

COUNTY OF TIOGA

Owego, New York

FINANCIAL REPORT

For the Year Ended
December 31, 2022



COUNTY OF TIOGA

TABLE OF CONTENTS

Independent Auditors' Report	1-4
Required Supplementary Information	
Management's Discussion and Analysis	5-5j
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	6
Statement of Activities	7
Governmental Fund Financial Statements	
Balance Sheet - Governmental Funds	8
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	10
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	11
Statement of Proprietary Net Position	12
Statement of Proprietary Revenues, Expenses, and Changes in Fund Net Position	13
Statement of Proprietary Cash Flows	14
Statement of Fiduciary Net Position	15
Statement of Changes in Fiduciary Net Position	16
Notes to Financial Statements	17-55
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Required Supplementary Information	
Budgetary Comparison Schedule (Non-U.S. GAAP) - General Fund	56
Schedule of Changes in the County's Total OPEB Liability and Related Ratios	57
Schedule of County's Contributions - NYSLRS Pension Plan	58
Schedule of the County's Proportionate Share of the Net Pension (Asset)/Liability - NYSLRS Pension Plan	59
Notes to Required Supplementary Information	60-61

COUNTY OF TIOGA

TABLE OF CONTENTS

Supplementary Information

Balance Sheet - Non-Major Governmental Funds	62
Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	63

Report Required Under *Government Auditing Standards*

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	64-65
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Reports Required Under the Single Audit Act (Uniform Guidance)

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance	66-68
Schedule of Expenditures of Federal Awards	69-70
Notes to Schedule of Expenditures of Federal Awards	71
Schedule of Findings and Questioned Costs	72



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Tioga, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Tioga County Soil and Water Conservation District. The Tioga County Soil and Water Conservation District represent 46%, 41%, and 86%, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tioga County Soil and Water Conservation District, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

During the year ended December 31, 2022, the County adopted Government Accounting Standards Board (GASB) Statement No. 87, "Leases." As discussed in Note 19 to the financial statements, assets and liabilities as of December 31, 2021 for the governmental activities were restated to reflect this change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including and currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Budgetary Comparison Schedule (Non-U.S. GAAP) - General Fund; Schedule of Changes in the County's Total OPEB Liability and Related Ratios; Schedule of County's Contributions - NYSLRS Pension Plan; Schedule of the County's Proportionate Share of the Net Pension (Asset)/Liability - NYSLRS Pension Plan; and related notes be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Non-Major Fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The Non-Major Fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Non-Major Fund financial statements and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 25, 2023

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Our discussion and analysis of the County of Tioga's (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2022. Please read this information in conjunction with the County's financial statements, which begin on page 6.

USING THIS ANNUAL REPORT

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 6-7) provide information about the County as a whole and present a longer-term view of the County's finances. Governmental Fund financial statements start on page 8. For Governmental Activities, these statements show how these services were financed in the short term, as well as what remains for future spending. Governmental Fund financial statements also report the County's operations in more detail than the Government-wide financial statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside the government. Following these statements are notes that provide additional information that is essential to a full understanding of the data provided in the financial statements. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the County's General Fund budget for the year; a Schedule of Changes in the County's Total OPEB Liability and Related Ratios related to the County's other postemployment benefits; a Schedule of County's Contributions - NYSLRS Pension Plan; and a Schedule of the County's Proportionate Share of Net Pension (Asset)/Liability.

In addition to the basic financial statements, the annual report contains other information in the form of combining statements for those funds that are not considered major funds and, therefore, are not presented individually in the basic financial statements.

Reporting the County as a Whole

Analysis of the County as a whole begins on page 6 with the Government-wide financial statements. The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer the question of whether the County, as a whole, is better off or worse off as a result of the year's activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the County's net position and its changes. The County's net position, the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources, is one way to measure the County's financial health or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. One needs to consider other non-financial factors, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

In the Statement of Net Position and the Statement of Activities, the County is separated into two kinds of activities:

Governmental Activities: Most of the County's services are reported in this category, including public safety, public health, economic assistance, transportation, and general administration. Property and sales taxes, and state and federal grants, finance most of these activities.

Component Units: The County includes three separate legal entities in its report: the Tioga Tobacco Asset Securitization Corporation, the Tioga County Soil and Water Conservation District, and Tioga County Industrial Development Agency. Although legally separate, these component units are important because the County is financially accountable for them. The Tioga Tobacco Asset Securitization Corporation is reported as a blended component unit. The Tioga County Soil and Water Conservation District and the Tioga County Industrial Development Agency are reported as discretely presented component units. Complete financial statements for the Tioga Tobacco Asset Securitization Corporation and the Tioga County Industrial Development Agency can be obtained from their administrative offices at 56 Main Street, Owego, New York 13827. Financial statements for the Tioga County Soil and Water Conservation District can be obtained from their administrative office at 183 Corporate Drive, Owego, New York 13827.

Reporting the County's Most Significant Funds

Governmental Fund Financial Statements

Analysis of the County's Major Funds begins on page 8. The Governmental Fund financial statements provide detailed information about the most significant funds, not on the County as a whole. Some funds are required to be established by New York State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes and grants. The County's three kinds of funds (Governmental, Proprietary, and Fiduciary) use different accounting approaches.

Governmental Funds: All of the County's services are reported in the Governmental Funds which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. The relationship (or differences) between Governmental Activities (reported in the Government-wide financial statements) and Governmental Funds is explained in a reconciliation following the fund financial statements.

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Proprietary Funds: When the County charges customers for the services it provides, whether to outside customers or to other units of the County, these services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. Internal Service Funds (a component of Proprietary Funds) are used to report activities that provide supplies and services for the County's other programs and activities such as the administration of workers' compensation obligations.

The County as Trustee: The County is the trustee, or fiduciary, for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 15. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE COUNTY AS A WHOLE

The County's net deficit for fiscal year ended December 31, 2022 decreased \$12,916,067, from \$20,173,821 to \$7,257,754. Last year net deficit decreased by \$2,441,409.

The largest portion of the County's net position, \$67,055,464, reflects its investment in capital assets (land, buildings, machinery and equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the County's net position, \$12,400,730, represents resources subject to external restrictions on how they may be used and are reported as restricted.

The remaining category of total net position, unrestricted net position, shows a deficit of \$86,713,948, which may be used to meet the government's ongoing obligations and services to creditors and citizens.

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Our analysis below focuses on the net position (*Figure 1*), and changes in net position (*Figure 2*), of the County's Governmental Activities.

Figure 1 - Net Position

Net Position	2022	2021	Dollar Change	Percent Change
Current Assets	\$ 83,704,397	\$ 67,791,280	\$ 15,913,117	23.47%
Capital Assets, Net	72,984,344	72,374,578	609,766	0.84%
Other Noncurrent Assets	7,620,270	775,969	6,844,301	882.03%
Total Assets	164,309,011	140,941,827	23,367,184	16.58%
Total Deferred Outflows of Resources	36,547,711	46,840,758	(10,293,047)	(21.97)%
Current Liabilities	22,144,051	17,809,620	4,334,431	24.34%
Noncurrent Liabilities	125,513,889	154,272,642	(28,758,753)	(18.64)%
Total Liabilities	147,657,940	172,082,262	(24,424,322)	(14.19)%
Total Deferred Inflows of Resources	60,456,536	35,874,144	24,582,392	68.52%
Net Investment in Capital Assets	67,055,464	64,653,463	2,402,001	3.72%
Restricted	12,400,730	5,988,792	6,411,938	107.07%
Unrestricted	(86,713,948)	(90,816,076)	4,102,128	4.52%
Total Net (Deficit)	\$ (7,257,754)	\$ (20,173,821)	\$ 12,916,067	64.02%

Significant changes from the prior year are as follows:

- Current assets increased primarily due to increases in cash and investments attributable to revenues in excess of expenditures in general and capital funds.
- Noncurrent assets increased during the year due to New York State Local Retirement Systems (NYSLRS) net pension liability in the prior year switching to a net pension asset in the current year.
- Capital outlay exceeded depreciation expense and net book value of disposals, resulting in an increase in capital assets, net.
- Current liabilities increased primarily due to increases in deferred revenues which is unearned until spent on eligible expenses under COVID relief grants.
- Changes in total deferred inflows and outflows of resources along with the change in noncurrent liabilities is primarily related to changes in actuarial assumptions for the NYSLRS pension plan, as well as the County's other postemployment benefits plan and differences between expected and actual earning on the NYSLRS pension plan.
- Net investment in capital assets increased primarily due to principal payments made on outstanding debt partially offset by the change in capital assets, net.
- Restricted net position increased due to increases in reserves in the capital and general funds.

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

The County's total revenues increased by 10.08%, while the total cost of all programs and services decreased 1.98%. Our analysis in *Figure 2* considers the operations of Governmental Activities.

Figure 2 - Changes in Net Position

Governmental Activities	2022	2021	Dollar Change	Percent Change
REVENUES				
Program Revenues:				
Charges for Services	\$ 6,954,245	\$ 6,649,349	\$ 304,896	4.59%
Operating Grants and Contributions	20,687,763	17,839,265	2,848,498	15.97%
Capital Grants	2,943,589	2,597,019	346,570	13.34%
General Revenues:				
Property Taxes and Tax Items	29,687,807	28,639,262	1,048,545	3.66%
Sales and Other Taxes	32,533,556	28,909,531	3,624,025	12.54%
Tobacco Settlement	740,879	784,010	(43,131)	(5.50)%
State Sources	1,710,809	1,534,286	176,523	11.51%
Use of Money and Property	208,386	87,290	121,096	138.73%
Other	596,986	230,560	366,426	158.93%
Total Revenues	\$ 96,064,020	\$ 87,270,572	\$ 8,793,448	10.08%
PROGRAM EXPENSES				
General Government	21,719,646	21,111,695	607,951	2.88%
Education	5,411,966	4,819,129	592,837	12.30%
Public Safety	14,011,842	16,759,364	(2,747,522)	(16.39)%
Public Health	8,336,959	9,211,225	(874,266)	(9.49)%
Transportation	6,113,395	5,702,048	411,347	7.21%
Economic Assistance and Opportunity	24,451,321	24,334,045	117,276	0.48%
Culture and Recreation	337,804	347,233	(9,429)	(2.72)%
Home and Community Services	1,303,166	1,057,097	246,069	23.28%
Interest on Long-Term Debt	1,461,854	1,487,327	(25,473)	(1.71)%
Total Expenses	\$ 83,147,953	\$ 84,829,163	\$ (1,681,210)	(1.98)%
CHANGE IN NET POSITION	\$ 12,916,067	\$ 2,441,409	\$ 10,474,658	429.04%

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Significant changes from prior year are as follows:

Revenues

- Charges for services increased due to increased clerk, public health, mental health, and charges for care of handicapped children.
- Operating grants increased primarily due to increased New York State and federal aid for various purposes.
- Capital grants increased due to additional CHIPS claims in the current year.
- Property tax and tax items increased due to increases in gain on sale of tax acquired properties along with increases in the tax levy.
- Sales tax and state sources increased due to impacts from COVID-19 on economic activity in the County as well as aid from casino operations in the prior year.
- The increase in Other is primarily based on compensation for loss received for claims.

Expenses

- Expenses as a whole decreased primarily due to changes in actuarially determined pension and OPEB liabilities, partially offset by increases due to inflation and additional expenditures on various programs and departments.

The cost of all Governmental Activities this year was \$83,147,953. As shown in the Statement of Activities, the amount our taxpayers ultimately financed for these activities through County property and other tax revenues was \$52,562,356, because some of the cost was paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions. Overall, the County's governmental program revenues were \$30,585,597. The County paid for the remaining "public benefit" portion of Governmental Activities with \$65,478,423 in taxes and other revenues, such as interest and general entitlements.

Overall, program expenses of the County's Governmental Activities decreased \$1,681,210, which represents a 1.98% decrease from the prior year.

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

THE COUNTY'S FUNDS

At December 31, 2022, the County's Governmental Funds, as presented in the balance sheet on page 8, reported a combined fund balance of \$59,773,459, which represents an increase of 26.82% from the prior year. Of this amount, \$708,116 was nonspendable, \$12,400,730 was restricted, and \$11,801,533 was assigned, leaving \$34,863,080 in unassigned fund balance. *Figure 3* shows the changes in fund balance for the County's Governmental Funds.

*Figure 3
Governmental Funds
Fund Balances*

Major and Non-Major Funds	2022	2021	Dollar Change	Percent Change
Major Funds:				
General Fund	\$ 41,095,800	\$ 33,094,523	\$ 8,001,277	24.18%
Capital Projects Fund	16,568,876	12,229,178	4,339,698	35.49%
Non-Major Funds:				
Special Revenue Funds:				
Special Grant Fund	954,659	499,516	455,143	91.12%
County Road Fund	178,608	327,628	(149,020)	(45.48%)
Road Machinery Fund	86,288	109,594	(23,306)	(21.27%)
Debt Service Fund	889,228	872,271	16,957	1.94%
Totals	\$ 59,773,459	\$ 47,132,710	\$ 12,640,749	26.82%

General Fund Budgetary Highlights

Over the course of the year, the County Legislature revised the County budget several times. These budget amendments consisted of budget transfers between functions, which did not increase the overall budget. In addition to these transfers, the County Legislature increased the overall budget to provide for unspent appropriations from the previous year (encumbrances) and various federal and state grants.

Actual charges to appropriations (expenditures) and other financing uses were below final budgeted amounts by \$15,800,714. Resources available for appropriation and other financing sources were \$4,880,063 more than the final budgeted amounts.

