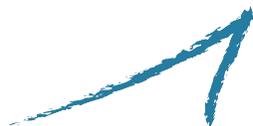


# COUNTY OF TIOGA

Owego, New York

## FINANCIAL REPORT

For the Year Ended  
December 31, 2021



**insero&co**

Certified Public Accountants | Business Advisors

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# ***COUNTY OF TIOGA***

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## 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, 2021, 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, 2021, 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 41%, 33%, and 84%, 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.

## **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 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 combining 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 Combining 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 Combining 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 28, 2022, 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 28, 2022

# ***COUNTY OF TIOGA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021**

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, 2021. Please read this information in conjunction with the County's financial statements, which begin on page 6.

- The County recognizes its total other postemployment benefits (OPEB) liability, as well as deferred outflows and deferred inflows of resources related to the OPEB plan in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." Current year recognition resulted in an increase of Government-wide expenses of \$7,006,282, compared to an increase of \$5,628,777 in 2020, and an OPEB liability of \$126,483,717.
- The liabilities and deferred inflows of resources of the County exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$20,189,786 (net deficit) compared to \$22,631,195 in 2020. Year-end net position was composed of \$5,988,792 in restricted net position, \$64,653,463 in net investment in capital assets, and \$90,832,041 in unrestricted net deficit. Restricted net position increased \$2,205,715 primarily due to funding of an emergency telephone reserve and increases in capital fund balance. Net investment in capital assets increased \$1,012,242 compared to the prior year because capital outlay, principal payments, and change in estimates exceeded current year depreciation expense. Unrestricted net deficit increased \$776,548 compared to the prior year. This is primarily attributable to the current year recognition of other postemployment benefits and pensions.
- Revenues exceeded expenses by \$2,441,409 in 2021 compared to expenses exceeding revenues and change in estimates by \$7,040,961 in 2020.
- The County records its proportionate share of the net pension liability along with deferred inflows and outflows of resources related to pensions in accordance with the parameters of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." Current year recognition resulted in a decrease of Government-wide expenses of \$1,316,761, compared to an increase of \$4,140,066 in 2020.
- The General Fund recorded an increase in fund balance of \$5,637,542 in 2021 and had a fund balance at the end of the year of \$33,094,523, compared to \$27,456,981 in 2020. Of this amount, \$28,132,829 was unassigned.
- Resources available for appropriation in the General Fund, including interfund transfers in, were \$2,531,138 more than budgeted. Actual expenditures, including encumbrances and interfund transfers out, were \$12,803,265 less than budgeted, resulting in a favorable budget variance of \$15,334,403.
- The County's total indebtedness decreased \$1,296,211 to \$25,259,576. Serial bond obligations decreased \$1,805,000 due to principal payments, while accreted interest on TTASC bonds increased \$508,789.

# ***COUNTY OF TIOGA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021**

- Capital additions during 2021 amounted to \$3,932,229 for the purchase of various machinery and equipment, infrastructure, buildings and improvements, and construction in progress expenditures. Depreciation expense was \$4,512,841 for the year.

### **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 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, 2021**

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, 2021**

**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, 2021 decreased \$2,441,409, from \$22,631,195 to \$20,189,786. Last year net deficit increased by \$7,040,961.

The largest portion of the County's net position, \$64,653,463, 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, \$5,988,792, 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 \$90,832,041, 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, 2021**

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***

<b>Net Position</b>	<b>2021</b>	<b>2020</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Current Assets	\$ 67,791,280	\$ 55,363,000	\$ 12,428,280	22.45%
Capital Assets, Net	72,213,463	72,816,221	(602,758)	(0.83)%
Other Noncurrent Assets	775,969	775,972	(3)	(0.00)%
<b>Total Assets</b>	<b>140,780,712</b>	<b>128,955,193</b>	<b>11,825,519</b>	<b>9.17%</b>
<b>Total Deferred Outflows of Resources</b>	<b>46,840,758</b>	<b>37,502,900</b>	<b>9,337,858</b>	<b>24.90%</b>
Current Liabilities	17,741,949	12,661,149	5,080,800	40.13%
Noncurrent Liabilities	154,195,163	166,877,237	(12,682,074)	(7.60)%
<b>Total Liabilities</b>	<b>171,937,112</b>	<b>179,538,386</b>	<b>(7,601,274)</b>	<b>(4.23)%</b>
<b>Total Deferred Inflows of Resources</b>	<b>35,874,144</b>	<b>9,550,902</b>	<b>26,323,242</b>	<b>275.61%</b>
Net Investment in Capital Assets	64,653,463	63,641,221	1,012,242	1.59%
Restricted	5,988,792	3,783,077	2,205,715	58.30%
Unrestricted	(90,832,041)	(90,055,493)	(776,548)	(0.86)%
<b>Total Net (Deficit)</b>	<b>\$ (20,189,786)</b>	<b>\$ (22,631,195)</b>	<b>\$ 2,441,409</b>	<b>10.79%</b>

Current assets increased primarily due to increases in cash and investments as a result of operations and unspent COVID-19 funds. Capital assets decreased because depreciation expense and net book value of disposed assets exceeded capital outlay.

The fluctuations in deferred outflows of resources, deferred inflows of resources, and noncurrent liabilities related to OPEB and pensions are due to changes in actuarially determined amounts.

Current liabilities increased from the prior year based on increases in accounts payable and deferred revenues from COVID-19 funding yet to be spent.

The change in net investment in capital assets is due to reductions in debt and decreases in capital assets net of accumulated depreciation. Restricted net position increased primarily as a result of increases in Legislature-approved reserves. Unrestricted net deficit increased primarily as a result of operations and additional expenses for the recognition of current year changes to OPEB and pension liabilities.

# ***COUNTY OF TIOGA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021**

The County's total revenues increased by 8.64%, while the total cost of all programs and services decreased 2.91%. Our analysis in *Figure 2* considers the operations of Governmental Activities.

***Figure 2 - Changes in Net Position***

<b>Governmental Activities</b>	<b>2021</b>	<b>2020</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>REVENUES</b>				
Program Revenues:				
Charges for Services	\$ 6,649,349	\$ 6,814,097	\$ (164,748)	(2.42)%
Operating Grants and Contributions	17,839,265	16,120,293	1,718,972	10.66%
Capital Grants	2,597,019	3,756,085	(1,159,066)	(30.86)%
General Revenues:				
Property Taxes and Tax Items	28,639,262	27,374,218	1,265,044	4.62%
Sales and Other Taxes	28,909,531	24,144,291	4,765,240	19.74%
Tobacco Settlement	784,010	770,564	13,446	1.74%
State Sources	1,534,286	600,336	933,950	155.57%
Use of Money and Property	87,290	345,765	(258,475)	(74.75)%
Other	230,560	45,947	184,613	401.80%
Change in Estimate	-	360,886	(360,886)	(100.00)%
<b>Total Revenues</b>	<b>\$ 87,270,572</b>	<b>\$ 80,332,482</b>	<b>\$ 6,938,090</b>	<b>8.64%</b>
<b>PROGRAM EXPENSES</b>				
General Government	21,111,695	16,803,378	4,308,317	25.64%
Education	4,819,129	4,488,197	330,932	7.37%
Public Safety	16,759,364	17,280,529	(521,165)	(3.02)%
Public Health	9,211,225	8,938,355	272,870	3.05%
Transportation	5,702,048	9,536,878	(3,834,830)	(40.21)%
Economic Assistance and Opportunity	24,334,045	25,318,490	(984,445)	(3.89)%
Culture and Recreation	347,233	498,031	(150,798)	(30.28)%
Home and Community Services	1,057,097	2,998,201	(1,941,104)	(64.74)%
Interest on Long-Term Debt	1,487,327	1,511,384	(24,057)	(1.59)%
<b>Total Expenses</b>	<b>\$ 84,829,163</b>	<b>\$ 87,373,443</b>	<b>\$ (2,544,280)</b>	<b>(2.91)%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 2,441,409</b>	<b>\$ (7,040,961)</b>	<b>\$ 9,482,370</b>	<b>134.67%</b>

### ***Revenues***

- Charges for services decreased based on a decrease in community development revenues partially offset by increases in jail service revenues.
- Operating grants increased primarily due to increased New York State aid for various purposes.
- Capital grants decreased due to FEMA aid received in the prior year.

# COUNTY OF TIOGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

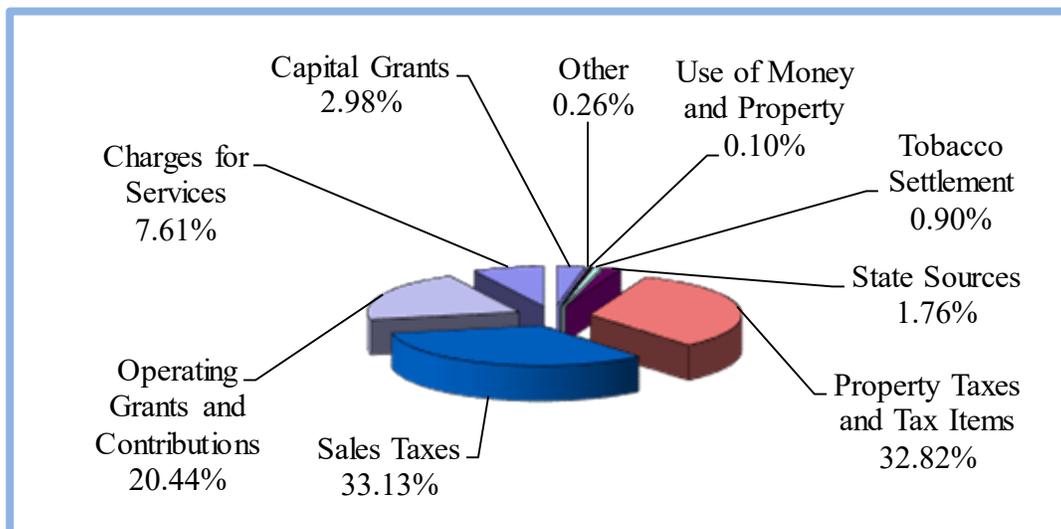
- Property tax and tax items increased due to increases in gain on sale of tax acquired properties along with increases in the tax levy.
- Sales tax and state sources increased due to impacts from COVID-19 on economic activity in the County as well as aid from casino operations in the prior year.
- Use of money and property decreased due to decreases in interest and earnings.
- The increase in other and decrease in changes in estimates are based on sales of equipment and a reconciliation of client fixed asset records to the audited financial statements.

