

## **MANAGEMENT COMMENT LETTER**

The Chairman and Members  
of the County Legislature  
County of Tioga  
Owego, New York

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Tioga (the County) as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

### **OTHER MATTERS**

#### **Current and Prior Year Findings**

##### Deficit Fund Balances

###### Finding:

During our current year audit, the Internal Service Fund had a net deficit of \$1,667,075 at December 31, 2018. During our prior year audit, the Internal Service Fund had a net deficit of \$2,135,440 at December 31, 2017.

###### Recommendation:

We recommend management develop a plan to eliminate deficit net position by utilizing budget planning and transfers from the General Fund.

## DISCUSSION ITEMS

### Impact of Future Standards of the Governmental Accounting Standards Board (GASB)

The County is in the process of assessing the future effects of each of the following:

GASB has issued Statement No. 83, "Certain Asset Retirement Obligations," effective for the year ending December 31, 2019.

GASB has issued Statement No. 84, "Fiduciary Activities," effective for the year ending December 31, 2019. This statement improves guidance regarding identification of fiduciary activities for accounting and reporting purposes.

GASB has issued Statement No. 87, "Leases," effective for the year ending December 31, 2020.

GASB has issued Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements," effective for the year ending December 31, 2019. This statement improves the information disclosed in the notes to the governmental financial statements related to debt, including direct borrowings and direct placements.

GASB has issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period," effective for the year ending December 31, 2020.

County management will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

We would like to thank you and your staff for the cooperation and support given to us during the course of the audit. We appreciate the opportunity to be of service to you and look forward to our continued involvement.

This communication is intended solely for the information and use of the County Legislature and management of the County of Tioga and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
September 5, 2019