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

*Figure 4 - Budgetary Comparison Schedule - General Fund
December 31, 2022*

Budgetary Comparison Schedule	Original Budget	Final Budget	Actual w/ Encumbrance	Variance Fav. (Unfav.)
REVENUES AND OTHER FINANCING SOURCES				
Real Property Taxes and Tax Items	\$ 28,450,232	\$ 28,450,232	\$ 30,286,314	\$ 1,836,082
Nonproperty Tax Items	22,374,000	22,932,449	30,772,285	7,839,836
Departmental Income	6,266,081	6,454,639	5,369,281	(1,085,358)
Intergovernmental Charges	151,000	286,000	581,370	295,370
Use of Money and Property	93,000	93,000	151,674	58,674
State Sources	11,284,174	17,542,184	11,955,886	(5,586,298)
Federal Sources	6,848,595	8,704,389	9,977,693	1,273,304
Other Revenues and Financing Sources	232,455	374,105	622,558	248,453
Total Revenues and Other Financing Sources	\$ 75,699,537	\$ 84,836,998	\$ 89,717,061	\$ 4,880,063
Appropriated Reserves and Fund Balance	\$ 2,481,631	\$ 12,679,500	\$ -	\$ -
EXPENDITURES AND OTHER FINANCING USES				
General Governmental Support	\$ 13,440,614	\$ 17,708,699	\$ 15,882,251	\$ 1,826,448
Education	5,721,000	5,746,222	5,411,966	334,256
Public Safety	9,145,377	12,192,297	8,994,502	3,197,795
Public Health	6,535,731	9,754,319	6,026,100	3,728,219
Transportation	-	791,544	425,403	366,141
Economic Assistance and Opportunity	22,074,586	24,067,346	21,161,333	2,906,013
Culture and Recreation	362,316	368,969	334,155	34,814
Home and Community Services	1,077,074	1,085,970	954,929	131,041
Employee Benefits	14,618,460	14,639,954	12,575,266	2,064,688
Debt Service (Principal and Interest)	2,069,416	2,188,964	2,146,231	42,733
Other Financing Uses	3,136,594	8,972,214	7,803,648	1,168,566
Total Expenditures and Other Financing Uses	\$ 78,181,168	\$ 97,516,498	\$ 81,715,784	\$ 15,800,714
Excess of Revenues and Other Financing Sources	\$ -	\$ -	\$ 8,001,277	\$ 20,680,777

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2022, the County had \$150,302,018, partially offset by accumulated depreciation and amortization of \$77,317,674, invested in a broad range of capital assets, including buildings and improvements, machinery and equipment, roads and bridges, and construction-in-progress. This amount represents a net increase (including additions, disposals and depreciation) of \$609,766 from the prior year.

Figure 5 - Capital Assets, Net of Depreciation

Governmental Activities	2022	2021	Dollar Change	Percent Change
Land	\$ 1,361,109	\$ 1,361,109	\$ -	0.00%
Construction in Progress	1,295,250	397,139	898,111	226.15%
Buildings and Improvements	21,296,636	21,810,685	(514,049)	(2.36)%
Machinery and Equipment	7,360,924	7,901,705	(540,781)	(6.84)%
Infrastructure	41,592,947	40,742,825	850,122	2.09%
Intangible Lease Assets, Net	77,478	161,115	(83,637)	(51.91)%
Total	\$ 72,984,344	\$ 72,374,578	\$ 609,766	0.84%

This year's additions consisted of:

Construction-in-Progress	\$ 1,252,917
Buildings and Improvements	145,641
Machinery and Equipment	1,014,791
Infrastructure	2,943,611
Total Additions	<u>5,356,960</u>
(Less): Depreciation Expense	(4,630,220)
Amortization Expense	(83,637)
Net Book Value of Disposed Assets	<u>(33,337)</u>
Total Net Change	<u><u>\$ 609,766</u></u>

Debt Administration

At the end of 2022, the County and its blended component unit had total debt outstanding, in the form of serial bonds, of \$18,377,915. The County's debt of \$5,905,000 is backed by the full faith and credit of the County. This amount is subject to the County's statutory debt limit of \$190,813,984, and represents approximately 3.1% of the County's debt limit. The blended component unit, Tioga Tobacco Asset Securitization Corporation, has debt of \$18,037,011, which is backed by future Tobacco Settlement Revenues.

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Figure 6 - Outstanding Debt at Years Ended

Outstanding Debt	Governmental Activities		Dollar Change
	2022	2021	
Bonds - Issued by County	\$ 5,905,000	\$ 7,560,000	\$ (1,655,000)
Bonds - Issued by TTASC	12,472,915	12,682,915	(210,000)
Lease Liabilities	77,479	145,150	(67,671)
Tobacco Settlement Pass-through Bonds Accreted Interest	5,564,096	5,016,661	547,435
Totals	\$ 24,019,490	\$ 25,404,726	\$ (1,385,236)

Moody's Investors Service assigned the rating of A1 to the County's most recent debt issuance.

The County also has other long-term liabilities, which are further described in the footnotes.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

- The County Legislature is sensitive to property tax burdens on residents of the County and is working diligently to keep taxes low and find ways to have the County run more efficiently at a lower cost. In developing the 2023 Budget, the Legislature increased appropriations by a total of \$3,053,665 or 3.2%; appropriations increased in the General Fund by \$2,293,308, 2.9%. Revenues increased by \$2,258,885 or 2.7%; General Fund revenue increased by \$1,266,734, 1.7%. The tax levy for 2023 is up by \$633,592; an actual 2.44% increase over 2022. The total proposed appropriated fund balance for 2023 is \$12,849,577.
- The 2023 County budget appropriates \$13,222,263 (compared to \$12,738,586) in 2022) for all capital projects (bridges, road projects, vehicles, and equipment). \$8,000,000 of appropriations were allocated to the Communication Tower/E911 project and \$2,763,847 were allocated for paving projects.
- Tioga County was awarded the Homeland Security Statewide Interoperable Communications "Targeted" Grant 2022 for \$6,000,000. The grant funds and ARPA funds will assist in the funding for the Communication Tower project. Tioga County was also awarded New York State Department of Transportation for CHIPS, PAVENY, EWR and POP programs for a total of \$3,543,150. The remaining allocations for capital projects are funded by capital sales tax, capital fund balance and capital reserve.

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

- County officials devised an economic response plan for the ARPA funds. The Tioga County economic response plan appropriated funds to support outside agencies and capital expenditures. At the end of 2022, \$6,504,314 of ARPA funds remain. Resolution 24-23 re-establishes ARPA operating and capital appropriations.
- Gaming Revenue for 2022 was \$1,710,809, an increase of 11.5% over 2021. \$1,710,809 of the 2022 gaming revenue was moved into the Building reserve (resolution 154-23) in 2023.
- The County Treasurer's annual property tax auction was held in 2022 for the 2019 foreclosed parcels. The auction produced a surplus of \$935,597.
- Employee benefit costs remain a high expenditure for Tioga County. The 2022 actuals were \$13,344,409. The 2023 appropriations decreased from \$15,352,490 to \$15,079,278 a total decrease of \$273,212 or 1.78%. The decrease in cost is largely attributed to the decrease in the state retirement invoice. Retirement expenses decreased by approximately \$504,498 from 2021 to 2022.
- Sales tax revenue for 2022 was \$31,715,310, an increase of \$3.3 million or 11.57% over 2021. Internet sales tax was one of the contributing factors to the increase in sales tax. In the first 6 months of 2023, sales tax revenue is up 6% over 2022.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the County of Tioga's citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives and disburses. If you have questions about the report or need any additional financial information, contact James McFadden, County Treasurer, 56 Main Street, Owego, New York 13827.

COUNTY OF TIOGA

STATEMENT OF NET POSITION DECEMBER 31, 2022

	Primary Government	Component Units	
	Governmental Activities	Industrial Development Agency	Soil and Water Conservation District
ASSETS			
Current Assets			
Cash and Cash Equivalents - Unrestricted	\$ 34,510,416	\$ 497,382	\$ 1,775,307
Cash and Cash Equivalents - Restricted	11,441,652	583,279	-
Investments	18,064,482	1,179,584	-
Taxes Receivable, Net	5,092,030	-	-
Accounts Receivable, Net	1,502,490	746,453	2,404,544
Loans and Leases Receivable - Current Portion	24,525	45,359	-
Due from State and Federal Governments	12,346,437	-	-
Due from Other Governments	14,249	-	-
Prepaid Expenses	708,116	-	5,622
Total Current Assets	83,704,397	3,052,057	4,185,473
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	775,969	-	-
Loans and Leases Receivable, Long-Term Portion	-	352,118	-
Net Pension Asset - Proportionate Share	6,844,301	-	285,018
Capital Assets-Land and Construction in Progress	2,656,359	1,490,021	209,402
Capital Assets-Depreciable, Net of Accumulated Depreciation	70,250,507	722,205	181,040
Intangible Assets, Net of Accumulated Amortization	77,478	-	-
Total Noncurrent Assets	80,604,614	2,564,344	675,460
Total Assets	164,309,011	5,616,401	4,860,933
Deferred Outflows of Resources			
Pensions	14,161,968	-	585,764
Other Postemployment Benefits	22,385,743	-	-
Total Deferred Outflows of Resources	36,547,711	-	585,764
LIABILITIES			
Current Liabilities			
Accounts Payable	3,114,169	50	134,009
Accrued Liabilities	786,224	-	21,047
Interest Payable	101,529	-	-
Due to Other Governments	4,548,752	34,877	-
Compensated Absences	1,319,100	-	-
Contract Advances	-	-	697,855
Unearned Revenue	8,730,678	-	-
Self Insurance Accruals	840,000	-	-
Long-Term Obligations Due Within One Year	2,703,599	40,469	-
Total Current Liabilities	22,144,051	75,396	852,911
Long-Term Obligations Due After One Year	125,513,889	440,132	27,307
Total Liabilities	147,657,940	515,528	880,218
Deferred Inflows of Resources			
Pensions	24,240,169	-	1,082,481
Other Postemployment Benefits	36,216,367	-	-
Total Deferred Inflows of Resources	60,456,536	-	1,082,481
Net Position			
Net Investment in Capital Assets	67,055,464	2,212,226	390,442
Restricted	12,400,730	583,279	2,039,810
Unrestricted (Deficit)	(86,713,948)	2,305,368	1,053,746
Total Net Position (Deficit)	\$ (7,257,754)	\$ 5,100,873	\$ 3,483,998

See Notes to Financial Statements

COUNTY OF TIOGA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	
					Total Governmental Activities	Industrial Development Agency	Soil and Water Conservation District
Primary Government							
Governmental Activities:							
General Governmental Support	\$ 21,719,646	\$ 2,544,308	\$ 2,412,714	\$ 100,983	\$ (16,661,641)	\$ -	\$ -
Education	5,411,966	-	1,238,010	-	(4,173,956)	-	-
Public Safety	14,011,842	687,102	614,011	-	(12,710,729)	-	-
Public Health	8,336,959	2,747,349	3,125,325	9,187	(2,455,098)	-	-
Transportation	6,113,395	5,876	530,696	2,691,766	(2,885,057)	-	-
Economic Assistance and Opportunity	24,451,321	946,224	12,535,862	-	(10,969,235)	-	-
Culture and Recreation	337,804	-	52,577	-	(285,227)	-	-
Home and Community Services	1,303,166	23,386	178,568	141,653	(959,559)	-	-
Interest on Debt	1,461,854	-	-	-	(1,461,854)	-	-
Total Primary Government	\$ 83,147,953	\$ 6,954,245	\$ 20,687,763	\$ 2,943,589	(52,562,356)	-	-
Component Units							
Industrial Development Agency	\$ 1,659,302	\$ 114,395	\$ 699,113	\$ -	-	(845,794)	-
Soil and Water Conservation District	4,570,371	332,444	4,506,931	-	-	-	269,004
Total Component Units	\$ 6,229,673	\$ 446,839	\$ 5,206,044	\$ -	-	(845,794)	269,004
Net (Expense) Revenue and Changes in Net Position Brought Forward					(52,562,356)	(845,794)	269,004
GENERAL REVENUES							
Property Taxes, Levied for General Purposes					29,687,807	-	-
Sales and Other Taxes					32,533,556	-	-
County Appropriations					-	-	319,234
Tobacco Settlement Payments					740,879	-	-
State Sources Not Restricted to Specific Programs					1,710,809	-	-
Use of Money and Property					208,386	3,645	-
Sale of Property and Compensation for Loss					296,549	-	-
Miscellaneous					243,078	-	6,188
Fines and Forfeitures					57,359	-	-
Total General Revenues					65,478,423	3,645	325,422
Change in Net Position					12,916,067	(842,149)	594,426
Net Position (Deficit) - Beginning of Year					(20,173,821)	5,943,022	2,889,572
Net Position (Deficit) - End of Year					\$ (7,257,754)	\$ 5,100,873	\$ 3,483,998

See Notes to Financial Statements

COUNTY OF TIOGA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2022

	Major Funds		Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Funds		
ASSETS				
Cash and Cash Equivalents - Unrestricted	\$ 27,749,820	\$ 824,461	\$ 451,186	\$ 29,025,467
Cash and Cash Equivalents - Restricted	1,538,541	9,131,561	1,547,519	12,217,621
Investments	13,065,366	4,999,116		18,064,482
Taxes Receivable, Net	5,092,030	-	-	5,092,030
Other Receivables, Net	749,620	-	752,870	1,502,490
Due from State and Federal Governments	9,401,076	2,661,939	283,422	12,346,437
Due from Other Governments	14,249	-	-	14,249
Prepaid Expenses	708,116	-	-	708,116
Loans Receivable	-	-	24,525	24,525
Total Assets	\$ 58,318,818	\$ 17,617,077	\$ 3,059,522	\$ 78,995,417
LIABILITIES				
Accounts Payable	\$ 1,895,772	\$ 1,048,201	\$ 137,426	\$ 3,081,399
Accrued Liabilities	734,917	-	47,937	782,854
Due to Other Governments	4,548,752	-	-	4,548,752
Unearned Revenue	8,730,678	-	-	8,730,678
Total Liabilities	15,910,119	1,048,201	185,363	17,143,683
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	1,312,899	-	765,376	2,078,275
FUND BALANCES				
Nonspendable	708,116	-	-	708,116
Restricted	1,538,541	9,131,561	1,730,628	12,400,730
Assigned	3,986,063	7,437,315	378,155	11,801,533
Unassigned	34,863,080	-	-	34,863,080
Total Fund Balances	41,095,800	16,568,876	2,108,783	59,773,459
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 58,318,818	\$ 17,617,077	\$ 3,059,522	\$ 78,995,417

See Notes to Financial Statements

COUNTY OF TIOGA

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2022

Total Governmental Fund Balances **\$ 59,773,459**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation and amortization, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.