### Expenses

- General government expenses increased due to increases in sales tax distribution to Towns as well as changes in employee benefit allocations and depreciation allocations.
- Economic assistance expense decreased due to changes in employee benefit allocations.
- Transportation expenses decreased due to additional expenses incurred for non-capitalizable ongoing projects and repairs in the prior year.
- Home and community services expenses decreased due to a new loan issued in the prior year along with closing the refuse and garbage fund in the current year.

Figure 3 and Figure 4 show the sources of revenue for 2021 and 2020.

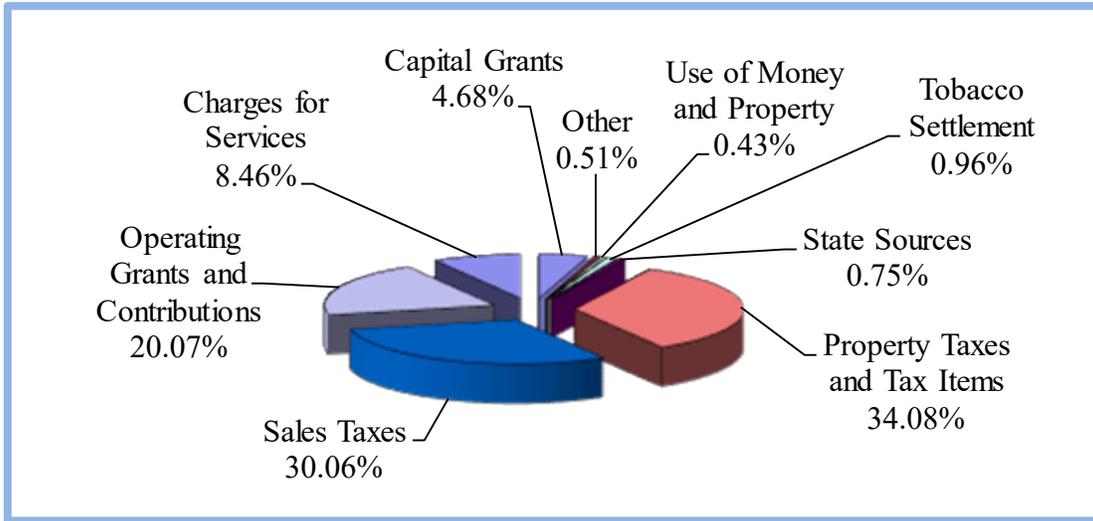
**Figure 3 - Revenue by Source  
Governmental Activities  
2021**



# COUNTY OF TIOGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

*Figure 4 - Revenue by Source  
Governmental Activities  
2020*



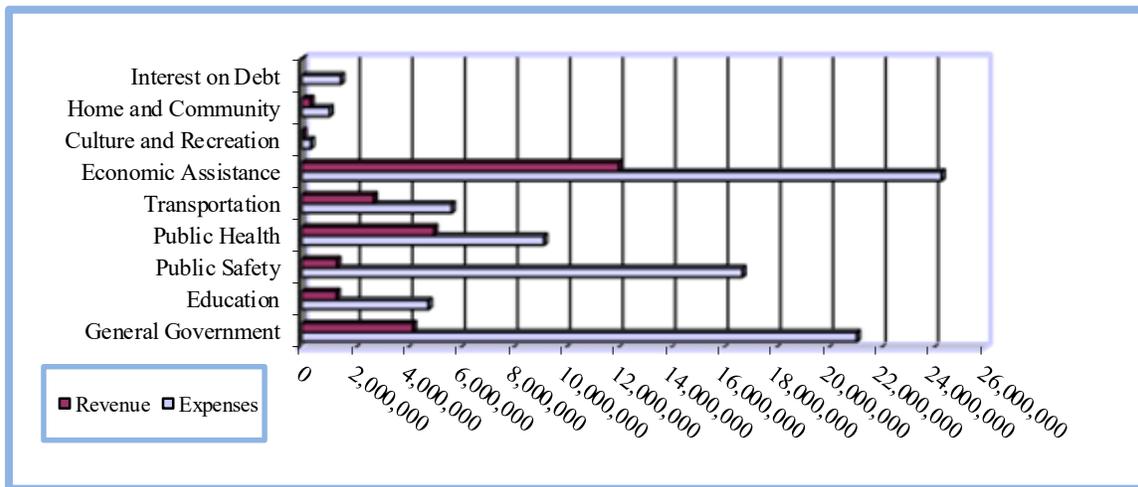
The cost of all Governmental Activities this year was \$84,829,163. As shown in the Statement of Activities, the amount our taxpayers ultimately financed for these activities through County property and other tax revenues was \$57,743,530, because some of the cost was paid by those who directly benefited 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 \$27,085,633. The County paid for the remaining "public benefit" portion of Governmental Activities with \$60,184,939 in taxes and other revenues, such as interest and general entitlements.

# ***COUNTY OF TIOGA***

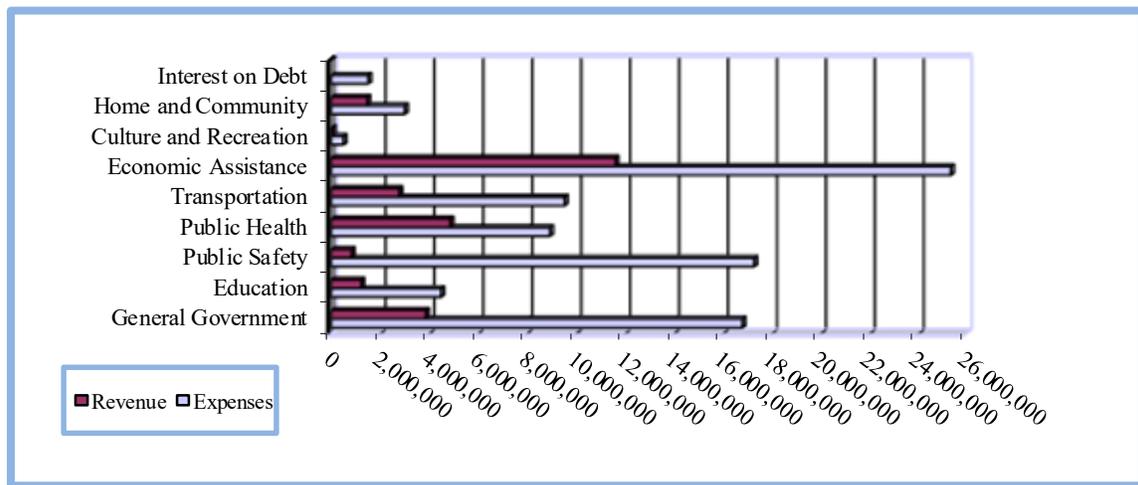
## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021**

Overall, program expenses of the County's Governmental Activities decreased \$2,544,280, which represents a 2.91% decrease from the prior year. The total cost versus revenue generated by activities for the County's largest programs is presented below. The difference between the cost and revenue shows the relative financial burden placed on the County's taxpayers by each of these functions.

***Figure 5 - Net Program Cost  
Governmental Activities  
2021***



***Figure 6 - Net Program Cost  
Governmental Activities  
2020***



# ***COUNTY OF TIOGA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021**

### **THE COUNTY'S FUNDS**

At December 31, 2021, the County's Governmental Funds, as presented in the balance sheet on page 8, reported a combined fund balance of \$47,132,710, which represents an increase of 17.97% from the prior year. Of this amount, \$997,388 was non-spendable, \$5,625,336 was restricted, and \$12,377,157 was assigned, leaving \$28,132,829 in unassigned fund balance. *Figure 7* shows the changes in fund balance for the County's Governmental Funds.

***Figure 7  
Governmental Funds  
Fund Balances***

<b>Major and Non-Major Funds</b>	<b>2021</b>	<b>2020</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Major Funds:				
General Fund	<b>\$ 33,094,523</b>	\$ 27,456,981	\$ 5,637,542	20.53%
Capital Projects Fund	<b>12,229,178</b>	10,754,621	1,474,557	13.71%
Non-Major Funds:				
Special Revenue Funds:				
Special Grant Fund	<b>499,516</b>	351,229	148,287	42.22%
Refuse and Garbage Fund	-	279,210	(279,210)	(100.00%)
County Road Fund	<b>327,628</b>	217,795	109,833	50.43%
Road Machinery Fund	<b>109,594</b>	25,895	83,699	323.22%
Debt Service Fund	<b>872,271</b>	866,649	5,622	0.65%
<b>Totals</b>	<b>\$ 47,132,710</b>	<b>\$ 39,952,380</b>	<b>\$ 7,180,330</b>	<b>17.97%</b>

The increase in the General Fund is primarily related to impacts of COVID-19 on revenue streams in the prior year which impacted budgeting in the current year as revenue returned to and exceeded pre pandemic revenues.

### **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 \$12,803,265. Resources available for appropriation and other financing sources were \$2,531,138 more than the final budgeted amounts.

