Provided
- * Assessment of Accounting and Reporting System
- * Nature of Activities
- * Special Reporting Requirements
- * Nature of Compliance Requirements
- * Assessment of Management

FACTORS AFFECTING THE SCOPE OF TESTING:

- * Effectiveness of Overall Financial Controls
- * Qualifications of Key Personnel
- * Appropriate Segregation of Duties
- * Budget Administration
- * Ability to Issue Timely and Accurate Financial Reports

CONSIDERATION OF INTERNAL CONTROL STRUCTURE:

- * Ability to Demonstrate Compliance with Laws and Regulations
- * Effectiveness of Budget Process
- * Accuracy and Comprehensiveness of Internal Reporting
- * Existence of Adequate Policies and Procedures