Historical Cost of Capital Assets	\$ 150,302,018	
(Less) Accumulated Amortization	(193,085)	
(Less) Accumulated Depreciation	<u>(77,124,589)</u>	<u>72,984,344</u>

The County's proportionate share of the local retirement systems' collective net pension asset/liability is not reported in the funds.

Net Pension (Asset)/Liability - Proportionate Share	<u>6,844,301</u>
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Certain revenues are deferred in Governmental Funds due to applying the "availability criterion" to receivables for the modified accrual basis of accounting. However, these deferred inflows of resources are considered revenues in the Statement of Activities due to applying the full accrual basis of accounting.

2,078,275

Internal Service Fund is used by management to charge the costs of certain activities, such as health and workers' compensation insurance. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Position.

(301,191)

Certain accrued expenses, such as interest on debt, reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in Governmental Funds.

(101,529)

Deferred outflows of resources represents a consumption of net position that applies to future periods and, therefore, is not reported in the Governmental Funds. Deferred inflows of resources represents an acquisition of net position that applies to future periods and, therefore, is not reported in the Governmental Funds.

Deferred Inflows of Resources - Pensions	\$ (24,240,169)	
Deferred Outflows of Resources - Pensions	14,161,968	
Deferred Inflows of Resources - OPEB	(36,216,367)	
Deferred Outflows of Resources - OPEB	<u>22,385,743</u>	<u>(23,908,825)</u>

Long-term liabilities, including bonds payable, lease liabilities, compensated absences, and other postemployment benefits liability, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	\$ (18,377,915)	
Lease Liabilities	(77,479)	
Accreted Interest on TTASC Bonds	(5,564,096)	
Other Postemployment Benefits Liability	(99,287,998)	
Compensated Absences	<u>(1,319,100)</u>	<u>(124,626,588)</u>

Net Position (Deficit) of Governmental Activities **\$ (7,257,754)**

See Notes to Financial Statements

COUNTY OF TIOGA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Major Funds		Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Funds		
REVENUES				
Real Property Taxes	\$ 26,219,619	\$ -	\$ -	\$ 26,219,619
Real Property Tax Items	4,066,695	-	-	4,066,695
Nonproperty Tax Items	30,772,285	1,761,271	-	32,533,556
Departmental Income	5,369,281	-	338,956	5,708,237
Intergovernmental Charges	581,370	-	-	581,370
Use of Money and Property	151,674	38,899	11,166	201,739
Licenses and Permits	36,671	-	-	36,671
Fines and Forfeitures	57,359	-	-	57,359
Sale of Property and Compensation for Loss	318,659	-	11,227	329,886
Miscellaneous Local Sources	194,869	48,209	784,038	1,027,116
State Sources	11,955,886	2,620,703	246,351	14,822,940
Federal Sources	9,977,693	155,903	362,125	10,495,721
Total Revenues	89,702,061	4,624,985	1,753,863	96,080,909
EXPENDITURES				
General Governmental Support	15,882,251	-	55,761	15,938,012
Education	5,411,966	-	-	5,411,966
Public Safety	8,994,502	-	-	8,994,502
Health	6,026,100	-	-	6,026,100
Transportation	425,403	-	2,494,546	2,919,949
Economic Assistance and Opportunity	21,161,333	-	190,990	21,352,323
Culture and Recreation	334,155	-	-	334,155
Home and Community Services	954,929	-	201,963	1,156,892
Employee Benefits	12,575,266	-	708,693	13,283,959
Debt Service (Principal and Interest)	2,146,231	-	720,288	2,866,519
Capital Outlay	-	5,061,759	-	5,061,759
Total Expenditures	73,912,136	5,061,759	4,372,241	83,346,136
Excess of Revenues (Expenditures)	15,789,925	(436,774)	(2,618,378)	12,734,773
OTHER FINANCING SOURCES (USES)				
Interfund Transfers In	15,000	4,791,472	3,073,152	7,879,624
Interfund Transfers (Out)	(7,803,648)	(15,000)	(155,000)	(7,973,648)
Total Other Financing Sources (Uses)	(7,788,648)	4,776,472	2,918,152	(94,024)
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	8,001,277	4,339,698	299,774	12,640,749
Fund Balances, Beginning of Year	33,094,523	12,229,178	1,809,009	47,132,710
Fund Balances, End of Year	\$ 41,095,800	\$ 16,568,876	\$ 2,108,783	\$ 59,773,459

See Notes to Financial Statements

COUNTY OF TIOGA

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022

Net Change in Fund Balances - Total Governmental Funds **\$ 12,640,749**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlay and change in estimates exceeded depreciation/amortization expense.

Capital Outlay	\$ 5,356,960	
Amortization Expense	(83,637)	
Net Book Value of Disposed Assets	(33,337)	
Depreciation Expense	<u>(4,630,220)</u>	<u>609,766</u>

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in certain deferred inflows of resources. (980,597)

Bond and lease proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and lease principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Repayment of Principal - Bonds	\$ 1,865,000	
Repayment of Principal - Leases	<u>67,671</u>	<u>1,932,671</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds. Changes in these expenses include the following:

Change in Compensated Absences	\$ 1,732	
Change in OPEB Liability	(3,153,585)	
Change in Accrued Interest Payable	19,429	
Change in Accreted Interest on TTASC Capital Appreciation Bonds	<u>(547,435)</u>	<u>(3,679,859)</u>

Changes in the County's proportionate share of net pension assets/liabilities have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the County's deferred outflows of resources and deferred inflows of resources related to pensions do not affect current financial resources and are also not reported in the Governmental Funds.

Deferred Outflows of Resources - Pensions	\$ (4,850,620)	
Net Pension Asset/Liability - Proportionate Share	6,926,171	
Deferred Inflows of Resources - Pensions	<u>324,485</u>	<u>2,400,036</u>

Internal Service Funds are used by management to charge the costs of certain activities, such as workers' compensation and insurance, to individual funds. Net revenue of the internal service fund is reported with Governmental Activities. (6,699)

Change in Net Position of Governmental Activities **\$ 12,916,067**

See Notes to Financial Statements

COUNTY OF TIOGA

STATEMENT OF PROPRIETARY NET POSITION DECEMBER 31, 2022

	Governmental Activities Internal Service Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 5,484,949
Total Assets	<u>5,484,949</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	32,770
Accrued Liabilities	3,370
Self Insurance Accruals	840,000
Total Current Liabilities	<u>876,140</u>
Noncurrent Liabilities	
Benefits and Awards Payable	4,910,000
Total Noncurrent Liabilities	<u>4,910,000</u>
Total Liabilities	<u>5,786,140</u>
NET POSITION	
Unrestricted	<u>(301,191)</u>
Total Net Position (Deficit)	<u><u>\$ (301,191)</u></u>

See Notes to Financial Statements

COUNTY OF TIOGA

STATEMENT OF PROPRIETARY REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Governmental Activities Internal Service Fund</u>
OPERATING REVENUES	
Charges for Services	\$ 1,454,389
Other Operating Revenues	<u>44,124</u>
Total Operating Revenues	<u>1,498,513</u>
OPERATING EXPENSES	
Salaries and Wages	<u>226,668</u>
Contractual	<u>674,467</u>
Benefits and Awards	<u>642,550</u>
Claims and Judgments	<u>7,175</u>
Employee Benefits	<u>55,023</u>
Total Operating Expenses	<u>1,605,883</u>
Income From Operations	<u>(107,370)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest Income	<u>6,647</u>
Transfer from Other Funds	<u>94,024</u>
Total Nonoperating Revenues	<u>100,671</u>
Change in Net Position	<u>(6,699)</u>
Net Position (Deficit), January 1,	<u>(294,492)</u>
Net Position (Deficit), December 31,	<u>\$ (301,191)</u>

See Notes to Financial Statements

COUNTY OF TIOGA

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

	Governmental Activities Internal Service Fund
Cash Flows From Operating Activities	
Cash Received From Providing Services - External Participants	\$ 1,501,718
Cash Received From Insurance Recoveries	44,124
Cash Payments - Employees	(281,912)
Cash Payments - Claims and Benefits	(649,725)
Cash Payments - Vendors	(739,088)
Net Cash Provided (Used) by Operating Activities	(124,883)
Cash Flows From Non-Capital Financing Activities	
Transfer From Other Funds	94,024
Net Cash Provided (Used) by Non-Capital Financing Activities	94,024
Cash Flows From Investing Activities	
Sale of Investments	4,015,381
Interest Income Received	6,647
Net Cash Provided (Used) by Investing Activities	4,022,028
Change in Cash and Cash Equivalents	3,991,169
Cash and Cash Equivalents, January 1,	1,493,780
Cash and Cash Equivalents, December 31,	\$ 5,484,949
Reconciliation of Income From Operations to Net Cash Provided (Used) by Operating Activities	
Income From Operations	\$ (107,370)
(Increase) Decrease in Other Receivables	47,329
Increase (Decrease) in Accounts Payable	(64,621)
Increase (Decrease) in Accrued Liabilities	(221)
Net Cash Provided (Used) by Operating Activities	\$ (124,883)

See Notes to Financial Statements

COUNTY OF TIOGA

STATEMENT OF FIDUCIARY NET POSITION DECEMBER 31, 2022

	Custodial Funds
ASSETS	
Cash and Cash Equivalents - Unrestricted	\$ 335,353
Accounts Receivable	<u>105,090</u>
Total Assets	<u>\$ 440,443</u>
NET POSITION	
Restricted for Individuals, Organizations, and Other	<u>\$ 440,443</u>
Total Liabilities and Net Position	<u>\$ 440,443</u>

See Notes to Financial Statements

COUNTY OF TIOGA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2022

	Custodial Funds
ADDITIONS	
Bail Deposits	\$ 59,190
Social Service Receipts	723,228
Mortgage Tax Receipts	761,140
Other	13,570
	<hr/>
Total Additions	1,557,128
	<hr/>
DEDUCTIONS	
Returned Bail	34,765
Social Services Payments	725,732
Mortgage Tax Payments	724,585
Other	20,775
	<hr/>
Total Deductions	1,505,857
	<hr/>
Change in Net Position	51,271
	<hr/>
Net Position - Beginning of Year	389,172
	<hr/>
Net Position - End of Year	\$ 440,443
	<hr/> <hr/>

See Notes to Financial Statements

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies**

The financial statements of the County of Tioga (the County) have been prepared in conformity with generally accepted accounting principles (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing U.S. GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the County's accounting policies are described below.

Financial Reporting Entity

The County, which was established in 1791, is governed by County Law, and other general laws of the New York State. The County Legislature, which is the legislative body responsible for the overall operation of the County, consists of nine members representing seven legislative districts within the County. The Chairman of the County Legislature, elected by the Legislature each year, serves as Chief Executive Officer. The County Treasurer, elected for a four-year term, serves as Chief Fiscal Officer.

The County provides the following basic services: police and law enforcement, educational assistance for County residents attending community colleges, economic assistance, health and nursing services, maintenance of County roads, culture and recreational services, home and community services, and mental health services.

All Governmental Activities and functions performed for the County are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

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

The decision to include a component unit in the County's reporting entity is based on several criteria set forth in GASB Statement No. 14, as amended.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Blended Component Units

- Tioga Tobacco Asset Securitization Corporation - Tioga Tobacco Securitization Corporation (TTASC), established on October 11, 2000, is a special purpose, local development corporation organized under the laws of the New York State. TTASC is an instrument of the County, but is a separate legal entity from the County. TTASC will have not less than three or more than five directors, consisting of one ex-officio position being the chairperson of the County Legislature, up to four additional directors and one independent director appointed by the members of TTASC. Although legally separate from the County, TTASC is a component unit of the County and accordingly, is included in the County's basic financial statements as a blended component unit, as its purpose is to exclusively serve the County.

TTASC is blended as part of the County's Governmental Activities and Non-Major Governmental Funds (Debt Service Fund). Separate financial statements may be obtained from the County Treasurer's Office.

Discretely Presented Component Units

- Tioga County Soil and Water Conservation District (TCSWCD) - The Tioga County Soil and Water Conservation District (the District) was created by the state legislature to provide for the conservation of soil and water resources and prevention of soil erosion. The District provides technical assistance relative to natural resources conservation and water quality to the residents of the County. The five members of the District Board have complete responsibility for management and fiscal matters of the District. Separate financial statements may be obtained from the Tioga County Soil and Water Conservation District, 183 Corporate Drive, Owego, New York 13827.
- Tioga County Industrial Development Agency (the Agency) - A public benefit corporation created by the state legislature and established to promote the economic welfare, recreation opportunities, and prosperity of the County's inhabitants and to develop economically sound commerce and industry. Members of the Agency have complete responsibility for management of the Agency and accountability for fiscal matters. The County is not liable for Agency bonds and exercises no oversight responsibility. Separate financial statements may be obtained from the Tioga County Industrial Development Agency, 56 Main Street, Owego, New York 13827.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Basic Financial Statements

The County's basic financial statements include both Government-wide (reporting the County as a whole) and Governmental Fund financial statements (reporting the County's Major Funds). Both the Government-wide and Governmental Fund financial statements categorize primary activities as either Governmental or Business-type. The County's general governmental support, education, public safety, health, transportation, economic assistance and opportunity, culture and recreation, and home and community services are classified as Governmental Activities. Services relating to self-insurance and workers' compensation administration are classified as Internal Service Funds and are also included in Governmental Activities.

Government-Wide Financial Statements

The Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government and for the County's discretely presented component units.