# COUNTY OF TIOGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

*Figure 8 - Budgetary Comparison Schedule - General Fund  
December 31, 2021*

Budgetary Comparison Schedule	Original Budget	Final Budget	Actual w/ Encumbrance	Variance Fav. (Unfav.)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Real Property Taxes and Tax Items	\$ 28,003,716	\$ 28,003,716	\$ 28,582,760	\$ 579,044
Nonproperty Tax Items	20,708,000	20,708,000	27,297,883	6,589,883
Departmental Income	6,257,874	6,396,077	5,082,501	(1,313,576)
Intergovernmental Charges	151,250	289,513	555,066	265,553
Use of Money and Property	153,000	153,000	65,667	(87,333)
State Sources	8,467,404	13,756,414	11,297,401	(2,459,013)
Federal Sources	6,810,144	9,103,502	7,914,787	(1,188,715)
Other Revenues and Financing Sources	120,005	389,259	534,554	145,295
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 70,671,393</b>	<b>\$ 78,799,481</b>	<b>\$ 81,330,619</b>	<b>\$ 2,531,138</b>
<b>Appropriated Reserves and Fund Balance</b>	<b>\$ 4,351,279</b>	<b>\$ 9,697,994</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
General Governmental Support	\$ 12,697,291	\$ 16,283,460	\$ 14,242,683	\$ 2,040,777
Education	5,700,750	6,083,014	4,819,129	1,263,885
Public Safety	8,688,501	11,352,691	9,524,492	1,828,199
Public Health	5,842,874	8,865,097	5,884,646	2,980,451
Transportation	-	1,559,919	372,212	1,187,707
Economic Assistance and Opportunity	21,621,489	22,952,028	19,775,419	3,176,609
Culture and Recreation	354,971	354,971	342,308	12,663
Home and Community Services	982,262	982,333	847,974	134,359
Employee Benefits	14,124,295	14,030,262	13,851,647	178,615
Debt Service (Principal and Interest)	2,084,817	2,090,757	2,090,757	-
Other Financing Uses	2,925,422	3,942,943	3,942,943	-
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 75,022,672</b>	<b>\$ 88,497,475</b>	<b>\$ 75,694,210</b>	<b>\$ 12,803,265</b>
<b>Excess of Revenues and Other Financing Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,636,409</b>	<b>\$ 15,334,403</b>

# COUNTY OF TIOGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At December 31, 2021, the County had \$144,829,913, partially offset by accumulated depreciation of \$72,616,450, 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 decrease (including additions, disposals and depreciation) of \$(602,758) from the prior year.

*Figure 9 - Capital Assets, Net of Depreciation*

Governmental Activities	2021	2020	Dollar Change	Percent Change
Land	\$ 1,361,109	\$ 1,361,109	\$ -	0.00%
Construction in Progress	397,139	173,378	223,761	129.06%
Buildings and Improvements	21,810,685	22,806,356	(995,671)	(4.37)%
Machinery and Equipment	7,901,705	7,682,409	219,296	2.85%
Infrastructure	40,742,825	40,792,969	(50,144)	(0.12)%
<b>Total</b>	<b>\$ 72,213,463</b>	<b>\$ 72,816,221</b>	<b>\$ (602,758)</b>	<b>(0.83)%</b>

This year's additions consisted of:

Construction-in-Progress	\$ 1,418,715
Machinery and Equipment	1,192,262
Infrastructure	1,321,252
Total Additions	<u>3,932,229</u>
Less: Depreciation Expense	(4,512,841)
Net Book Value of Disposed Assets	<u>(22,146)</u>
<b>Total Net Change</b>	<b><u>\$ (602,758)</u></b>

# COUNTY OF TIOGA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

### Debt Administration

At the end of 2021, the County and its blended component unit had total debt outstanding, in the form of serial bonds, of \$20,242,915. The County's debt of \$7,560,000 is backed by the full faith and credit of the County. Of this amount, \$7,560,000 is subject to the County's statutory debt limit of \$186,973,979, and represents approximately 4.0% of the County's debt limit. The blended component unit, Tioga Tobacco Asset Securitization Corporation, has debt of \$17,699,576, which is backed by future Tobacco Settlement Revenues.

*Figure 10 - Outstanding Debt at Years Ended*

Outstanding Debt	Governmental Activities		Dollar Change
	2021	2020	
Bonds - Issued by County	\$ 7,560,000	\$ 9,175,000	\$ (1,615,000)
Bonds - Issued by TTASC	12,682,915	12,872,915	(190,000)
Tobacco Settlement Pass-through Bonds			
Accreted Interest	5,016,661	4,507,872	508,789
<b>Totals</b>	<b>\$ 25,259,576</b>	<b>\$ 26,555,787</b>	<b>\$ (1,296,211)</b>

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 2022 Budget, the Legislature increased appropriations by a total of \$13,442,685 or 16.22%; appropriations increased in the General Fund by \$3,155,153 or 4.21%. Revenues increased by \$6,268,588 or 8.09%; General Fund revenue increased by \$5,028,143 or 7.11%. The tax levy for 2022 is up by \$410,000; an actual 1.64% increase over 2021. The total proposed appropriated fund balance for 2022 is \$10,893,703 and the total appropriated from capital reserve is \$1,635,000.
- The 2022 County budget appropriates \$12,738,586 (compared to \$2,858,430 in 2021) for all capital projects (bridges, road projects, vehicles, and equipment). \$5,900,000 of appropriations are American Rescue Plan Act (ARPA) funds. The remaining funds are appropriated from capital fund balance and capital reserve.
- 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. The County received the first \$4.6 million allotment of ARPA Funds in June of 2021 and the second allotment of \$4.6 million in June of 2022.

# ***COUNTY OF TIOGA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021**

- Gaming Revenue for 2021 was \$1,534,286, an increase of 155.57% over 2020. \$1,000,000 of the 2021 gaming revenue was moved into a capital reserve in 2021. The increase reflects the impact of the casino being reopened for all of 2021.
- The County Treasurer's annual property tax auction was held in 2021 for the 2018 foreclosures. The auction produced a surplus of \$694,023.
- Employee benefit costs remain a high expenditure for Tioga County. The 2021 actuals were \$14,719,531. The 2022 appropriations increased from \$14,840,658 to \$15,347,065 a total increase of \$506,407 or 3.41%. The high cost is largely attributed to health insurance premiums. Health insurance covers retirees and active employees.
- Sales tax revenue for 2021 was \$28,425,524, an increase of \$4.6 million or 19.27% over 2020. Internet sales tax was one of the contributing factors to the increase in sales tax. In the first 6 months of 2022, sales tax revenue is up 12% over 2021.

### **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, 2021

	Primary Government	Component Units	
	Governmental Activities	Industrial Development Agency	Soil and Water Conservation District
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents - Unrestricted	\$ 24,739,410	\$ 1,291,880	\$ 1,506,267
Cash and Cash Equivalents - Restricted	4,825,116	826,956	-
Investments	19,030,596	1,173,731	-
Taxes Receivable, Net	5,955,045	-	-
Accounts Receivable, Net	1,311,377	788,453	3,075,395
Loans and Leases Receivable - Current Portion	363,456	77,367	-
Due from State and Federal Governments	10,540,852	-	-
Due from Other Governments	28,040	-	-
Prepaid Expenses	997,388	-	3,796
<b>Total Current Assets</b>	<b>67,791,280</b>	<b>4,158,387</b>	<b>4,585,458</b>
<b>Noncurrent Assets</b>			
Cash and Cash Equivalents - Restricted	775,969	-	-
Loans and Leases Receivable, Long-Term Portion	-	436,463	-
Capital Assets-Land and Construction in Progress	1,758,248	1,490,021	-
Capital Assets-Depreciable, Net of Accumulated Depreciation	70,455,215	742,328	216,331
<b>Total Noncurrent Assets</b>	<b>72,989,432</b>	<b>2,668,812</b>	<b>216,331</b>
<b>Total Assets</b>	<b>140,780,712</b>	<b>6,827,199</b>	<b>4,801,789</b>
<b>Deferred Outflows of Resources</b>			
Pensions	19,012,588	-	709,025
Other Postemployment Benefits	27,828,170	-	-
<b>Total Deferred Outflows of Resources</b>	<b>46,840,758</b>	<b>-</b>	<b>709,025</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	2,225,375	50	901,093
Accrued Liabilities	754,690	-	19,989
Interest Payable	120,958	-	-
Due to Other Governments	4,716,669	363,457	-
Compensated Absences	1,320,832	-	-
Contract Advances	-	-	648,813
Unearned Revenue	5,223,425	-	-
Self Insurance Accruals	840,000	-	-
Long-Term Obligations Due Within One Year	2,540,000	40,069	-
<b>Total Current Liabilities</b>	<b>17,741,949</b>	<b>403,576</b>	<b>1,569,895</b>
Long-Term Obligations Due After One Year	154,195,163	480,601	32,098
<b>Total Liabilities</b>	<b>171,937,112</b>	<b>884,177</b>	<b>1,601,993</b>
<b>Deferred Inflows of Resources</b>			
Pensions	24,564,654	-	1,019,249
Other Postemployment Benefits	11,309,490	-	-
<b>Total Deferred Inflows of Resources</b>	<b>35,874,144</b>	<b>-</b>	<b>1,019,249</b>
<b>Net Position</b>			
Net Investment in Capital Assets	64,653,463	2,232,349	216,331
Restricted	5,988,792	826,956	1,945,470
Unrestricted (Deficit)	(90,832,041)	2,883,717	727,771
<b>Total Net Position (Deficit)</b>	<b>\$ (20,189,786)</b>	<b>\$ 5,943,022</b>	<b>\$ 2,889,572</b>