Government-wide financial statements do not include the activities reported in the Fiduciary Funds or fiduciary component units. This Government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

In the Government-wide Statement of Net Position, the Governmental Activities are presented on a consolidated basis in one column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts: invested in capital assets, restricted, and unrestricted. The County first utilizes restricted resources to finance qualifying activities.

The Statement of Activities reports both the gross and net cost for each of the County's functions or programs. Gross expenses are direct expenses, including depreciation, that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. These expenses are offset by program revenues - charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the prepared or capital requirements of a particular program. Depreciation on assets that are shared by essentially all of the County's programs has been reported in general governmental support. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The net cost represents the extent to which each function or program is self-financing or draws from the general revenues of the County.

Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Governmental Fund Financial Statements

The financial transactions of the County are reported in individual funds in the Governmental Fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The County records its transactions in the fund types described below.

Governmental Funds

Governmental Funds are those through which most governmental functions are financed. The acquisition use and balances of expendable financial resources, and the related liabilities, are accounted for through Governmental Funds. The measurement focus of the Governmental Funds is based upon determination of financial position and changes in financial position. The following are the County's Governmental Funds.

Major Funds

- General Fund - Principal operating fund which includes all operations not required to be recorded in other funds.
- Capital Projects Fund - Accounts for and reports financial resources to be used for acquisition, construction, or renovation of major capital facilities or equipment.

Non-Major Funds

- Special Revenue Funds - Accounts for proceeds of specific revenue sources legally restricted to expenditures for specified purposes. The following Special Revenue Funds are utilized:
 - Special Grant Fund - Accounts for funds received under the Workforce Innovation and Opportunity Act (WIOA).
 - County Road Fund - Accounts for expenditures for highway purposes authorized by §114 of the Highway Law.
 - Road Machinery Fund - Accounts for purchase, repair, maintenance, and storage of highway machinery, tools, and equipment pursuant to §133 of Highway Law.
- Debt Service Fund (TTASC) - Accounts for accumulation of resources from tobacco settlement payments and payment of principal and interest on Tobacco Settlement Pass-Through Bonds.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Proprietary Funds

Account for ongoing organizations or activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position. The following Proprietary Fund is utilized:

- Internal Service Fund - Accounts for accumulation of resources for payment of unemployment insurance as authorized by §6M of the General Municipal Law (GML) and to account for the accumulation of resources for payment of compensation, assessments, and other obligations under Workers' Compensation Law, Article 5, and accumulation of resources for payment of self-insured risks as authorized by §6N of the GML.

Fiduciary Funds

Account for assets held by the local government in a trustee or custodial capacity, which are not available to support the County's programs. The following is the County's Fiduciary Fund.

- Custodial Funds - Account for money and/or property received and held in the capacity of trustee, custodian, or agent. The most significant of the County's Custodial Funds are bail funds.

Basis of Accounting/Measurement Focus

Basis of accounting refers to *when* revenues and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of measurement focus. Measurement focus is the determination of *what* is measured, such as expenditures or expenses.

Accrual Basis

The Government-wide financial statements and the Proprietary and Fiduciary Fund financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the County's assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 1 **Summary of Significant Accounting Policies - Continued**

Modified Accrual Basis

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges.

The County considers property tax receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. All other revenues deemed collectible within one year after year end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made. Expenditures are recorded when incurred. The cost of capital assets is recognized as an expenditure when received. Exceptions to this general rule are that 1) principal and interest on indebtedness are not recognized as an expenditure until due, and 2) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as an expenditure when paid.

Cash and Cash Equivalents

For financial statement purposes, the County considers all highly liquid investments with original maturities of three months or less as cash equivalents.

Investments

Investments are stated at cost, which approximates market value.

Capital Assets

All capital assets, including right to use assets acquired through financed lease agreements, are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets. Amortization expense is recorded in line with payments on lease liabilities.

Governmental capital assets purchased or acquired with an original cost of over \$3,000 and having a useful life of greater than two years are capitalized at cost in the Statement of Net Position. Contributed fixed assets are recorded at fair market value at the date received. The estimated useful lives for governmental capital assets are as follows:

Buildings and Improvements	50 Years
Machinery and Equipment	2 - 25 Years
Infrastructure	12 - 40 Years

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 1 Summary of Significant Accounting Policies - Continued

Receivables

Receivables are stated net of estimated allowances for uncollectible amounts. Amounts due from state and federal governments represent amounts owed to the County to reimburse it for expenditures incurred pursuant to state and federally funded programs.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows related to pensions, and other postemployment benefits (OPEB) in the Statements of Net Position. The types of deferred outflows related to pensions and OPEB are described in Notes 6 and 7.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports deferred inflows related to pensions and OPEB which are further described in Notes 6 and 7. In addition, the governmental funds report unavailable revenue from taxes and loans receivable that remain uncollected 60 days after year end.

Unearned Revenues

The County reports unearned revenue on its Statement of Net Position and its Balance Sheet. Unearned revenue arises when resources are received by the County before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the County has legal claim to resources, the liability is removed and revenue is recognized.

Postemployment Benefits

In addition to providing pension benefits, the County provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. Health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The County recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Leases

The County determines if an arrangement is or contains a lease at inception. The County records assets and lease obligations for leases, in which they are the lessee, and lease receivables and deferred inflows of resources for leases in which they are the lessor, which are initially based on the discounted future minimum lease payments over the term of the lease. The County uses the rate implicit in the lease agreements. In some case the implicit rate is not easily determinable, and the County elects to use its incremental borrowing rate in calculating present value of lease payments.

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonable certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible lease assets or lease obligations are recorded on the Statement of Net Position and the County will recognize short-term lease expense for these leases on a straight-line basis over the lease term. The County's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Amortization expense for leases is recognized on the same basis as payments on the lease liabilities and is included in the public safety expense function. Interest expense is recognized using the effective interest method. Variable payments, short-term rentals, and payments associated with non-lease components are expensed as incurred.

Vacation and Sick Leave and Compensatory Absences

Under terms of personnel policies and union contracts, County employees, other than elected officials, are granted personal, vacation, and sick leave credits and may accumulate these credits as follows:

- Employees are granted between three and four days personal leave each year depending on contracts, coverage, and hiring date. At December 31 of each year, all unused personal leave is forfeited. Employees are not reimbursed for unused personal leave credits upon termination.
- Employees are granted sick leave credits of one day per month and may accumulate up to 216 days of sick leave credits, depending on contract coverage. Sick leave must be used prior to leaving County employment.
- Employees are granted vacation leave credits of 10 to 20 days per year depending on their contract and years of service. Up to two weeks of such leave can be carried over to the following year unless unusual circumstances exist, and more time is requested and approved. Upon resignation or retirement, employees are paid for all unused vacation leave. Liability for compensated absences totaling \$1,319,100 is reported as an accrued liability in the Governmental Activities; as such, amounts were not due and payable at December 31, 2022.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Equity Classifications

Government-Wide Financial Statements

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

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of net resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of remaining net resources that do not meet the definition of “restricted” or “net investment in capital assets.”

Governmental Fund Financial Statements

Governmental Fund equity is classified as fund balance. Proprietary Fund equity is classified the same as in the Government-wide financial statements. Any capital gains or interest earned on reserve fund resources become part of the respective reserve fund. While a separate bank account is not necessary for each reserve fund, a separate identity for each reserve fund must be maintained.

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowments principal.
- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally, or through constitutional provisions or enabling legislation. Most of the County’s legally adopted reserves are reported here.
- Committed - Consists of amounts subject to a purpose constraint imposed by formal action of the government’s highest level of decision-making authority prior to the end of the fiscal year and requires the same level of formal action to remove said constraint.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Governmental Fund Financial Statements - Continued

- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- Unassigned - Represents the residual classification of the government's General Fund and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

The County has not adopted any resolutions to commit fund balance. Currently, fund balance is assigned by the County Treasurer for encumbrances and designations and the County Legislature, by resolution, approves fund balance appropriations for next year's budget. The County has not formally adopted a policy defining the order in which to apply expenditures against fund balances. However, the County's informal policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

Property Taxes

The authority of levying taxes for the support of County and town governments, inclusive of special districts, and for re-levying unpaid school taxes, has been delegated by the State Legislature to the governing board of the County through various provisions of the Real Property Tax Law. For purposes of both County and town taxes, the value of real property is listed and established by the towns for each parcel of real property therein. Amounts to be raised by tax are determined from balances budgets of towns and the County and levied on or before December 31 each year. Unpaid school taxes are purchased from each school district and added to tax levies and, until paid, are counted among the assets of the County; the County thus acquires all rights, title, and interest in any unpaid school taxes. Any such taxes remaining unpaid at the time of the tax sale are sold along with any other unpaid taxes subject to County enforcement.

County real property taxes are levied annually, no later than December 31, on the assessed value of all real property located within the County and become a tax lien on January 1. Taxes are collected in towns from January 1 to a date not later than June 1 when settlement is made with the County Treasurer, who makes collections thereafter. The towns' shares of tax levies, which are guaranteed by the County, are paid to Town Supervisors out of the first monies received. Unpaid taxes are assessed a 5% penalty, bearing interest at an annual variable rate determined by the New York State Commission of Taxation and Finance.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 1 Summary of Significant Accounting Policies - Continued

Property Taxes - Continued

Property taxes are recorded as receivables and revenues at the time the tax levy is billed. Uncollected amounts estimated to be collected subsequent to the first 60 days after year end are recorded as deferred inflows of resources.

School district taxes are turned over to the County for enforcement on November 15. The County collects the second installment of school taxes on or before November 30. Payment to school districts for second installments is required to be remitted within ten days of collection. On December 1, any such taxes remaining unpaid are relieved as County taxes in the subsequent year. The balance of uncollected school taxes is required to be remitted by April 1.

All unpaid taxes of the current year are advertised and collected under the provisions of Article 11 of the Real Property Tax Law. Properties to which title is taken under this section of the Real Property Tax Law are sold through advertising for bids at public auction.

Sales Tax

The County imposes a 4% sales tax in the County, and, in accordance with §14 of the tax law, shares a portion of the sales tax collections with the towns and villages. In addition, a portion of sales tax collections are restricted to a capital reserve fund to be used only to finance capital improvement projects. The Capital Projects Fund's non-property tax item amounting to \$1,761,271 is sales tax designated for capital projects.

The General Fund's primary non-property tax item is sales tax, which amounted to \$29,954,038. At December 31, 2022, this amount included an accrual of \$1,855,005, which is included in state and federal receivables, for sales that occurred in New York State in 2022 which were not received by the County at December 31, 2022. Of the \$29,954,038 recognized as revenue, \$8,063,449 was distributed to local municipalities within the County.

Revenues

Substantially all Governmental Fund revenues are accrued. Property tax receivables expected to be received later than 60 days after year end are reported as deferred inflows of resources in the Governmental Fund financial statements. Other sources of revenue expected to be received more than one year after year end are also reported as deferred inflows of resources in the Governmental Fund financial statements. In applying GASB Statement No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements are met. Resources transmitted before time eligibility requirements are met are reported as deferred outflows of resources by the provider and deferred inflows of resources revenue by the recipient. Resources transmitted before all other eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 1 Summary of Significant Accounting Policies - Continued

Constitutional Tax Limit

The amount that may be raised by the County-wide tax levy on real estate in any fiscal year (for purposes other than debt service on County indebtedness) is limited to one and one-half per centum (subject to increase up to two per centum by resolution of the County Legislature) of the five-year average full valuation of taxable real estate of the County, per New York State statutes.

The County's constitutional tax limit (per New York State statutes) for the fiscal year ended December 31, 2022 is computed as follows:

Five-Year Average Full Valuation of Taxable Real Estate (2018-2022)	\$ 2,725,914,059
Tax limit @ 1.7%	46,340,539
(Less):	
Tax Levy	25,245,368
(Less) Exclusions	<u>(1,946,821)</u>
Tax Levy Subject to Tax Limit	<u>23,298,547</u>
Tax Margin	<u><u>\$ 23,041,992</u></u>

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal operating revenues of the Proprietary Fund are charges to customers for sales and services. Operating expenses for the Proprietary Fund include benefit payments and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by the County in the determination of recorded assets and liabilities include, but are not limited to, allowances for uncollectible property taxes, reserves for self-insurance claim liabilities, other postemployment benefits liability, net pension liability, and accumulated depreciation.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, it is the County's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements take place when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between Governmental Funds are netted as part of the reconciliation to the Government-wide financial statements.

Insurance

The County assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired, or a liability has been incurred and the amount of loss can be reasonably estimated.

New Accounting Standards

The County adopted and implemented the following current Statements of the GASB effective for the year ended December 31, 2022:

- GASB has issued Statement No. 87, "Leases."

Future Changes in Accounting Standards

The GASB has issued the following additional standards:

- GASB Statement No. 96, "Subscription-Based Information Technology Arrangements," effective for the year ending December 31, 2023.
- GASB Statement No. 101, "Compensated Absences," effective for the year ending December 31, 2024.

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

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 2 **Cash and Investments**

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. While the County does not have a specific policy for custodial credit risk, New York State statutes govern the County's investment policies. The County has its own written investment policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conform with federal, state, and other legal requirements; provide sufficient liquidity of invested funds in order to meet obligations as they become due; and attain a market rate of return. Oversight of investment activity is the responsibility of the County Treasurer.

The County's monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities. Collateral (security) is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts, obligations of Puerto Rico, obligations of municipalities of other states, obligations of domestic corporations, mortgage related securities, commercial paper and bankers acceptances, and zero coupon obligations of the United States.

GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits were either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name.

The County's aggregate bank balances of \$48,304,757 include \$889,228 for the TTASC and were either insured or collateralized with securities held by the pledging financial institution in the County's name. The TTASC had liquidity reserves recorded as restricted cash in the amount of \$775,969 and held by the TTASC trustee.