*See Notes to Financial Statements*

# COUNTY OF TIOGA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

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
<b>Primary Government</b>							
Governmental Activities:							
General Governmental Support	\$ 21,111,695	\$ 2,422,655	\$ 1,762,170	\$ 41,133	\$ (16,885,737)	\$ -	\$ -
Education	4,819,129	-	1,326,345	-	(3,492,784)	-	-
Public Safety	16,759,364	676,854	660,756	1,848	(15,419,906)	-	-
Public Health	9,211,225	2,601,631	2,420,166	6,480	(4,182,948)	-	-
Transportation	5,702,048	122	373,338	2,364,355	(2,964,233)	-	-
Economic Assistance and Opportunity	24,334,045	907,438	11,145,427	-	(12,281,180)	-	-
Culture and Recreation	347,233	-	46,627	-	(300,606)	-	-
Home and Community Services	1,057,097	40,649	104,436	183,203	(728,809)	-	-
Interest on Debt	1,487,327	-	-	-	(1,487,327)	-	-
<b>Total Primary Government</b>	<b>\$ 84,829,163</b>	<b>\$ 6,649,349</b>	<b>\$ 17,839,265</b>	<b>\$ 2,597,019</b>	<b>(57,743,530)</b>	<b>-</b>	<b>-</b>
<b>Component Units</b>							
Industrial Development Agency	\$ 1,354,943	\$ 221,169	\$ 993,145	\$ -	-	(140,629)	-
Soil and Water Conservation District	5,661,839	150,538	5,508,372	-	-	-	(2,929)
<b>Total Component Units</b>	<b>\$ 7,016,782</b>	<b>\$ 371,707</b>	<b>\$ 6,501,517</b>	<b>\$ -</b>	<b>-</b>	<b>(140,629)</b>	<b>(2,929)</b>
Net (Expense) Revenue and Changes in Net Position Brought Forward					(57,743,530)	(140,629)	(2,929)
<b>GENERAL REVENUES</b>							
Property Taxes, Levied for General Purposes					28,639,262	-	-
Sales and Other Taxes					28,909,531	-	-
County Appropriations					-	-	287,311
Tobacco Settlement Payments					784,010	-	-
State Sources Not Restricted to Specific Programs					1,534,286	-	-
Use of Money and Property					87,290	11,232	-
Sale of Property and Compensation for Loss					37,544	(58,454)	-
Miscellaneous					147,948	-	9,815
Fines and Forfeitures					45,068	-	-
<b>Total General Revenues</b>					<b>60,184,939</b>	<b>(47,222)</b>	<b>297,126</b>
Change in Net Position					2,441,409	(187,851)	294,197
Net Position (Deficit) - Beginning of Year					(22,631,195)	6,130,873	2,595,375
<b>Net Position (Deficit) - End of Year</b>					<b>\$ (20,189,786)</b>	<b>\$ 5,943,022</b>	<b>\$ 2,889,572</b>

*See Notes to Financial Statements*

# COUNTY OF TIOGA

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2021

	Major Funds		Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Funds		
<b>ASSETS</b>				
Cash and Cash Equivalents - Unrestricted	\$ 15,616,253	\$ 7,028,034	\$ 601,343	\$ 23,245,630
Cash and Cash Equivalents - Restricted	1,488,333	2,861,518	1,251,234	5,601,085
Investments	15,015,215	-	-	15,015,215
Taxes Receivable, Net	5,955,045	-	-	5,955,045
Other Receivables, Net	471,279	-	792,769	1,264,048
Due from State and Federal Governments	8,089,145	2,431,007	20,700	10,540,852
Due from Other Governments	28,040	-	-	28,040
Prepaid Expenses	975,845	21,543	-	997,388
Loans Receivable	-	-	363,456	363,456
<b>Total Assets</b>	<b>\$ 47,639,155</b>	<b>\$ 12,342,102</b>	<b>\$ 3,029,502</b>	<b>\$ 63,010,759</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,031,544	\$ 66,345	\$ 30,095	\$ 2,127,984
Accrued Liabilities	708,167	-	42,932	751,099
Due to Other Governments	4,670,090	46,579	-	4,716,669
Unearned Revenue	5,223,425	-	-	5,223,425
<b>Total Liabilities</b>	12,633,226	112,924	73,027	12,819,177
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	1,911,406	-	1,147,466	3,058,872
<b>FUND BALANCES</b>				
Nonspendable	975,845	21,543	-	997,388
Restricted	1,488,333	2,861,518	1,275,485	5,625,336
Assigned	2,497,516	9,346,117	533,524	12,377,157
Unassigned	28,132,829	-	-	28,132,829
<b>Total Fund Balances</b>	33,094,523	12,229,178	1,809,009	47,132,710
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 47,639,155</b>	<b>\$ 12,342,102</b>	<b>\$ 3,029,502</b>	<b>\$ 63,010,759</b>

*See Notes to Financial Statements*

# COUNTY OF TIOGA

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2021

**Total Governmental Fund Balances** **\$ 47,132,710**

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

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

Historical Cost of Capital Assets	\$ 144,829,913	
Less Accumulated Depreciation	<u>(72,616,450)</u>	<u>72,213,463</u>

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

Net Pension Liability - Proportionate Share		<u>(81,870)</u>
---	--	-----------------

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.

3,058,872

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.

(294,492)

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.

(120,958)

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	\$ (24,564,654)	
Deferred Outflows of Resources - Pensions	19,012,588	
Deferred Inflows of Resources - OPEB	(11,309,490)	
Deferred Outflows of Resources - OPEB	<u>27,828,170</u>	<u>10,966,614</u>

Long-term liabilities, including bonds payable, 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	\$ (20,242,915)	
Accreted Interest on TTASC Bonds	(5,016,661)	
Other Postemployment Benefits Liability	(126,483,717)	
Compensated Absences	<u>(1,320,832)</u>	<u>(153,064,125)</u>

**Net Position (Deficit) of Governmental Activities** **\$ (20,189,786)**

*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, 2021

	<u>Major Funds</u>		<u>Total Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Capital Projects Funds</u>		
<b>REVENUES</b>				
Real Property Taxes	\$ 25,002,808	\$ -	\$ -	\$ 25,002,808
Real Property Tax Items	3,579,952	-	-	3,579,952
Nonproperty Tax Items	27,297,883	1,611,648	-	28,909,531
Departmental Income	5,082,501	-	111,644	5,194,145
Intergovernmental Charges	555,066	-	-	555,066
Use of Money and Property	65,667	5,324	2,137	73,128
Licenses and Permits	34,976	-	-	34,976
Fines and Forfeitures	45,068	-	-	45,068
Sale of Property and Compensation for Loss	30,501	-	29,189	59,690
Miscellaneous Local Sources	144,738	815	766,809	912,362
State Sources	11,297,401	1,421,613	-	12,719,014
Federal Sources	7,914,787	1,043,103	273,666	9,231,556
<b>Total Revenues</b>	<b>81,051,348</b>	<b>4,082,503</b>	<b>1,183,445</b>	<b>86,317,296</b>
<b>EXPENDITURES</b>				
General Governmental Support	14,241,550	-	49,377	14,290,927
Education	4,819,129	-	-	4,819,129
Public Safety	9,524,492	-	-	9,524,492
Health	5,884,646	-	-	5,884,646
Transportation	372,212	-	1,905,974	2,278,186
Economic Assistance and Opportunity	19,775,419	-	181,463	19,956,882
Culture and Recreation	342,308	-	-	342,308
Home and Community Services	847,974	-	-	847,974
Employee Benefits	13,851,647	-	818,179	14,669,826
Debt Service (Principal and Interest)	2,090,757	-	709,788	2,800,545
Capital Outlay	-	3,607,885	-	3,607,885
<b>Total Expenditures</b>	<b>71,750,134</b>	<b>3,607,885</b>	<b>3,664,781</b>	<b>79,022,800</b>
Excess of Revenues (Expenditures)	9,301,214	474,618	(2,481,336)	7,294,496
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfers In	279,271	1,000,000	2,828,777	4,108,048
Interfund Transfers (Out)	(3,942,943)	(61)	(279,210)	(4,222,214)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,663,672)</b>	<b>999,939</b>	<b>2,549,567</b>	<b>(114,166)</b>
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	5,637,542	1,474,557	68,231	7,180,330
Fund Balances, Beginning	27,456,981	10,754,621	1,740,778	39,952,380
<b>Fund Balances, Ending</b>	<b>\$ 33,094,523</b>	<b>\$ 12,229,178</b>	<b>\$ 1,809,009</b>	<b>\$ 47,132,710</b>

*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, 2021**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 7,180,330**

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 expense. This is the amount by which capital outlay and change in estimates exceeded depreciation expense.

Capital Outlay	\$ 3,932,229	
Net Book Value of Disposed Assets	(22,146)	
Depreciation Expense	<u>(4,512,841)</u>	<u>(602,758)</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. (35,446)

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

Repayment of Principal		<u>1,805,000</u>
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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	\$ 96,029	
Change in OPEB Liability	(7,006,282)	
Change in Accrued Interest Payable	17,007	
Change in Accreted Interest on TTASC Capital Appreciation Bonds	<u>(508,789)</u>	<u>(7,402,035)</u>

Changes in the County's proportionate share of net pension 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	\$ 3,943,846	
Net Pension Liability - Proportionate Share	20,974,106	
Deferred Inflows of Resources - Pensions	<u>(23,601,191)</u>	<u>1,316,761</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. 179,557

**Change in Net Position of Governmental Activities** **\$ 2,441,409**

*See Notes to Financial Statements*

# ***COUNTY OF TIOGA***

## **STATEMENT OF NET POSITION PROPRIETARY FUND DECEMBER 31, 2021**

	<b>Governmental Activities Internal Service Fund</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 1,493,780
Investments	4,015,381
Accounts Receivable, Net	47,329
<b>Total Assets</b>	<b>5,556,490</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	97,391
Accrued Liabilities	3,591
Self Insurance Accruals	840,000
<b>Total Current Liabilities</b>	<b>940,982</b>
<b>Noncurrent Liabilities</b>	
Benefits and Awards Payable	4,910,000
<b>Total Noncurrent Liabilities</b>	<b>4,910,000</b>
<b>Total Liabilities</b>	<b>5,850,982</b>
<b>NET POSITION</b>	
Unrestricted	(294,492)
<b>Total Net Position (Deficit)</b>	<b>\$ (294,492)</b>

*See Notes to Financial Statements*

# COUNTY OF TIOGA

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2021

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 1,494,090
Other Operating Revenues	37,110
<b>Total Operating Revenues</b>	<b>1,531,200</b>
<b>OPERATING EXPENSES</b>	
Salaries and Wages	224,962
Contractual	719,122
Benefits and Awards	487,299
Claims and Judgments	(1,116)
Employee Benefits	49,704
<b>Total Operating Expenses</b>	<b>1,479,971</b>
<b>Income From Operations</b>	<b>51,229</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest Income	14,162
Transfer from Other Funds	114,166
<b>Total Nonoperating Revenues</b>	<b>128,328</b>
Change in Net Position	179,557
Net Position (Deficit), January 1,	(474,049)
<b>Net Position (Deficit), December 31,</b>	<b>\$ (294,492)</b>

*See Notes to Financial Statements*

# COUNTY OF TIOGA

## STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2021

	<b>Governmental Activities Internal Service Fund</b>
<b>Cash Flows From Operating Activities</b>	
Cash Received From Providing Services - External Participants	\$ 1,675,148
Cash Received From Insurance Recoveries	37,110
Cash Payments - Employees	(273,292)
Cash Payments - Claims and Benefits	(486,183)
Cash Payments - Vendors	(639,079)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>313,704</b>
<b>Cash Flows From Non-Capital Financing Activities</b>	
Transfer From Other Funds	114,166
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>114,166</b>
<b>Cash Flows From Investing Activities</b>	
Purchase of Investments	(15,381)
Interest Income Received	14,162
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(1,219)</b>
Change in Cash and Cash Equivalents	426,651
Cash and Cash Equivalents, January 1,	1,067,129
<b>Cash and Cash Equivalents, December 31,</b>	<b>\$ 1,493,780</b>
<b>Reconciliation of Income From Operations to Net Cash Provided (Used) by Operating Activities</b>	
Income From Operations	\$ 51,229
(Increase) Decrease in Other Receivables	181,058
Increase (Decrease) in Accounts Payable	80,043
Increase (Decrease) in Accrued Liabilities	1,374
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 313,704</b>

*See Notes to Financial Statements*

# ***COUNTY OF TIOGA***

## **STATEMENT OF FIDUCIARY NET POSITION DECEMBER 31, 2021**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and Cash Equivalents - Unrestricted	<u>\$ 389,172</u>
<b>Total Assets</b>	<u><u>\$ 389,172</u></u>
<b>NET POSITION</b>	
Restricted for Individuals, Organizations, and Other	<u>\$ 389,172</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 389,172</u></u>

*See Notes to Financial Statements*

# COUNTY OF TIOGA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2021

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Bail Deposits	\$ 54,500
Social Service Receipts	616,874
Mortgage Tax Receipts	708,437
Other	3,018
	<hr/>
<b>Total Additions</b>	1,382,829
	<hr/>
<b>DEDUCTIONS</b>	
Returned Bail	19,500
Social Services Payments	637,834
Mortgage Tax Payments	776,142
Other	1,475
	<hr/>
<b>Total Deductions</b>	1,434,951
	<hr/>
Change in Net Position	(52,122)
	<hr/>
Net Position - Beginning	441,294
	<hr/>
<b>Net Position - Ending</b>	<b>\$ 389,172</b>
	<hr/> <hr/>

*See Notes to Financial Statements*

# ***COUNTY OF TIOGA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021**

### ***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, 2021**

### ***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, 2021**

### ***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, 2021**

### ***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).
  - Refuse and Garbage Fund - Accounts for expense of operation and program income of the solid waste and recycling facility.
  - 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, 2021**

### ***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 are the County's Fiduciary Funds.

- Custodial Fund - 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, 2021**

### **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.

#### **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.

#### **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."

# ***COUNTY OF TIOGA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021**

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

#### **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.
- 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.

# ***COUNTY OF TIOGA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021**

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

#### **Governmental Fund Financial Statements - Continued**

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.

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.

# ***COUNTY OF TIOGA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021**

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

#### **Property Tax - Continued**

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 \$1,611,648 is sales tax designated for capital projects.

The General Fund's primary non-property tax item is sales tax, which amounted to \$26,813,875. At December 31, 2021, this amount included an accrual of \$1,660,433, which is included in state and federal receivables, for sales that occurred in New York State in 2021 which were not received by the County at December 31, 2021. Of the \$26,813,875 recognized as revenue, \$7,166,692 was distributed to local municipalities within the County.

#### **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.

#### **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.

#### **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, 2021

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

#### 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.

#### 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, 2021 is computed as follows:

Five-Year Average Full Valuation of Taxable Real Estate (2017-2021)	\$ 2,671,056,848
Tax limit @ 1.7%	45,407,966
Less:	
Tax Levy	24,858,204
Less Exclusions	<u>(1,977,795)</u>
Tax Levy Subject to Tax Limit	<u>22,880,409</u>
<b>Tax Margin</b>	<b><u><u>\$ 22,527,557</u></u></b>

# COUNTY OF TIOGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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

#### **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.

#### **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.

#### **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.

#### **Property, Plant, and Equipment**

All capital assets 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. 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, 2021**

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

#### **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.

#### **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 or for postretirement benefit premiums as described in Note 11.
- 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 \$1,320,832 is reported as an accrued liability in the Governmental Activities; as such, amounts were not due and payable at December 31, 2021.

#### **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.

# ***COUNTY OF TIOGA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021**

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

#### **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.

#### **Future Changes in Accounting Standards**

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.

- GASB has issued Statement No. 87, “Leases,” effective for the year ending December 31, 2022.
- GASB has issued Statement No. 89, “Accounting for Interest Cost Incurred Before the End of a Construction Period,” effective for the year ending December 31, 2022.
- GASB has issued Statement No. 91, “Conduit Debt Obligations,” effective for the year ending December 31, 2023.
- GASB Statement No. 92, “Omnibus 2020,” effective for the year ending December 31, 2022.
- GASB Statement No. 96, “Subscription-Based Information Technology Arrangements,” effective for the year ending December 31, 2023.
- GASB Statement No. 100, “Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62,” effective for the year ending December 31, 2024.
- 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, 2021**

### ***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 \$50,609,524 include \$872,271 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, 2021

### Note 2 Cash and Investments - Continued

#### Restricted Cash

Restricted cash and cash equivalents of the primary government at December 31, 2021 consisted of the following:

<u>Purpose</u>	<u>Amount</u>
<b>General Fund</b>	
STOP DWI Program	\$ 3,486
Criminal Forfeiture Proceeds	681
Unexpended Hotel/Motel Usage Proceeds	61,040
Unexpended Handicapped Parking Proceeds	1,019
E911 Emergency Telephone	1,136,336
Unemployment Reserve	74,387
Debt Service Reserve	211,384
<b>Total General Fund</b>	<u>1,488,333</u>
<b>Capital Fund</b>	
Software Reserve	29,464
Hardware Reserve	42,597
Public Land, Structure, and Equipment	2,722,933
Financial Management System Reserve	66,524
<b>Total Capital Fund</b>	<u>2,861,518</u>
<b>Non-Major Governmental Funds</b>	
Restricted for Community Development	475,265
TTASC	775,969
<b>Total Non-Major Governmental Funds</b>	<u>1,251,234</u>
<b>Total Governmental Activities</b>	<u><u>\$ 5,601,085</u></u>

#### Investments

Investments at December 31, 2021 are as follows:

<u>Purpose</u>	<u>Amount</u>
<b>Certificate of Deposit Account Registry Service</b>	
Governmental Funds	\$ 15,015,215
Proprietary Fund	4,015,381
<b>Total Primary Government</b>	<u><u>\$ 19,030,596</u></u>

# COUNTY OF TIOGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

### *Note 2*      **Cash and Investments - Continued**

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

Total bank balances of the District totaled approximately \$2,207,160 at December 31, 2021 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 \$3,005,060 at December 31, 2021 and were entirely insured or collateralized with securities held by an agent in the Agency's name. The Agency also had certificates of deposit of \$1,173,731, all of which mature in 2021.

### *Note 3*      **Property Taxes**

Property taxes levied for 2021 are recorded as revenue and receivables, net of estimated uncollectible amounts. In the fund financial statements, the net receivables collected during 2021, and expected to be collected within the first 60 days of 2022, are recognized as revenues in 2021.

Net receivables estimated to be collectible subsequent to the first 60 days of 2022 are reflected as unavailable revenue in the Governmental Fund financial statements. At December 31, 2021, the County recognized \$1,911,406 of unavailable tax revenue.

Taxes receivable at December 31, 2021 are summarized as follows:

Returned School Taxes Receivable	\$	3,240,834
Taxes Receivable - Overdue		2,872,907
Delinquent Village Taxes Receivable		458,538
Other		383,475
Allowance for Uncollectible Taxes		<u>(1,000,709)</u>
<b>Total</b>	<b>\$</b>	<b><u>5,955,045</u></b>

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 \$3,643,681 is reflected as part of a liability, due to other governments, in the accompanying basic financial statements.

# COUNTY OF TIOGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

### 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 \$764,414 of tobacco settlement revenues for the year ended December 31, 2021. The amount recognized in the Statement of Activities, on the accrual basis, is \$784,010.