Interest Rate Risk

The County's investment policy does not have a formal policy limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 2 Cash and Investments - Continued

Restricted Cash

Restricted cash and cash equivalents of the primary government at December 31, 2022 consisted of the following:

<u>Purpose</u>	<u>Amount</u>
General Fund	
STOP DWI Program	\$ 12,213
Criminal Forfeiture Proceeds	695
Unexpended Hotel/Motel Usage Proceeds	116,515
Unexpended Handicapped Parking Proceeds	1,034
E911 Emergency Telephone	811,042
Opioid Settlements	285,659
Unemployment Reserve	100,000
Debt Service Reserve	211,383
Total General Fund	<u>1,538,541</u>
Capital Fund	
Software Reserve	279,825
Hardware Reserve	214,095
Emergency Radio Communication System	4,305,522
SAC Building Reserve	2,603,251
Public Land, Structure, and Equipment	1,662,318
Financial Management System Reserve	66,550
Total Capital Fund	<u>9,131,561</u>
Non-Major Governmental Funds	
Restricted for Community Development	771,550
TTASC	775,969
Total Non-Major Governmental Funds	<u>1,547,519</u>
Total Governmental Activities	<u><u>\$ 12,217,621</u></u>

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 2 **Cash and Investments - Continued**

Investments

The County has determined the fair value of investments through the hierarchy outlined in U.S. GAAP, which places assets into one of three levels. Assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets; Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets; and Level 3 inputs are primarily valued using management's analysis about assumptions market participants would utilize in pricing the asset. Investments at December 31, 2022 are as follows:

<u>Purpose</u>	<u>Level 1 and Total</u>
Treasury Bills	
General Fund	\$ 13,065,366
Capital Fund	4,999,116
	<hr/>
Total Primary Government	\$ 18,064,482
	<hr/> <hr/>

Discretely Presented Component Unit - Tioga County Soil and Water Conservation District (District)

Total bank balances of the District totaled approximately \$2,776,550 at December 31, 2022 and were entirely insured or collateralized with securities held by the District's agent in the District's name.

Discretely Presented Component Unit - Tioga County Industrial Development Agency (Agency)

Total bank balances of the Agency totaled approximately \$2,299,637 at December 31, 2022 and were entirely insured or collateralized with securities held by an agent in the Agency's name. The Agency had certificates of deposit of \$1,179,584, all of which mature in 2022.

Note 3 **Property Taxes**

Property taxes levied for 2022 are recorded as revenue and receivables, net of estimated uncollectible amounts. In the fund financial statements, the net receivables collected during 2022, and expected to be collected within the first 60 days of 2023, are recognized as revenues in 2022.

Net receivables estimated to be collectible subsequent to the first 60 days of 2023 are reflected as unavailable revenue in the Governmental Fund financial statements. At December 31, 2022, the County recognized \$1,312,899 of unavailable tax revenue.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 3 **Property Taxes - Continued**

Taxes receivable at December 31, 2022 are summarized as follows:

Returned School Taxes Receivable	\$ 2,964,703
Taxes Receivable - Overdue	2,249,341
Delinquent Village Taxes Receivable	499,350
Other	108,348
Allowance for Uncollectible Taxes	<u>(729,712)</u>
Total	<u>\$ 5,092,030</u>

Uncollected school and village taxes assumed by the County as a result of settlement proceedings are reported as receivables in the General Fund to maintain central control and provide for tax settlement and enforcement proceedings. The portion of the receivable that represents taxes re-levied for schools and villages in the amount of \$3,461,376 is reflected as part of a liability, due to other governments, in the accompanying basic financial statements.

Note 4 **Receivables**

State and Federal Receivables

State and federal receivables in the General Fund are comprised primarily of claims and reimbursement of expenditures in administering various health and social service programs in accordance with New York State and federal laws and regulations. These receivables are reported net of related advances received from the state. Cash advances received by the County under other programs are reported as unearned revenue.

The County participates in a number of grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The County believes, based upon its review of current activity and prior experience, the amount of disallowances resulting from these audits, if any, will not be significant to the County's financial position or results of operations. Expenditures disallowed by completed audits relating to operating programs have been reflected as adjustments to revenues in the year the expenditure was determined to be unallowable, as such amounts have been immaterial in nature.

Tobacco Settlement and Other

In October 2000, the County sold to TTASC all of its future rights, title, and interest, in the tobacco settlement revenues. As part of this sale, the County became the beneficial owner of a Residual Certificate, which represents the entitlement to receive all amounts required to be distributed after payment of debt service, operating expenses, and certain other costs. The Non-Major Governmental Funds reflect \$784,038 of tobacco settlement revenues for the year ended December 31, 2022. The amount recognized in the Statement of Activities, on the accrual basis, is \$740,879.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 4 Receivables - Continued

Other Accounts Receivable

Other accounts receivable as of December 31, 2022, are as follows:

Governmental Activities	Amount
Various Fees and Charges Recorded in:	
General Fund	\$ 749,620
Non-Major Governmental Funds	752,870
Total	\$ 1,502,490

Note 5 Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance at December 31, 2021	Additions	Reclassifications, Disposals, and Change in Estimate	Balance at December 31, 2022
Governmental Activities				
Non-Depreciable Capital Assets				
Land	\$ 1,361,109	\$ -	\$ -	\$ 1,361,109
Construction in Progress	397,139	1,252,917	(354,806)	1,295,250
Total Non-Depreciable Capital Assets	1,758,248	1,252,917	(354,806)	2,656,359
Depreciable Capital Assets				
Buildings and Improvements	37,660,297	145,641	156,284	37,962,222
Machinery and Equipment	18,238,770	1,014,791	(132,464)	19,121,097
Infrastructure	87,172,598	2,943,611	175,568	90,291,777
Total Depreciable Capital Assets	143,071,665	4,104,043	199,388	147,375,096
Intangible Lease Assets - Equipment	270,563	-	-	270,563
Total Historical Cost	145,100,476	5,356,960	(155,418)	150,302,018
Less Accumulated Depreciation:				
Buildings and Improvements	(15,849,612)	(815,974)	-	(16,665,586)
Machinery and Equipment	(10,337,065)	(1,214,597)	(208,511)	(11,760,173)
Infrastructure	(46,429,773)	(2,599,649)	330,592	(48,698,830)
Total Accumulated Depreciation	(72,616,450)	(4,630,220)	122,081	(77,124,589)
Intangible Lease Assets - Equipment	(109,448)	(83,637)	-	(193,085)
Governmental Activities Capital Assets, Net	\$ 72,374,578	\$ 643,103	\$ (33,337)	\$ 72,984,344

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 5 Capital Assets - Continued

Depreciation and amortization expense was charged to functions as follows:

Governmental Activities

General Governmental Support	\$ 1,484,622
Public Safety	602,225
Public Health	153,422
Transportation	2,420,759
Economic Assistance and Opportunity	50,565
Home and Community	2,264
	<u>2,264</u>

Total	\$ 4,713,857
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Capital asset activity for the Tioga County Industrial Development Agency for the year ended December 31, 2022, was as follows:

TCIDA	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Land	\$ 1,490,021	\$ -	\$ -	\$ 1,490,021
Railroad Tracking and Facilities	1,979,331	-	-	1,979,331
Total Historical Cost	3,469,352	-	-	3,469,352
(Less) Accumulated Depreciation	(1,237,003)	(20,123)	-	(1,257,126)
TCIDA Capital Assets, Net	\$ 2,232,349	\$ (20,123)	\$ -	\$ 2,212,226

Capital asset activity for the Soil and Water Conservation District for the year ended December 31, 2022 was as follows:

TCSWCD	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Land	\$ -	\$ 209,402	\$ -	\$ 209,402
Total Nondepreciable Capital Assets	-	209,402	-	209,402
Office Equipment	13,230	1,430	-	14,660
Program Buildings and Equipment	1,390,198	32,210	-	1,422,408
Total Depreciable Capital Assets	1,403,428	33,640	-	1,437,068
(Less) Accumulated Depreciation				
Office Equipment	(9,729)	(1,308)	-	(11,037)
Program Buildings and Equipment	(1,177,368)	(67,623)	-	(1,244,991)
Total Accumulated Depreciation	(1,187,097)	(68,931)	-	(1,256,028)
TCSWCD Capital Assets, Net	\$ 216,331	\$ 174,111	\$ -	\$ 390,442

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 6* Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System)**

Plan Descriptions and Benefits Provided

Employees' Retirement System (ERS)

The County participates in the New York State and Local Employees' Retirement System (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

The County reports the following percentages of its employees within the following tiers:

Tier 3: 1.18%, Tier 4: 56.43%, Tier 5: 4.14%, and Tier 6: 38.25%.

Summary of Significant Accounting Policies

The System's financial statements from which the System's fiduciary net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the System's annual report.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued

Contributions

Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required and were as follows:

	2022	2021	2020
County - ERS	\$ 2,434,643	\$ 3,235,629	\$ 2,766,966
TCSWCD - ERS	80,002	103,875	89,571

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the County reported the following (asset)/liability for its proportionate share of the net pension (asset)/liability for the System. The net pension (asset)/liability was measured as of March 31, 2022. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The County's proportionate share of the net pension (asset)/liability was based on a projection of the County's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was derived from a report provided to the County by the ERS System.

	ERS
Actuarial Valuation Date	4/1/2021
Net Pension (Asset)/Liability	\$ (8,174,585,678)
County's Proportionate Share of the Plan's Total Net (Asset)/Pension Liability	(6,844,301)
County's Share of the Plan's Total Net Pension (Asset)/Liability	0.0837266%
TCSWCD's Portion of the Plan's Total Net Pension (Asset)/Liability	(285,018)
TCSWCD's Share of the Plan's Total Net Pension (Asset)/Liability	0.0031545%

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

For the year ended December 31, 2022, the County recognized pension expense of \$234,853 for ERS in the financial statements. At December 31, 2022, the County's reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	County - ERS	TCSWCD - ERS
Deferred Outflows of Resources		
Differences Between Expected and Actual Experience	\$ 518,328	\$ 21,585
Changes of Assumptions	11,422,372	475,663
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	395,286	28,514
County's Contributions Subsequent to the Measurement Date	1,825,982	60,002
Total	\$ 14,161,968	\$ 585,764
Deferred Inflows of Resources		
Differences Between Expected and Actual Experience	\$ 672,301	\$ 27,997
Changes of Assumptions	192,740	8,026
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	22,412,219	933,315
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	962,909	113,143
Total	\$ 24,240,169	\$ 1,082,481

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

County contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension (asset)/liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows.

<u>Year Ended</u>	<u>County - ERS</u>	<u>TCSWCD - ERS</u>
2023	\$ (1,931,622)	\$ (101,544)
2024	(2,708,747)	(132,954)
2025	(5,962,213)	(267,009)
2026	(1,301,601)	(55,212)
2027	-	-
Thereafter	-	-

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>
Measurement Date	March 31, 2022
Actuarial Valuation Date	April 1, 2021
Investment Rate of Return	5.9%
Salary Increases	4.4%
Cost of Living Adjustments	1.4%
Inflation Rate	2.7%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued

Actuarial Assumptions - Continued

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each target asset allocation percentage and by adding expected inflation.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement Date	<u>ERS</u> March 31, 2022
Asset Type	
Domestic Equity	3.3%
International Equity	5.9%
Real Estate Equity	5.0%
Private Equity	6.5%
Opportunistic/ARC Portfolio	4.1%
Real Assets	5.6%
Cash	(1.0)%
Credit	3.8%

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based on the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued

Sensitivity of the Proportionate Share of the Net Pension (Asset)/Liability to the Discount Rate Assumption

The following presents the County's proportionate share of the net pension (asset)/liability calculated using the discount rate of 5.9%, as well as what the County's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
County's Proportionate Share of the Net Pension (Asset)/Liability	\$ 17,617,157	\$ (6,844,301)	\$ (27,305,131)
TCSWCD's Proportionate Share of the Net Pension (Asset)/Liability	733,633	(285,018)	(1,137,071)

Pension Plan Fiduciary Net Position

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

	Dollars in Thousands
	ERS
Measurement Date	March 31, 2022
Employers' Total Pension Liability	\$ 223,874,888
Plan Net Position	(232,049,473)
Employers' Net Pension (Asset)/Liability	\$ (8,174,585)
Ratio of Plan Net Position to the Employers' Total Pension Liability	103.7%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of December 31, 2022 represent the projected employer contribution for the period of April 1, 2022 through December 31, 2022 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2022 amounted to \$-0-.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued

Effect on Net Position

Changes in the net pension (asset)/liability and deferred outflows and deferred inflows of resources for the year ended December 31, 2022 resulted in the following effect on net position:

	Beginning Balance	Change	Ending Balance
County - ERS			
Net Pension (Asset)/Liability	\$ (81,870)	\$ 6,926,171	\$ 6,844,301
Deferred Outflows of Resources	19,012,588	(4,850,620)	14,161,968
Deferred Inflows of Resources	(24,564,654)	324,485	(24,240,169)
County Total Effect on Net Position	\$ (5,633,936)	\$ 2,400,036	\$ (3,233,900)
TCSWCD - ERS			
Net Pension (Asset)/Liability	\$ 3,141	\$ (288,159)	\$ (285,018)
Deferred Outflows of Resources	709,025	(123,261)	585,764
Deferred Inflows of Resources	(1,019,249)	(63,232)	(1,082,481)
TCSWCD Total Effect on Net Position	\$ (307,083)	\$ (474,652)	\$ (781,735)

Note 7 Other Postemployment Benefits (OPEB)

General Information About the OPEB Plan

Plan Description - Tioga County provides medical and prescription drug benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. Such postemployment benefits are an included value in the exchange of salaries and benefits for employee services rendered. An employee's total compensation package includes not only the salaries and benefits received during active service, but all compensation and benefits received for their services during postemployment. Nevertheless, both types of benefits constitute compensation for employee services.