#### Other Accounts Receivable

Other accounts receivable as of December 31, 2021, are as follows:

<b>Governmental Activities</b>	<b>Amount</b>
<hr/>	
Various Fees and Charges Recorded in:	
General Fund	\$ 471,279
Non-Major Governmental Funds	792,769
Internal Service Funds	47,329
	<hr/>
<b>Total</b>	<b>\$ 1,311,377</b>
	<hr/> <hr/>

# COUNTY OF TIOGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

**Note 5 Capital Assets**

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Balance at 12/31/2020</u>	<u>Additions</u>	<u>Reclassifications, Disposals, and Change in Estimate</u>	<u>Balance at 12/31/2021</u>
<b>Governmental Activities</b>				
<b>Non-Depreciable Capital Assets</b>				
Land	\$ 1,361,109	\$ -	\$ -	\$ 1,361,109
Construction in Progress	173,378	1,418,715	(1,194,954)	397,139
<b>Total Non-Depreciable Capital Assets</b>	<u>1,534,487</u>	<u>1,418,715</u>	<u>(1,194,954)</u>	<u>1,758,248</u>
Buildings and Improvements	37,842,226	-	(181,929)	37,660,297
Machinery and Equipment	17,422,565	1,192,262	(376,057)	18,238,770
Infrastructure	84,656,392	1,321,252	1,194,954	87,172,598
Total Depreciable Capital Assets	<u>139,921,183</u>	<u>2,513,514</u>	<u>636,968</u>	<u>143,071,665</u>
Total Historical Cost	<u>141,455,670</u>	<u>3,932,229</u>	<u>(557,986)</u>	<u>144,829,913</u>
<b>Less Accumulated Depreciation:</b>				
Buildings and Improvements	(15,035,870)	(813,742)		(15,849,612)
Machinery and Equipment	(9,740,156)	(1,132,749)	535,840	(10,337,065)
Infrastructure	(43,863,423)	(2,566,350)		(46,429,773)
<b>Total Accumulated Depreciation</b>	<u>(68,639,449)</u>	<u>(4,512,841)</u>	<u>535,840</u>	<u>(72,616,450)</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>\$ 72,816,221</u></u>	<u><u>\$ (580,612)</u></u>	<u><u>\$ (22,146)</u></u>	<u><u>\$ 72,213,463</u></u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General Governmental Support	\$ 1,389,933
Public Safety	584,984
Public Health	127,950
Transportation	2,359,391
Economic Assistance and Opportunity	48,376
Home and Community	2,207
<b>Total</b>	<u><u>\$ 4,512,841</u></u>

# COUNTY OF TIOGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

**Note 5 Capital Assets - Continued**

Capital asset activity for the Tioga County Industrial Development Agency for the year ended December 31, 2021, was as follows:

<u>TCIDA</u>	<u>Balance at December 31, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at December 31, 2021</u>
Land	\$ 1,469,630	\$ 78,845	\$ (58,454)	\$ 1,490,021
Railroad Tracking and Facilities	1,979,331	-	-	1,979,331
Machinery and Equipment	1,701	-	(1,701)	-
Total Depreciable Capital Assets	<u>1,981,032</u>	<u>-</u>	<u>(1,701)</u>	<u>1,979,331</u>
Total Historical Cost	<u>3,450,662</u>	<u>78,845</u>	<u>(60,155)</u>	<u>3,469,352</u>
Less Accumulated Depreciation	<u>(1,218,048)</u>	<u>(20,656)</u>	<u>1,701</u>	<u>(1,237,003)</u>
<b>TCIDA Capital Assets, Net</b>	<b><u>\$ 2,232,614</u></b>	<b><u>\$ 58,189</u></b>	<b><u>\$ (58,454)</u></b>	<b><u>\$ 2,232,349</u></b>

Capital asset activity for the Soil and Water Conservation District for the year ended December 31, 2021 was as follows:

<u>TCSWCD</u>	<u>Balance at 12/31/2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at 12/31/2021</u>
Office Equipment	\$ 10,021	\$ 3,209	\$ -	\$ 13,230
Program Buildings and Equipment	1,390,198	-	-	1,390,198
Total Historical Cost	<u>1,400,219</u>	<u>3,209</u>	<u>-</u>	<u>1,403,428</u>
Less Accumulated Depreciation:				
Office Equipment	(8,059)	(1,670)	-	(9,729)
Program Buildings and Equipment	(1,085,430)	(91,938)	-	(1,177,368)
Total Accumulated Depreciation	<u>(1,093,489)</u>	<u>(93,608)</u>	<u>-</u>	<u>(1,187,097)</u>
<b>TCSWCD Capital Assets, Net</b>	<b><u>\$ 306,730</u></b>	<b><u>\$ (90,399)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 216,331</u></b>

# ***COUNTY OF TIOGA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021**

### ***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](http://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.

##### **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, 2021**

**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:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
County - ERS	\$ 3,235,629	\$ 2,766,966	\$ 2,743,664
TCSWCD - ERS	103,875	89,571	125,092

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

At December 31, 2021, the County reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The County's proportionate share of the net pension 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.

	<b>ERS</b>
Actuarial Valuation Date	4/1/2020
Net Pension Liability	\$ 99,573,957
County's Proportionate Share of the Plan's Total Net Pension Liability	81,870
County's Share of the Plan's Total Net Pension Liability	0.0822203%
TCSWCD's Portion of the Plan's Total Net Pension Liability	3,141
TCSWCD's Share of the Plan's Total Net Pension Liability	0.0031544%

# ***COUNTY OF TIOGA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021**

**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, 2021, the County recognized pension expense of \$1,820,372 for ERS in the financial statements. At December 31, 2021, the County's reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	<b>County - ERS</b>	<b>TCSWCD - ERS</b>
<b>Deferred Outflows of Resources</b>		
Differences Between Expected and Actual Experience	\$ 999,854	\$ 38,361
Changes of Assumptions	15,053,239	577,540
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	532,773	15,218
County's Contributions Subsequent to the Measurement Date	2,426,722	77,906
<b>Total</b>	<b>\$ 19,012,588</b>	<b>\$ 709,025</b>
<b>Deferred Inflows of Resources</b>		
Changes of Assumptions	\$ 283,909	\$ 10,893
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	23,517,864	902,298
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	762,881	106,058
<b>Total</b>	<b>\$ 24,564,654</b>	<b>\$ 1,019,249</b>

# ***COUNTY OF TIOGA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021**

**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 liability in the year ending December 31, 2022. 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>
2022	\$ (1,397,234)	\$ (78,014)
2023	(620,638)	(44,199)
2024	(1,383,459)	(72,487)
2025	(4,577,457)	(193,430)
2026	-	-
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, 2021
Actuarial Valuation Date	April 1, 2020
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, 2021

### *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, 2021
<b>Asset Type</b>	
Domestic Equities	4.1%
International Equities	6.3%
Real Estate	5.0%
Private Equities	6.8%
Opportunistic/ARC Portfolio	4.5%
Real Assets	6.0%
Cash	0.5%
Credit	3.6%

#### 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, 2021

**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 Liability to the Discount Rate Assumption**

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the County's proportionate share of the net pension 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 Liability	\$ 22,723,924	\$ 81,870	\$ (20,799,403)
TCSWCD's Proportionate Share of the Net Pension Liability	871,837	3,141	(798,000)

**Pension Plan Fiduciary Net Position**

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

	<b>Dollars in Thousands</b>
	<b>ERS</b>
Measurement Date	March 31, 2021
Employers' Total Pension Liability	\$ 220,680,157
Plan Net Position	(220,580,583)
<b>Employers' Net Pension Liability</b>	<b>\$ 99,574</b>
Ratio of Plan Net Position to the Employers' Total Pension Liability	99.9%

**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, 2021 represent the projected employer contribution for the period of April 1, 2021 through December 31, 2021 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2021 amounted to \$-0-.

# COUNTY OF TIOGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

**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 liability and deferred outflows and deferred inflows of resources for the year ended December 31, 2021 resulted in the following effect on net position:

	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
<b>County - ERS:</b>			
Net Pension Liability	\$ (21,055,976)	\$ 20,974,106	\$ (81,870)
Deferred Outflows of Resources	15,068,742	3,943,846	19,012,588
Deferred Inflows of Resources	(963,463)	(23,601,191)	(24,564,654)
<b>County Total Effect on Net Position</b>	<b>\$ (6,950,697)</b>	<b>\$ 1,316,761</b>	<b>\$ (5,633,936)</b>
<b>TCSWCD - ERS:</b>			
Net Pension Liability	\$ (971,303)	\$ 968,162	\$ (3,141)
Deferred Outflows of Resources	672,864	36,161	709,025
Deferred Inflows of Resources	(68,957)	(950,292)	(1,019,249)
<b>TCSWCD Total Effect on Net Position</b>	<b>\$ (367,396)</b>	<b>\$ 54,031</b>	<b>\$ (313,365)</b>

**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, 2021

### Note 7 Other Postemployment Benefits (OPEB) - Continued

#### General Information About the OPEB Plan - Continued

Employees Covered by Benefit Terms - At December 31, 2021, the following employees were covered by the benefit terms:

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

#### Total OPEB Liability

The County's total OPEB liability of \$126,483,717 was measured as of January 1, 2021 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, 2021

**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 2.74% percent in 2020 to 2.12% in 2021.

Municipal Bond Index Rate	2.12%
Single Discount Rate	2.12%
Initial Healthcare Cost Trend Rate	8.00%
Ultimate Healthcare Cost Trend Rate	4.04%
Salary Scale	3.50%
Rate of Inflation	2.50%
Election Percentage	100.00%
Marital Assumption	70.00%

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at December 31, 2020</b>	<b>\$ 116,805,474</b>
<b>Changes for the Year</b>	
Service Cost	4,016,945
Interest Cost	3,269,086
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(5,654,534)
Changes in Assumptions or Other Inputs	11,072,183
Benefit Payments	(3,025,437)
	9,678,243
<b>Balance at December 31, 2021</b>	<b>\$ 126,483,717</b>

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:

	<b>1% Decrease (1.12%)</b>	<b>Discount Rate (2.12%)</b>	<b>1% Increase (3.12%)</b>
Total OPEB Liability	\$ 149,713,421	\$ 126,483,717	\$ 108,017,903

# COUNTY OF TIOGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

### 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	\$ 105,791,086	\$ 126,483,717	\$ 153,412,045

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

For the year ended December 31, 2021, the County recognized OPEB expense of \$10,061,783.

At December 31, 2021, 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	\$ -	\$ 5,612,264
Changes in Assumptions or Other Inputs	24,772,669	5,697,226
Contributions Subsequent to Measurement Date	3,055,501	-
<b>Total</b>	<b>\$ 27,828,170</b>	<b>\$ 11,309,490</b>

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, 2022. 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
2022	\$ 2,775,752
2023	2,775,752
2024	2,523,455
2025	3,574,579
2026	1,555,656
2027 and Thereafter	257,985

# COUNTY OF TIOGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

### *Note 7*    **Other Postemployment Benefits - Continued**

#### **Current Year Activity**

The following is a summary of current year activity:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
OPEB Liability	\$ 116,805,474	\$ 9,678,243	\$ 126,483,717
Deferred Outflows of Resources	(22,434,158)	(5,394,012)	(27,828,170)
Deferred Inflows of Resources	8,587,439	2,722,051	11,309,490
<b>Total</b>	<b>\$ 102,958,755</b>	<b>\$ 7,006,282</b>	<b>\$ 109,965,037</b>

### *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, 2021, 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, 2021, the County did not issue or redeem any short-term BANs.