Benefits Provided - Health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The County offers the benefit, with related premiums funded partially by participating retirees. Each retiree also pays a portion of any premium covering his or her spouse.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 7 Other Postemployment Benefits (OPEB) - Continued

General Information About the OPEB Plan - Continued

Employees Covered by Benefit Terms - At December 31, 2022, the following employees were covered by the benefit terms:

Retired and Surviving Spouses	236
Terminated Vested Employees	-
Active Employees	<u>363</u>
Total	<u><u>599</u></u>

Total OPEB Liability

The County's total OPEB liability of \$99,287,998 was measured as of January 1, 2022 and was determined by an actuarial valuation as of January 1, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- The long-term bond rate is based on the Bond Buyer Weekly 20-Bond GO Index as of the measurement date (or the nearest business day thereto).
- The salary scale reflects the rate at which payroll amounts are expected to increase over time for purposes of attributing liabilities under the Entry Age Normal, Level Percent of Pay actuarial cost method.
- Mortality rates were based on the RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2020.
- Termination and retirement rates are based on the experience under the New York State and Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, "Development of Recommended Actuarial Assumptions for New York State."
- Healthcare Cost Trend Rates were based on the baseline projection of the SOA Long-Run Medical Cost Trend Model (v2020-b). These rates were adjusted for inflation, projected GDP growth, extra trend, and health share of GDP resistance point.
- The actuarial assumptions used in the January 1, 2021 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 7 Other Postemployment Benefits - Continued

Actuarial Assumptions and Other Inputs - Continued

- Changes of assumptions and other inputs reflect a change in the discount rate from 2.12% percent in 2021 to 2.06% in 2022.

Municipal Bond Index Rate	2.06%
Single Discount Rate	2.06%
Initial Healthcare Cost Trend Rate	8.00%
Ultimate Healthcare Cost Trend Rate	4.04%
Salary Scale	3.50%
Rate of Inflation	2.20%
Election Percentage	100.00%
Marital Assumption	70.00%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2021	\$ 126,483,717
Changes for the Year	
Service Cost	5,285,046
Interest Cost	2,761,110
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(33,092,069)
Changes in Assumptions or Other Inputs	905,695
Benefit Payments	(3,055,501)
	(27,195,719)
Balance at December 31, 2022	\$ 99,287,998

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current discount rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB Liability	\$ 116,310,670	\$ 99,287,998	\$ 85,621,687

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 7 Other Postemployment Benefits - Continued

Changes in the Total OPEB Liability - Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 82,608,517	\$ 99,287,998	\$ 120,989,217

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

For the year ended December 31, 2022, the County recognized OPEB expense of \$5,712,960.

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 32,288,465
Changes in Assumptions or Other Inputs	19,826,368	3,927,902
Contributions Subsequent to Measurement Date	2,559,375	-
Total	\$ 22,385,743	\$ 36,216,367

County contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the OPEB liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	Amount
2023	\$ (2,333,196)
2024	(2,585,493)
2025	(1,534,369)
2026	(3,553,292)
2027	(4,850,963)
2028 and Thereafter	(1,532,686)

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 7 Other Postemployment Benefits - Continued

Current Year Activity

The following is a summary of current year activity:

Governmental Activities	Beginning Balance	Change	Ending Balance
OPEB Liability	\$ 126,483,717	\$ (27,195,719)	\$ 99,287,998
Deferred Outflows of Resources	(27,828,170)	5,442,427	(22,385,743)
Deferred Inflows of Resources	11,309,490	24,906,877	36,216,367
Total	\$ 109,965,037	\$ 3,153,585	\$ 113,118,622

Note 8 Short-Term Debt

The County may issue revenue anticipation notes (RANs) and tax anticipation notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. During the year ended December 31, 2022, the County did not issue or redeem any short-term RANs or TANs.

The County may issue bond anticipation notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. Such notes may be classified as long-term when (1) the intention is to refinance the debt on a long-term basis, and (2) the intention can be substantiated through a post balance sheet issuance of long-term debt or by an acceptable financing agreement. During the year ended December 31, 2022, the County did not issue or redeem any short-term BANs.

Note 9 Long-Term Debt

Constitutional Debt Limit

At December 31, 2022, the total outstanding indebtedness of the County aggregated to \$23,942,011. Of this amount, \$5,905,000 is subject to the statutory debt limit and represents approximately 3.1% of the County's debt limit.

Serial Bonds

Public improvement serial bonds, refunded in 2001, were utilized to finance the construction of a new public safety facility. The Tobacco Settlement Pass-Through bonds were utilized to finance the purchase of the County's future right, title, and interest in the Tobacco Settlement Revenues.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 9 Long-Term Debt - Continued

Serial Bonds - Continued

In 2005, TTASC advance refunded its 2000 series debt and secured additional Tobacco Settlement Revenues by issuing \$15 million in bonds. The proceeds financed the construction of a health and human services building within the County.

Changes in Indebtedness

The following is a summary of changes in indebtedness for the period ended December 31, 2022:

	<u>Balance</u> <u>December 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2022</u>	<u>Amount Due</u> <u>Within One</u> <u>Year</u>
Indebtedness					
Serial Bonds	\$ 20,242,915	\$ -	\$ (1,865,000)	\$ 18,377,915	\$ 2,650,000
Accreted Interest Payable	5,016,661	547,435	-	5,564,096	-
Total	<u>\$ 25,259,576</u>	<u>\$ 547,435</u>	<u>\$ (1,865,000)</u>	<u>\$ 23,942,011</u>	<u>\$ 2,650,000</u>

The following is a summary of serial bond indebtedness as of December 31, 2022:

<u>Description</u>	<u>Date</u> <u>Issued</u>	<u>Original</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Balance</u> <u>Outstanding</u>
Serial Bonds					
Issued by TTASC:					
Series 2005	08/2005	\$ 21,713,420	4.25-5.00%	12/2040	\$ 12,472,915
Add Accreted Interest on Capital Appreciation Bonds					<u>5,564,096</u>
Carrying Value of TTASC Bonds					18,037,011
Issued by the County:					
Public Improvement - 2010	11/2010	9,000,000	3.36-9.07%	03/2030	4,695,000
Public Improvement - 2013	08/2013	9,995,000	1.50-2.75%	08/2023	<u>1,210,000</u>
Total					<u>\$ 23,942,011</u>

The TTASC Series 2005 bonds are comprised of tax-exempt turbo bonds in the amount of \$10,140,000 and \$2,332,915 of tax-exempt turbo capital appreciation bonds. As of December 31, 2022, total accreted interest of \$5,564,096 has been accrued on the capital appreciation bonds, for a total carrying value of \$18,037,011.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 9 Long-Term Debt - Continued

Changes in Indebtedness - Continued

Annual requirements to amortize the debt on outstanding bonds as of December 31, 2022 are as follows:

Governmental Funds							
Year	County Serial Bonds				TTASC Bonds		
	Principal	Interest	Interest Subsidy	Total	Principal	Interest	Total
2023	\$ 1,710,000	\$ 352,565	\$ (118,683)	\$ 1,943,882	\$ 940,000	\$ 205,250	\$ 1,145,250
2024	520,000	285,447	(106,838)	698,609	1,005,000	154,625	1,159,625
2025	545,000	250,110	(94,470)	700,640	1,070,000	102,750	1,172,750
2026	570,000	210,900	(80,746)	700,154	1,125,000	49,875	1,174,875
2027	595,000	167,719	(65,633)	697,086	6,423,526	1,108,261	7,531,787
2028-2032	1,965,000	222,946	(93,505)	2,094,441	1,028,044	4,928,604	5,956,648
2033-2037	-	-	-	-	655,744	5,676,836	6,332,580
2038-2040	-	-	-	-	225,601	2,666,377	2,891,978
Totals	<u>\$ 5,905,000</u>	<u>\$ 1,489,687</u>	<u>\$ (559,875)</u>	<u>\$ 6,834,812</u>	<u>\$ 12,472,915</u>	<u>\$ 14,892,578</u>	<u>\$ 27,365,493</u>

Interest expense on bonds for the year ended December 31, 2022 is as follows:

	<u>County</u>	<u>TTASC</u>	<u>Total</u>
Interest Paid	\$ 423,560	\$ 510,288	\$ 933,848
(Less) Interest Accrued in Prior Year	(120,958)	-	(120,958)
Interest Accrued in Current Year	101,529	-	101,529
(Less) Prior Year Accreted Interest	-	(5,016,661)	(5,016,661)
Current Year Accreted Interest	-	5,564,096	5,564,096
Total	<u>\$ 404,131</u>	<u>\$ 1,057,723</u>	<u>\$ 1,461,854</u>

Discretely Presented Component Unit - Tioga County Industrial Development Agency

The Tioga County Industrial Development Agency has various outstanding loans payable to the County and USDA. Interest rates range from 1% to 3% with maturities between 2022 and 2039. Repayment of these loans is estimated as follows:

<u>Year</u>	<u>Principal</u>
2023	\$ 40,469
2024	40,875
2025	41,284
2026	41,697
2027	40,324
2028-2032	144,832
2033-2037	106,860
2038-2039	24,260
Total	<u>\$ 480,601</u>

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 10 Leases

Lessee - Lease Liabilities

During the year ended December 31, 2022, the County implemented GASB Statement No. 87, "Leases."

The County enters into lease agreements for certain equipment and vehicles that are considered leases. The County is not party to any material short-term leases, and current leases do not require any variable payments.

Lease liabilities as of December 31, 2022 are as follows:

Description of Lease	Issue Date	Final Maturity	Discount Rate	Outstanding December 31, 2022
CAC Building	8/1/2020	7/1/2023	3.00%	\$ 5,891
MH Building	9/1/2021	8/1/2023	3.00%	15,136
PD Building	2/1/2019	1/1/2024	3.00%	15,969
Copier 1 Contract	7/1/2018	6/1/2023	3.50%	4,212
Copier 2 Contract	7/1/2020	6/1/2025	3.50%	17,173
Copier 3 Contract	10/1/2019	9/1/2024	3.50%	1,709
Copier 4 Contract	4/1/2021	3/1/2026	3.50%	7,097
Copier 5 Contract	12/1/2021	11/1/2026	3.50%	8,456
NYSEG Tower	1/1/2003	1/1/2023	2.33%	1,836
Total				\$ 77,479

The following is a summary of the maturity of lease liabilities:

Year	Principal	Interest	Total
2023	\$ 53,599	\$ 1,631	\$ 55,230
2024	13,216	601	13,817
2025	8,005	214	8,219
2026	2,659	46	2,705
Total	\$ 77,479	\$ 2,492	\$ 79,971

Interest paid for the current year amount to \$3,718.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 11 Other Long-Term Obligations

In addition to the above long-term debt, the County had the following non-current liabilities:

- **Compensated Absences:** Represents the value of earned and unused portion of the liability for compensated absences and is liquidated in various funds.
- **Self-Insurance Liabilities:** As further explained in Note 14, the County is self-insured. Liabilities are established for workers' compensation and general claims in accordance with GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues." This liability is liquidated in the Internal Service Fund.

The following is a summary of changes other long-term obligations for the period ended December 31, 2022:

	Balance December 31, 2021	Additions	Deletions	Balance December 31, 2022	Amount Due Within One Year
Other Long-Term Liabilities					
Compensated Absences	\$ 1,320,832	\$ -	\$ (1,732)	\$ 1,319,100	\$ 1,319,100
Self-Insurance Liabilities	5,750,000	-	-	5,750,000	840,000
Total	\$ 7,070,832	\$ -	\$ (1,732)	\$ 7,069,100	\$ 2,159,100

Additions and deletions to compensated absences and self-insurance liabilities are shown net, as it is impractical to determine these amounts separately.

Note 12 Interfund Receivables/Payables and Transfers

During the course of normal operations, the County has numerous transactions between funds including expenditures and transfers of resources primarily to provide services.

The Governmental Funds financial statements generally reflect such transactions as transfers whereas the Proprietary Funds record such transactions as non-operating revenues or expenses. There were no interfund receivables/payables at December 31, 2022. Interfund transfers at December 31, 2022 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 15,000	\$ 7,803,648
Capital Fund	4,791,472	15,000
Non-Major Funds	3,073,152	155,000
Internal Service Fund	94,024	-
Totals	\$ 7,973,648	\$ 7,973,648

All transfers were planned and budgeted as part of normal activities. General Fund transfers out were used to distribute property tax revenues.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 13 Fund Balances

Restricted Fund Balances

- The County Legislature established a reserve for unemployment in the General Fund; at December 31, 2022 the balance was \$100,000.
- State statutes require the County to reserve excess revenues over expenditures under the STOP DWI Program for use in the program in the following fiscal year. Excess STOP DWI funds restricted in the General Fund at December 31, 2022 totaled \$12,213.
- The County Legislature requires the County to designate revenues from the forfeiture of criminal proceeds for the purpose of crime prevention. Unexpended criminal prevention revenue restricted in the General Fund at December 31, 2022 was \$695.
- The County Legislature permits collection of fees for hotel/motel usage. Unexpended hotel/motel usage revenue restricted in the General Fund at December 31, 2022 was \$116,515.
- The County Legislature permits collection of fees from illegal handicapped parking. Unexpended handicapped parking revenue restricted in the General Fund at December 31, 2022 was \$1,034.
- The County Legislature established a reserve for E911 Emergency Telephone Project in the General Fund; at December 31, 2022 was \$811,042.
- The County Legislature established a reserve for opioid settlements in the General Fund; at December 31, 2022 was \$285,659.
- The County transferred interest earned on unspent bond proceeds into a reserve for the payments of debt service on the bonds. The balance in the reserve in the General Fund at December 31, 2022 was \$211,383.
- The County created various reserves in the Capital Fund. They consist of the following balances:

Software Reserve	\$ 279,825
Hardware Reserve	214,095
Emergency Radio Communication System	4,305,522
SAC Building Reserve	2,603,251
Public Land, Structure, and Equipment	1,662,318
Financial Management System Reserve	<u>66,550</u>
Total	<u>\$ 9,131,561</u>

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 13 Fund Balances - Continued

Fund Balance Detail

At December 31, 2022, fund balance in the governmental funds was comprised of the following:

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Non-Major Funds</u>
Nonspendable			
Prepaid Expenses	\$ 708,116	\$ -	\$ -
Total Nonspendable Fund Balance	<u>\$ 708,116</u>	<u>\$ -</u>	<u>\$ -</u>
Restricted			
Miscellaneous Reserves (See Previous Page)	\$ 1,538,541	\$ 9,131,561	\$ -
Home and Community Services	-	-	954,659
TTASC Liquidity Reserve	-	-	775,969
Total Restricted Fund Balance	<u>\$ 1,538,541</u>	<u>\$ 9,131,561</u>	<u>\$ 1,730,628</u>
Assigned			
Appropriated for Next Year's Budget	\$ 3,978,768	\$ -	\$ 9,000
Assigned for:			
Public Safety	7,295	-	-
Transportation	-	-	255,896
Debt Payment	-	-	113,259
Capital Projects	-	7,437,315	-
Total Assigned Fund Balance	<u>\$ 3,986,063</u>	<u>\$ 7,437,315</u>	<u>\$ 378,155</u>
Total Unassigned Fund Balance	<u>\$ 34,863,080</u>	<u>\$ -</u>	<u>\$ -</u>
Total Fund Balances	<u>\$ 41,095,800</u>	<u>\$ 16,568,876</u>	<u>\$ 2,108,783</u>

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 14 **Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and third parties; and natural disasters. The County utilizes three risk management funds (internal service funds) to account for and finance the County’s insured and uninsured risks of loss.