### *Note 9*    **Long-Term Debt**

#### **Constitutional Debt Limit**

At December 31, 2021, the total outstanding indebtedness of the County aggregated to \$25,259,576. Of this amount, \$7,560,000 is subject to the statutory debt limit and represents approximately 4.0% 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, 2021

### 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, 2021:

	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2021</u>	<u>Amount Due</u> <u>Within One</u> <u>Year</u>
<b>Indebtedness</b>					
Serial Bonds	\$ 22,047,915	\$ -	\$ (1,805,000)	\$ 20,242,915	\$ 2,540,000
Add: Accreted Interest Payable	4,507,872	508,789	-	5,016,661	-
<b>Total</b>	<b><u>\$ 26,555,787</u></b>	<b><u>\$ 508,789</u></b>	<b><u>\$ (1,805,000)</u></b>	<b><u>\$ 25,259,576</u></b>	<b><u>\$ 2,540,000</u></b>

The following is a summary of serial bond indebtedness as of December 31, 2021:

<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>
<b>Serial Bonds</b>					
Issued by TTASC:					
Series 2005	08/2005	\$ 21,713,420	4.25-5.00%	12/2040	\$ 12,682,915
Add Accreted Interest on Capital Appreciation Bonds					<u>5,016,661</u>
Carrying Value of TTASC Bonds					17,699,576
Issued by the County:					
Public Improvement - 2010	11/2010	9,000,000	3.36-9.07%	03/2030	5,170,000
Public Improvement - 2013	08/2013	9,995,000	1.50-2.75%	08/2023	<u>2,390,000</u>
<b>Total</b>					<b><u>\$ 25,259,576</u></b>

# COUNTY OF TIOGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

### Note 9 Long-Term Debt - Continued

#### Changes in Indebtedness - Continued

The TTASC Series 2005 bonds are comprised of tax-exempt turbo bonds in the amount of \$10,350,000 and \$2,332,915 of tax-exempt turbo capital appreciation bonds. As of December 31, 2021, total accreted interest of \$5,016,661 has been accrued on the capital appreciation bonds, for a total carrying value of \$17,699,576.

Annual requirements to amortize the debt on outstanding bonds as of December 31, 2021 are as follows:

Year	Governmental Funds						
	County Serial Bonds				TTASC Bonds		
	Principal	Interest	Interest Subsidy	Total	Principal	Interest	Total
2022	\$ 1,655,000	\$ 414,416	\$ (130,005)	\$ 1,939,411	\$ 885,000	\$ 250,875	\$ 1,135,875
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
2027-2031	2,560,000	390,665	(159,139)	2,791,526	6,617,146	4,968,915	11,586,061
2032-2036	-	-	-	-	700,864	5,565,874	6,266,738
2037-2040	-	-	-	-	339,905	3,845,289	4,185,194
<b>Totals</b>	<b><u>\$ 7,560,000</u></b>	<b><u>\$ 1,904,103</u></b>	<b><u>\$ (689,881)</u></b>	<b><u>\$ 8,774,222</u></b>	<b><u>\$ 12,682,915</u></b>	<b><u>\$ 15,143,453</u></b>	<b><u>\$ 27,826,368</u></b>

Interest expense on bonds for the year ended December 31, 2021 is as follows:

	County	TTASC	Total
Interest Paid	\$ 475,757	\$ 519,788	\$ 995,545
Less Interest Accrued in Prior Year	(137,965)	-	(137,965)
Add Interest Accrued in Current Year	120,958	-	120,958
Less Prior Year Accreted Interest	-	(4,507,872)	(4,507,872)
Add Current Year Accreted Interest	-	5,016,661	5,016,661
<b>Total</b>	<b><u>\$ 458,750</u></b>	<b><u>\$ 1,028,577</u></b>	<b><u>\$ 1,487,327</u></b>

# COUNTY OF TIOGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

### Note 9 Long-Term Debt - Continued

#### 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:

Year	Principal
2022	\$ 40,069
2023	40,469
2024	40,875
2025	41,284
2026	41,697
2027-2031	162,021
2032-2036	118,018
2037-2039	36,237
<b>Total</b>	<b>\$ 520,670</b>

### Note 10 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, 2021:

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020	Amount Due Within One Year
<b>Other Long-Term Liabilities</b>					
Compensated Absences	\$ 1,416,861	\$ -	\$ (96,029)	\$ 1,320,832	\$ 1,320,832
Self-Insurance Liabilities	5,750,000	-	-	5,750,000	840,000
<b>Total</b>	<b>\$ 7,166,861</b>	<b>\$ -</b>	<b>\$ (96,029)</b>	<b>\$ 7,070,832</b>	<b>\$ 2,160,832</b>

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

# COUNTY OF TIOGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

### **Note 11 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, 2021. Interfund transfers at December 31, 2021 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 279,271	\$ 3,942,943
Capital Fund	1,000,000	61
Non-Major Funds	2,828,777	279,210
Internal Service Fund	114,166	-
<b>Totals</b>	<b><u>\$ 4,222,214</u></b>	<b><u>\$ 4,222,214</u></b>

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

### **Note 12 Fund Balances**

#### **Restricted Fund Balances**

- 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, 2021 totaled \$3,486.
- 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, 2021 was \$681.
- The County Legislature permits collection of fees for hotel/motel usage. Unexpended hotel/motel usage revenue restricted in the General Fund at December 31, 2021 was \$61,040.
- The County Legislature permits collection of fees from illegal handicapped parking. Unexpended handicapped parking revenue restricted in the General Fund at December 31, 2021 was \$1,019.
- The County Legislature established a reserve for E911 Emergency Telephone Project in the General Fund at December 31, 2021 was \$1,136,336.
- The County Legislature established a reserve for unemployment in the General Fund at December 31, 2021 was \$74,387.

# COUNTY OF TIOGA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

### Note 12 Fund Balances

#### Restricted Fund Balances - Continued

- 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, 2021 was \$211,384.
- The County created various reserves in the Capital Fund. They consist of the following balances:

Software Reserve	\$ 29,464
Hardware Reserve	42,597
Public Land, Structure, and Equipment	2,722,933
Financial Management System	<u>66,524</u>
<b>Total</b>	<b><u><u>\$ 2,861,518</u></u></b>

#### Fund Balance Detail

At December 31, 2021, fund balance in the governmental funds was comprised of the following:

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Non-Major Funds</u>
<b>Nonspendable</b>			
Prepaid Expenses	\$ 975,845	\$ 21,543	\$ -
<b>Total Nonspendable Fund Balance</b>	<b><u><u>\$ 975,845</u></u></b>	<b><u><u>\$ 21,543</u></u></b>	<b><u><u>\$ -</u></u></b>
<b>Restricted</b>			
Miscellaneous Reserves (See Previous Page)	\$ 1,488,333	\$ 2,861,518	\$ -
Home and Community Services	-	-	499,516
TTASC Liquidity Reserve	-	-	<u>775,969</u>
<b>Total Restricted Fund Balance</b>	<b><u><u>\$ 1,488,333</u></u></b>	<b><u><u>\$ 2,861,518</u></u></b>	<b><u><u>\$ 1,275,485</u></u></b>
<b>Assigned</b>			
Appropriated for Next Year's Budget	\$ 2,478,288	\$ -	\$ -
Encumbered for:			
General Governmental Support	1,133	-	-
Assigned for:			
Public Safety	18,095	-	-
Transportation	-	-	437,222
Debt Payment	-	-	96,302
Capital Projects	-	<u>9,346,117</u>	-
<b>Total Assigned Fund Balance</b>	<b><u><u>\$ 2,497,516</u></u></b>	<b><u><u>\$ 9,346,117</u></u></b>	<b><u><u>\$ 533,524</u></u></b>
<b>Total Unassigned Fund Balance</b>	<b><u><u>\$ 28,132,829</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ -</u></u></b>
<b>Total Fund Balances</b>	<b><u><u>\$ 33,094,523</u></u></b>	<b><u><u>\$ 12,229,178</u></u></b>	<b><u><u>\$ 1,809,009</u></u></b>

# **COUNTY OF TIOGA**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021**

**Note 13 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 \$294,492 at December 31, 2021, 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, 2021 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, 2021 including discounted long-life workers’ compensation awards within the Workers’ Compensation Fund. Changes in the fund’s liabilities for the year ended December 31, 2021 were:

	<b>Beginning of Year</b>	<b>Changes in Estimates</b>	<b>Claim Payments</b>	<b>End of Year</b>
Workers’ Compensation - 2021	\$ 5,750,000	\$ -	\$ -	\$ 5,750,000
Workers’ Compensation - 2020	\$ 5,750,000	\$ -	\$ -	\$ 5,750,000

# ***COUNTY OF TIOGA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021**

### ***Note 14* Transactions with Discretely Presented Component Units**

#### **Tioga County Soil and Water Conservation District**

The County provides support to the District through annual appropriations. In 2021, the County provided \$287,311 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 15* 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 16* Stewardship**

At December 31, 2021, the Internal Service Fund had a deficit unrestricted net position of \$294,492. 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, 2021, the Government-wide Statement of Net Position had an unrestricted deficit net position of \$90,832,041. 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, 2021

**Note 17 Tax Abatements**

For the year ended December 31, 2021, 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, 2021 is as follows:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
Economic Development	\$ 1,666,655
<b>Total</b>	<b>\$ 1,666,655</b>