The Liability Insurance Fund provides self-insurance coverage up to \$25,000 for property-related claims and up to \$50,000 for third-party liabilities. All County departments participate in the program with payments from participants based upon the participant’s relative budget. The County purchases commercial insurance for claims in excess of the self-insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The County utilizes a third party administrator to process claims and estimate liabilities under this coverage.

The Self-Insurance Fund provides self-insurance coverage for all workers’ compensation claims for employees of each participating municipality. The County and certain municipalities within the County participate in the program and make payments to the self-insurance fund based on three factors: total property tax assessed value, total payroll, and prior years’ claims for each participant. The County is completely self-insured with regard to workers’ compensation claims and is the administrator for this fund. Net deficit of this fund was \$301,191 at December 31, 2022, as the County has not fully funded incurred but not reported claims.

The estimated accrued claims of \$5,750,000 reported in the Internal Service Fund at December 31, 2022 are based upon the requirements of GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Issues,” which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. All liabilities are recorded at their estimated fair values as of December 31, 2022 including discounted long-life workers’ compensation awards within the Workers’ Compensation Fund. Changes in the fund’s liabilities for the year ended December 31, 2022 were:

	Beginning of Year	Changes in Estimates	Claim Payments	End of Year
Workers’ Compensation - 2022	\$ 5,750,000	\$ -	\$ -	\$ 5,750,000
Workers’ Compensation - 2021	\$ 5,750,000	\$ -	\$ -	\$ 5,750,000

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 15* Transactions with Discretely Presented Component Units**

Tioga County Soil and Water Conservation District

The County provides support to the District through annual appropriations. In 2022, the County provided \$319,234 to the District. In addition, the District office is on land owned by the County. A lease agreement has been put into place outlining the term and how the land may be used. The District is obligated to pay any and all expenses relative to the property as rent. The County has the right to request a security deposit, but has not made that request. The current lease is for ten years ending December 31, 2027, with the option to renew for four additional ten year periods.

***Note 16* Summary of Significant Commitments and Contingencies**

State and Federally Assisted Programs

The County receives many different state and federal grants to be used for specific purposes. These grants are generally conditioned on compliance with certain statutory, regulatory, and/or contractual requirements. The County makes every effort to comply with all applicable requirements. However, because these grants are audited from time to time, it is possible that the County will be required, upon audit, to repay portions of the grant monies received and recorded as revenue in a prior year. County officials do not anticipate material grant-in-aid disallowances, and no provision, therefore, is reflected in the basic financial statements.

Other Litigation

The County and/or its agencies are named in several minor lawsuits arising in the ordinary course of the County's operations. These claims and lawsuits, in the opinion of management, are either adequately covered by insurance or will not result in a material impact on the financial position of the County and, therefore, are not reflected in the accompanying financial statements. In the past three years, no settlements exceeded insurance coverage.

***Note 17* Stewardship**

At December 31, 2022, the Internal Service Fund had a deficit unrestricted net position of \$301,191. This deficit results from the actuarially determined claim liability for incurred but not reported claims. This deficit will be eliminated as claims are reported.

At December 31, 2022, the Government-wide Statement of Net Position had an unrestricted deficit net position of \$86,713,948. This is the result of the requirement to record other postemployment benefits liability with no requirement or mechanism to fund this liability. The deficit is not expected to be eliminated during the normal course of operations.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 18 Tax Abatements

For the year ended December 31, 2022, the County was subject to tax abatements negotiated by the Tioga County Industrial Development Agency (TCIDA), a discretely presented component unit.

Under TCIDA, companies from outside the County can apply for sales tax exemptions under eligible spending related to relocating to the County. Companies accepted into the program document the sales tax paid on eligible spending and receive a rebate up to a maximum of 100%. Through this program, companies promise to expand or maintain facilities or employment in the County, to establish new business in the County, or to relocate an existing business to the County. Economic development agreements entered into by TCIDA can include the abatement of county, local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which TCIDA administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100%.

Information relevant to disclosure of the program for the year ended December 31, 2022 is as follows:

Tax Abatement Program	Amount of Taxes Abated
Economic Development	\$ 1,660,767
Total	\$ 1,660,767

Note 19 Restatement

During the year, the County adopted GASB Statement No. 87. As of December 31, 2022, assets, liabilities, and net position for Governmental Activities were adjusted as follows:

	Intangible Assets Net	Lease Liabilities	Total Net Position (Deficit)
Balance Beginning of Year, as Previously Reported	\$ -	\$ -	\$ (20,189,786)
GASB Statement No. 87 Implementation	161,115	145,150	15,965
Balance Beginning of Year, as Restated	\$ 161,115	\$ 145,150	\$ (20,173,821)

COUNTY OF TIOGA

BUDGETARY COMPARISON SCHEDULE (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable- (Unfavorable)
REVENUES					
Real Property Taxes	\$ 25,358,754	\$ 25,358,754	\$ 26,219,619	\$ -	\$ 860,865
Real Property Tax Items	3,091,478	3,091,478	4,066,695	-	975,217
Nonproperty Tax Items	22,374,000	22,932,449	30,772,285	-	7,839,836
Departmental Income	6,266,081	6,454,639	5,369,281	-	(1,085,358)
Intergovernmental Charges	151,000	286,000	581,370	-	295,370
Use of Money and Property	93,000	93,000	151,674	-	58,674
Licenses and Permits	42,000	42,000	36,671	-	(5,329)
Fines and Forfeitures	46,450	70,600	57,359	-	(13,241)
Sale of Property and Compensation for Loss	33,000	33,000	318,659	-	285,659
Miscellaneous Local Sources	111,005	213,505	194,869	-	(18,636)
State Sources	11,284,174	17,542,184	11,955,886	-	(5,586,298)
Federal Sources	6,848,595	8,704,389	9,977,693	-	1,273,304
Total Revenues	75,699,537	84,821,998	89,702,061	-	4,880,063
EXPENDITURES					
General Governmental Support	13,440,614	17,708,699	15,882,251	-	1,826,448
Education	5,721,000	5,746,222	5,411,966	-	334,256
Public Safety	9,145,377	12,192,297	8,994,502	-	3,197,795
Public Health	6,535,731	9,754,319	6,026,100	-	3,728,219
Transportation	-	791,544	425,403	-	366,141
Economic Assistance and Opportunity	22,074,586	24,067,346	21,161,333	-	2,906,013
Culture and Recreation	362,316	368,969	334,155	-	34,814
Home and Community Services	1,077,074	1,085,970	954,929	-	131,041
Employee Benefits	14,618,460	14,639,954	12,575,266	-	2,064,688
Debt Service (Principal and Interest)	2,069,416	2,188,964	2,146,231	-	42,733
Total Expenditures	75,044,574	88,544,284	73,912,136	-	14,632,148
Excess of Revenues (Expenditures)	654,963	(3,722,286)	15,789,925	-	19,512,211
OTHER FINANCING SOURCES (USES)					
Interfund Transfers In	-	15,000	15,000	-	-
Interfund Transfers (Out)	(3,136,594)	(8,972,214)	(7,803,648)	-	1,168,566
Total Other Financing Sources (Uses)	(3,136,594)	(8,957,214)	(7,788,648)	-	1,168,566
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	(2,481,631)	(12,679,500)	8,001,277	<u>\$ -</u>	<u>\$ 20,680,777</u>
Appropriated Fund Balance	2,481,631	12,679,500			
Net Decrease	<u>\$ -</u>	<u>\$ -</u>	8,001,277		
Fund Balance, Beginning of Year			33,094,523		
Fund Balance, End of Year			<u>\$ 41,095,800</u>		

See Notes to Required Supplementary Information

COUNTY OF TIOGA

SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total OPEB Liability										
Service Cost	\$ 5,285,046	\$ 4,016,945	\$ 2,932,894	\$ 3,511,739	\$ 3,245,186	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	2,761,110	3,269,086	3,884,923	3,568,441	3,558,782	*	*	*	*	*
Changes of Benefit Terms	-	-	(79,411)	-	-	*	*	*	*	*
Differences Between Expected and Actual Experience	(33,092,069)	(5,654,534)	-	(1,652,117)	-	*	*	*	*	*
Changes in Assumptions or Other Inputs Benefit Payments	905,695	11,072,183	19,669,644	(11,005,198)	5,266,671	*	*	*	*	*
Benefit Payments	(3,055,501)	(3,025,437)	(2,847,792)	(2,799,306)	(2,702,941)	*	*	*	*	*
	(27,195,719)	9,678,243	23,560,258	(8,376,441)	9,367,698	*	*	*	*	*
Total OPEB Liability - Beginning of Year	126,483,717	116,805,474	93,245,216	101,621,657	92,253,959	*	*	*	*	*
Total OPEB Liability - End of Year	\$ 99,287,998	\$ 126,483,717	\$ 116,805,474	\$ 93,245,216	\$ 101,621,657	\$ 92,253,959	\$ *	\$ *	\$ *	\$ *
Covered Employee Payroll	\$ 20,337,739	\$ 19,028,588	\$ 18,610,431	\$ 17,751,117	\$ 17,520,047	\$ *	\$ *	\$ *	\$ *	\$ *
Total OPEB Liability as a Percentage of Covered Payroll	488%	665%	628%	525%	580%	*	*	*	*	*
The Following is a Summary of Changes of Assumptions										
Healthcare Cost Trend Rates	8.00% - 4.04%	8.00% - 4.04%	7.00% - 3.94%	7.00% - 3.94%	7.50% - 4.03%	*	*	*	*	*
Salary Increases	3.50%	3.50%	3.50%	3.50%	3.50%	*	*	*	*	*
Inflation Rate	2.20%	2.50%	2.40%	2.40%	2.20%	*	*	*	*	*
Discount Rate	2.06%	2.12%	2.74%	4.10%	3.44%	*	*	*	*	*
Society of Actuaries' Mortality Scale	MP-2020	MP-2020	MP-2019	MP-2019	MP-2017	*	*	*	*	*

* Information for periods prior to implementation of GASB Statement No. 75 is unavailable

See Notes to Required Supplementary Information

COUNTY OF TIOGA

SCHEDULE OF COUNTY'S CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

County	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 2,434,643	\$ 3,235,629	\$ 2,766,966	\$ 2,743,664	\$ 2,670,717	\$ 3,161,458	\$ 2,528,606	\$ 2,962,866	\$ 3,421,461	\$ 3,082,607
Contributions in Relation to the Contractually Required Contribution	(2,434,643)	(3,235,629)	(2,766,966)	(2,743,664)	(2,670,717)	(3,161,458)	(2,528,606)	(2,962,866)	(3,421,461)	(3,082,607)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
County's Covered Payroll	18,720,588	18,281,731	17,707,869	17,154,173	17,019,702	16,317,085	15,510,547	16,105,106	16,981,046	17,191,830
Contributions as a Percentage of Covered Payroll	13.01%	17.70%	15.63%	15.99%	15.69%	19.38%	16.30%	18.40%	20.15%	17.93%
Soil and Water Conservation District										
Contractually Required Contribution	\$ 80,002	\$ 103,875	\$ 89,571	\$ 125,092	\$ 118,939	\$ 91,378	\$ 69,896	\$ 76,553	\$ 30,261	\$ *
Contributions in Relation to the Contractually Required Contribution	(80,002)	(103,875)	(89,571)	(125,092)	(118,939)	(91,378)	(69,896)	(76,553)	(30,261)	*
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	*
District's Covered Payroll	758,000	719,000	759,000	742,000	759,000	680,000	502,000	391,000	*	*
Contributions as a Percentage of Covered Payroll	10.55%	14.45%	11.80%	16.86%	15.67%	13.44%	13.92%	19.58%	*	*

* Information Currently Unavailable Will be Presented as it is Made Available in Future Years.

See Notes to Required Supplementary Information

COUNTY OF TIOGA

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED DECEMBER 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County								
Proportion of the Net Pension (Asset)/Liability	0.0837266%	0.0822202%	0.0795148%	0.0776983%	0.0728901%	0.0705442%	0.0736024%	0.0763016%
Proportionate Share of the Net Pension (Asset)/Liability	\$ (6,844,301)	\$ 81,870	\$ 21,055,976	\$ 5,505,160	\$ 2,352,489	\$ 6,628,490	\$ 11,813,394	\$ 2,577,656
Covered Payroll During the Measurement Period	18,463,019	17,536,725	17,536,725	17,026,655	17,017,384	16,083,652	15,319,512	16,366,971
Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	37.1%	0.5%	120.1%	32.3%	13.8%	41.2%	77.1%	15.7%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
The Following is a Summary of Changes of Assumptions								
Inflation	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Salary Increases	4.40%	4.50%	4.20%	3.80%	3.80%	3.80%	3.80%	3.80%
Cost of Living Adjustments	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
Investment Rate of Return	5.90%	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%	7.00%
Discount Rate	5.90%	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%	7.00%
Society of Actuaries' Mortality Scale	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014	MP-2014
Soil and Water Conservation District								
Proportion of the Net Pension (Asset)/Liability	0.0031545%	0.0031544%	0.0036680%	0.0036606%	0.0033831%	0.0025749%	0.0021080%	0.0017993%
Proportionate Share of the Net Pension (Asset)/Liability	(285,018)	3,141	971,303	259,366	109,189	241,947	338,335	60,786
Covered Payroll During the Measurement Period	758,000	719,000	759,000	742,000	759,000	680,000	502,000	391,000
Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	37.6%	0.4%	128.0%	35.0%	14.4%	35.6%	67.4%	15.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

See Notes to Required Supplementary Information

COUNTY OF TIOGA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2022

***Note 1* Budget Policies**

Budget policies are as follows:

- No later than November 15, the budget officer submits a tentative budget to the County Legislature for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for the General and Special Revenue Funds.
- After public hearings are conducted to obtain taxpayer comments, no later than December 20, the governing board adopts the budget.
- All budget modifications must be approved by the County Legislature. During 2022, the budget was modified for unanticipated grants and revenues, use of reserve funds, and carryover encumbrances.
- Appropriations are adopted at the functional level by department.
- Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects, which remain in effect for the life of the project.
- An annual legal budget is not adopted for the Tioga Tobacco Asset Securitization Corporation (TTASC), which is a debt service fund. Budgetary controls for the TTASC and Special Grant Fund are established in accordance with the applicable debt service schedules and grant agreements.
- Appropriations lapse at year end.

Encumbrances

Encumbrances are recorded to reserve a portion of fund balance for outstanding commitments to be financed from current appropriations. Encumbrance accounting, under which contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the General and Special Revenue Funds. Encumbrances are reported as assignments of fund balances, as they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

COUNTY OF TIOGA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) DECEMBER 31, 2022

***Note 1* Budget Policies - Continued**

Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America (U.S. GAAP) for the General, County Road, and Road Machinery Funds. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. The accompanying Budgetary Comparison Schedule for the budgeted major Governmental Fund, the General Fund, presents comparisons of the legally adopted budget with actual data.

***Note 2* Reconciliation of the Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the General Fund excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis. Encumbrances are presented in a separate column and are not included in the actual results at December 31, 2022.

***Note 3* Schedule of County's Proportionate Share of the Net Pension (Asset)/Liability**

The Schedule of the County's Proportionate Share of the Net Pension Liability, presented as required supplementary information, presents seven years of information. This schedule will present ten years of information as it becomes available from the pension plan.

COUNTY OF TIOGA

BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2022

	Special Revenue Funds				Total Non-Major Governmental Funds
	Special Grant Fund	County Road Fund	Road Machinery Fund	Debt Service Fund (TTASC)	
ASSETS					
Cash and Cash Equivalents - Unrestricted	\$ -	\$ 229,397	\$ 108,530	\$ 113,259	\$ 451,186
Cash and Cash Equivalents - Restricted	771,550	-	-	775,969	1,547,519
Other Receivables, Net	10,898	-	1,121	740,851	752,870
Due From State and Federal Governments	283,422	-	-	-	283,422
Loans Receivable	24,525	-	-	-	24,525
Total Assets	<u>\$ 1,090,395</u>	<u>\$ 229,397</u>	<u>\$ 109,651</u>	<u>\$ 1,630,079</u>	<u>\$ 3,059,522</u>
LIABILITIES					
Accounts Payable	\$ 105,799	\$ 15,717	\$ 15,910	\$ -	\$ 137,426
Accrued Liabilities	5,412	35,072	7,453	-	47,937
Total Liabilities	<u>111,211</u>	<u>50,789</u>	<u>23,363</u>	<u>-</u>	<u>185,363</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	24,525	-	-	740,851	765,376
FUND BALANCES					
Restricted	954,659	-	-	775,969	1,730,628
Assigned	-	178,608	86,288	113,259	378,155
Total Fund Balances	<u>954,659</u>	<u>178,608</u>	<u>86,288</u>	<u>889,228</u>	<u>2,108,783</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,090,395</u>	<u>\$ 229,397</u>	<u>\$ 109,651</u>	<u>\$ 1,630,079</u>	<u>\$ 3,059,522</u>

COUNTY OF TIOGA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds				Total Non-Major Governmental Funds
	Special Grant Fund	County Road Fund	Road Machinery Fund	Debt Service Fund (TTASC)	
REVENUES					
Departmental Income	\$ 338,931	\$ 25	\$ -	\$ -	\$ 338,956
Use of Money and Property	1,209	696	293	8,968	11,166
Sale of Property and Compensation for Loss	-	-	11,227	-	11,227
Miscellaneous Local Sources	-	-	-	784,038	784,038
State Sources	201,963	44,388	-	-	246,351
Federal Sources	268,231	93,894	-	-	362,125
Total Revenues	810,334	139,003	11,520	793,006	1,753,863
EXPENDITURES					
General Governmental Support	-	-	-	55,761	55,761
Transportation	-	1,901,773	592,773	-	2,494,546
Economic Assistance and Opportunity	190,990	-	-	-	190,990
Home and Community Services	201,963	-	-	-	201,963
Employee Benefits	79,011	498,937	130,745	-	708,693
Debt Service (Principal and Interest)	-	-	-	720,288	720,288
Total Expenditures	471,964	2,400,710	723,518	776,049	4,372,241
Excess of Revenues (Expenditures)	338,370	(2,261,707)	(711,998)	16,957	(2,618,378)
OTHER FINANCING SOURCES (USES)					
Interfund Transfers In	116,773	2,267,687	688,692	-	3,073,152
Interfund Transfers (Out)	-	(155,000)	-	-	(155,000)
Total Other Financing Sources (Uses)	116,773	2,112,687	688,692	-	2,918,152
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	455,143	(149,020)	(23,306)	16,957	299,774
Fund Balances, Beginning of Year	499,516	327,628	109,594	872,271	1,809,009
Fund Balances, End of Year	\$ 954,659	\$ 178,608	\$ 86,288	\$ 889,228	\$ 2,108,783

**INDEPENDENT AUDITORS' 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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2022, and the related notes to the financial statements, which together with the aggregate discretely presented component units, collectively comprise the County's basic financial statements, and have issued our report thereon dated September 25, 2023. Our report includes a reference to other auditors who audited the financial statements of the Tioga County Soil and Water Conservation District, as described in our report on the County of Tioga's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 25, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Tioga's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 25, 2023

COUNTY OF TIOGA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing #</u>	<u>Pass-Through Grantor #</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
U.S. Department of Agriculture				
Passed Through NYS Office of Temporary and Disability Assistance:				
SNAP Cluster:				
State Administrative Grants for the Supplemental Nutrition Assistance Program	10.561	(1)	\$ -	\$ 735,883
Total SNAP Cluster			-	735,883
Total U.S. Department of Agriculture			-	735,883
U.S. Department of Justice				
Passed Through NYS Department of Criminal Justice Services:				
Bullet Proof Vest Program	16.607	(1)	-	3,608
Total U.S. Department of Justice			-	3,608
U.S. Department of Labor				
Passed Through NYS Department of Labor:				
Workforce Innovation and Opportunity Act Cluster:				
Workforce Innovation and Opportunity Act - Adult Program	17.258	(1)	-	77,577
Workforce Innovation and Opportunity Act - Youth Activities	17.259	(1)	-	84,856
Workforce Innovation and Opportunity Act - Dislocated Workers	17.278	(1)	-	105,798
Total Workforce Innovation and Opportunity Act Cluster			-	268,231
Total U.S. Department of Labor			-	268,231
U.S. Department of Transportation				
Passed Through NYS Department of Transportation:				
Federal Transit Cluster:				
Federal Transit Capital Investment Grants	20.500	(1)	-	378,135
Total Federal Transit Cluster			-	378,135
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	D040247	-	93,894
Highway Planning and Construction	20.205	D036071	-	22,792
Highway Planning and Construction	20.205	D040303	-	62,329
Total Highway Planning and Construction Cluster			-	179,015
STOP DWI Crackdown Grant	20.616	(1)	-	11,400
Total U.S. Department of Transportation			-	568,550
U.S. Department of the Treasury				
Passed Through NYS Department of the Treasury:				
COVID-19 Coronavirus Local Fiscal Recovery Fund (CLFRF)	21.027	N/A	-	1,431,144
Total U.S. Department of the Treasury			-	1,431,144
U.S. Department of Education				
Passed Through NYS Department of Health:				
Special Education - Grants for Infants and Toddlers	84.181	(1)	-	37,774
Total U.S. Department of Education			-	37,774
U.S. Election Assistance Commission				
Passed Through NYS Board of Elections:				
Help America Vote Act-Shoebox Program	90.401	C003248	-	16,910
Total U.S. Election Assistance Commission			-	16,910
Subtotal Expenditures of Federal Awards			-	3,062,100

See Notes to Schedule of Expenditures of Federal Awards

COUNTY OF TIOGA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing #	Pass-Through Grantor #	Passed Through to Subrecipients	Expenditures
Subtotal Expenditures of Federal Awards Carried Forward			\$ -	\$ 3,062,100
U.S. Department of Health and Human Services				
Passed Through Health Research, Inc.:				
Public Health Preparedness	93.069	1623-15	-	49,351
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6801-01		434,065
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response:				
Public Health Crisis Response	93.354	6316-01		82,592
Passed Through NYS Office of Temporary and Disability Assistance:				
TANF Cluster:				
Temporary Assistance for Needy Families (TANF)	93.558	(1)	-	3,856,397
Total TANF Cluster			-	3,856,397
Child Support Enforcement	93.563	(1)	-	328,450
Low-Income Home Energy Assistance	93.568	(1)	-	4,639,317
Passed Through NYS Office of Children and Family Services:				
Child Care and Development Fund Cluster:				
Child Care and Development Block Grant	93.575	(1)	-	1,053,591
Total Child Care and Development Fund Cluster			-	1,053,591
Title IV-E Foster Care Program	93.658	(1)	-	828,247
Social Services Block Grant	93.667	(1)	-	342,114
Chafee Foster Care Independence Program	93.674	(1)	-	677
Adoption Assistance	93.659	(1)	-	300,093
Medical Assistance Program	93.778	(1)	-	404,504
Passed Through NYS Department of Health and Human Services SAMSHA:				
Drug Free Communities Grant	93.276	(1)	-	104,407
CARA - Comprehensive Addiction and Recovery Act	93.799	(1)	-	48,630
Passed Through Health Resources and Services				
COVID-19 HRSA Claims Reimburse for the Uninsured PGM-Alcohol and Drug	93.461	(1)	-	19,187
COVID-19 HRSA Claims Reimburse for the Uninsured PGM-MH	93.461	(1)	-	132,876
Passed Through NYS Office of Mental Health:				
Medical Assistance Program-Upper Payment Limit	93.778	(1)	-	101,904
Passed Through NYS Office of Addiction Services and Supports:				
Block Grant for the Prevention and Treatment of Substance Abuse	93.959	(1)	-	51,796
Passed Through the NYS Department of Health:				
Maternal and Child Health Services Block Grant to the States	93.994	(1)	-	15,120
Immunization Cooperative Agreements	93.268	(1)	-	10,474
Medical Assistance Program	93.778	(1)	-	100,521
Total U.S. Department of Health and Human Services			-	12,904,313
U.S. Department of Homeland Security				
Passed Through NYS Division of Homeland Security and Emergency Services:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(1)	-	41,148
Emergency Management Performance Grant	97.042	(1)	-	24,278
Homeland Security Grant Program	97.067	(1)	-	10,935
Total U.S. Department of Homeland Security			-	76,361
Total Expenditures of Federal Awards			\$ -	\$ 16,042,774
Program Total Obscured Above				
Medical Assistance Program and Medicaid Cluster	93.778			\$ 606,929

(1) Denotes - Unable to Obtain from Pass-Through Entity

See Notes to Schedule of Expenditures of Federal Awards

COUNTY OF TIOGA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS DECEMBER 31, 2022

Note 1 **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal awards programs administered by the County, except for such programs, if any, administered by the Tioga Tobacco Asset Securitization Corporation, Tioga County Industrial Development Agency, and the Tioga County Soil and Water Conservation District. The schedule is presented on the basis of accounting for federal programs consistent with the underlying regulations pertaining to each program. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 **Basis of Accounting**

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in the federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger which is the source of the basic financial statements.

Note 3 **Indirect Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The County has not elected to use the 10% de minimis cost rate.

Note 4 **Matching Costs**

Matching costs, such as the County's share of certain program costs, are not included in the reported expenditures.

Note 5 **Pass-Through Programs**

When the County receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Assistance Listing Number (ALN) advised by the pass-through grantor.

Note 6 **Low-Income Home Energy Assistance**

Differences between the amounts reflected in the Schedule of Expenditures of Federal Awards and the Department of Social Services' federal financial reports (RF-2 claims) are due to payments distributed by New York State directly to recipients.

COUNTY OF TIOGA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2022

Section I Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? yes no

Identification of major programs:

<u>CFDA Numbers:</u>	<u>Name of Federal Program or Cluster:</u>
<u>21.027</u>	<u>Coronavirus State and Local Fiscal Recovery Funds</u>
<u>93.558</u>	<u>Temporary Assistance for Needy Families (TANF)</u>
<u>93.658</u>	<u>Title IV-E Foster Care Program</u>
<u>93.659</u>	<u>Adoption Assistance</u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee yes no

Section II Financial Statement Findings None

Section III Federal Award Findings None