# COUNTY OF TIOGA

## BUDGETARY COMPARISON SCHEDULE (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable- (Unfavorable)
<b>REVENUES</b>					
Real Property Taxes	\$ 24,948,721	\$ 24,948,721	\$ 25,002,808	\$ -	\$ 54,087
Real Property Tax Items	3,054,995	3,054,995	3,579,952	-	524,957
Nonproperty Tax Items	20,708,000	20,708,000	27,297,883	-	6,589,883
Departmental Income	6,257,874	6,396,077	5,082,501	-	(1,313,576)
Intergovernmental Charges	151,250	289,513	555,066	-	265,553
Use of Money and Property	153,000	153,000	65,667	-	(87,333)
Licenses and Permits	35,000	35,000	34,976	-	(24)
Fines and Forfeitures	44,000	76,443	45,068	-	(31,375)
Sale of Property and Compensation for Loss	30,000	30,000	30,501	-	501
Miscellaneous Local Sources	11,005	14,349	144,738	-	130,389
State Sources	8,467,404	13,756,414	11,297,401	-	(2,459,013)
Federal Sources	6,810,144	9,103,502	7,914,787	-	(1,188,715)
<b>Total Revenues</b>	<b>70,671,393</b>	<b>78,566,014</b>	<b>81,051,348</b>	<b>-</b>	<b>2,485,334</b>
<b>EXPENDITURES</b>					
General Governmental Support	12,697,291	16,283,460	14,241,550	1,133	2,040,777
Education	5,700,750	6,083,014	4,819,129	-	1,263,885
Public Safety	8,688,501	11,352,691	9,524,492	-	1,828,199
Public Health	5,842,874	8,865,097	5,884,646	-	2,980,451
Transportation	-	1,559,919	372,212	-	1,187,707
Economic Assistance and Opportunity	21,621,489	22,952,028	19,775,419	-	3,176,609
Culture and Recreation	354,971	354,971	342,308	-	12,663
Home and Community Services	982,262	982,333	847,974	-	134,359
Employee Benefits	14,124,295	14,030,262	13,851,647	-	178,615
Debt Service (Principal and Interest)	2,084,817	2,090,757	2,090,757	-	-
<b>Total Expenditures</b>	<b>72,097,250</b>	<b>84,554,532</b>	<b>71,750,134</b>	<b>1,133</b>	<b>12,803,265</b>
Excess of Revenues (Expenditures)	(1,425,857)	(5,988,518)	9,301,214	(1,133)	15,288,599
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund Transfers In	-	233,467	279,271	-	45,804
Interfund Transfers (Out)	(2,925,422)	(3,942,943)	(3,942,943)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,925,422)</b>	<b>(3,709,476)</b>	<b>(3,663,672)</b>	<b>-</b>	<b>45,804</b>
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	(4,351,279)	(9,697,994)	5,637,542	<b>\$ (1,133)</b>	<b>\$ 15,334,403</b>
Appropriated Fund Balance	4,351,279	9,697,994			
Net Decrease	<b>\$ -</b>	<b>\$ -</b>	5,637,542		
Fund Balance, Beginning			27,456,981		
<b>Fund Balance, Ending</b>			<b>\$ 33,094,523</b>		

*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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Total OPEB Liability</b>										
Service Cost	\$ 4,016,945	\$ 2,932,894	\$ 3,511,739	\$ 3,245,186	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	3,269,086	3,884,923	3,568,441	3,558,782	*	*	*	*	*	*
Changes of Benefit Terms	-	(79,411)	-	-	*	*	*	*	*	*
Differences Between Expected and Actual Experience	(5,654,534)	-	(1,652,117)	-	*	*	*	*	*	*
Changes in Assumptions or Other Inputs Benefit Payments	11,072,183	19,669,644	(11,005,198)	5,266,671	*	*	*	*	*	*
Benefit Payments	(3,025,437)	(2,847,792)	(2,799,306)	(2,702,941)	*	*	*	*	*	*
	9,678,243	23,560,258	(8,376,441)	9,367,698	*	*	*	*	*	*
Total OPEB Liability - Beginning	116,805,474	93,245,216	101,621,657	92,253,959	*	*	*	*	*	*
<b>Total OPEB Liability - Ending</b>	<b>\$ 126,483,717</b>	<b>\$ 116,805,474</b>	<b>\$ 93,245,216</b>	<b>\$ 101,621,657</b>	<b>\$ 92,253,959</b>	<b>\$ *</b>				
<b>Covered Employee Payroll</b>	<b>\$ 19,028,588</b>	<b>\$ 18,610,431</b>	<b>\$ 17,751,117</b>	<b>\$ 17,520,047</b>	<b>\$ *</b>	<b>\$ *</b>	<b>\$ *</b>	<b>\$ *</b>	<b>\$ *</b>	<b>\$ *</b>
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	<b>665%</b>	<b>628%</b>	<b>525%</b>	<b>580%</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Discount Rate</b>	<b>2.12%</b>	<b>2.74%</b>	<b>4.10%</b>	<b>3.44%</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>

\*Information is unavailable and will be presented as it becomes available.

*See Notes to Required Supplementary Information*

# ***COUNTY OF TIOGA***

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

<b>County</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Contractually Required Contribution	<b>\$ 3,235,629</b>	\$ 2,766,966	\$ 2,743,664	\$ 2,670,717	\$ 3,161,458	\$ 2,528,606	\$ 2,962,866	\$ 3,421,461	\$ 3,082,607	\$ 2,711,827
Contributions in Relation to the Contractually Required Contribution	<b>(3,235,629)</b>	(2,766,966)	(2,743,664)	(2,670,717)	(3,161,458)	(2,528,606)	(2,962,866)	(3,421,461)	(3,082,607)	(2,711,827)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
County's Covered Payroll	<b>18,281,731</b>	17,707,869	17,154,173	17,019,702	16,317,085	15,510,547	16,105,106	16,981,046	17,191,830	17,136,696
Contributions as a Percentage of Covered Payroll	<b>17.70%</b>	15.63%	15.99%	15.69%	19.38%	16.30%	18.40%	20.15%	17.93%	15.82%
<b>Soil and Water Conservation District</b>										
Contractually Required Contribution	<b>\$ 103,875</b>	\$ 89,571	\$ 125,092	\$ 118,939	\$ 91,378	\$ 69,896	\$ 76,553	\$ 30,261	\$ *	\$ *
Contributions in Relation to the Contractually Required Contribution	<b>(103,875)</b>	(89,571)	(125,092)	(118,939)	(91,378)	(69,896)	(76,553)	(30,261)	*	*
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	*	*
District's Covered Payroll	<b>719,000</b>	759,000	742,000	759,000	680,000	502,000	391,000	*	*	*
Contributions as a Percentage of Covered Payroll	<b>14.45%</b>	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,**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>County</b>							
Proportion of the Net Pension Liability	<b>0.0822202%</b>	0.0795148%	0.0776983%	0.0728901%	0.0705442%	0.0736024%	0.0763016%
Proportionate Share of the Net Pension Liability	<b>\$ 81,870</b>	\$ 21,055,976	\$ 5,505,160	\$ 2,352,489	\$ 6,628,490	\$ 11,813,394	\$ 2,577,656
Covered Payroll During the Measurement Period	<b>17,536,725</b>	17,536,725	17,026,655	17,017,384	16,083,652	15,319,512	16,366,971
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<b>0.5%</b>	120.1%	32.3%	13.8%	41.2%	77.1%	15.7%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<b>99.9%</b>	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
<b>Soil and Water Conservation District</b>							
Proportion of the Net Pension Liability	<b>0.0031544%</b>	0.0036680%	0.0036606%	0.0033831%	0.0025749%	0.0021080%	0.0017993%
Proportionate Share of the Net Pension Liability	<b>3,141</b>	971,303	259,366	109,189	241,947	338,335	60,786
Covered Payroll During the Measurement Period	<b>719,000</b>	759,000	742,000	759,000	680,000	502,000	391,000
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<b>0.4%</b>	128.0%	35.0%	14.4%	35.6%	67.4%	15.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<b>99.9%</b>	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, 2021**

### ***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 2021, 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 DECEMBER 31, 2021**

### ***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, 2021.

### ***Note 3* Schedule of County's Proportionate Share of the Net Pension Liability**

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

### ***Note 4* Schedules of County Contributions - NYSLRS Pension Plan and Schedule of the County's Proportionate Share of the Net Pension Liability**

#### **NYSLRS**

#### **Changes in Benefit Terms**

There were no significant legislative changes in benefits used in the April 1, 2020 actuarial valuation.

#### **Changes of Assumptions**

In 2021, the demographic assumptions (pensioner mortality and active member decrements) were updated based on the System's experience from April 1, 2015 through March 31, 2020. The mortality improvement assumption was updated to Society of Actuaries Scale MP-2020, inflation was updated to 2.7%, cost-of-living was updated to 1.4%, salary scale updated to 4.4%, and the interest rate assumption was reduced to 5.9% for the April 1, 2020 actuarial valuation.

In 2020, there were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2020 actuarial valuation. The salary scales for both plans used in the April 1, 2018 actuarial valuation were increased by 10%. The interest rate assumption was reduced to 6.8% and the mortality improvement assumption was updated to Societies of Actuaries' Scale MP-2018 for the April 1, 2019 actuarial valuation.

# ***COUNTY OF TIOGA***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2021**

### ***Note 4* Schedules of County Contributions - NYSLRS Pension Plan and Schedule of the County's Proportionate Share of the Net Pension Liability - Continued**

#### **NYSLRS - Continued**

#### **Methods and Assumptions Used in Calculations of Actuarially Determined Contributions**

The April 1, 2020 actuarial valuation determines the employer rates for contributions payable in fiscal year 2021. The following actuarial methods and assumptions were used:

Actuarial Cost Method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset Valuation Period	Five-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.5%
Salary Scale	4.2% in ERS, indexed by service.
Investment Rate of Return	6.8% compounded annually, net of investment expenses, including inflation.
Cost of Living Adjustments	1.3% annually.

# COUNTY OF TIOGA

## COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2021

	Special Revenue Funds					Total Non-Major Governmental Funds
	Special Grant Fund	Refuse and Garbage Fund	County Road Fund	Road Machinery Fund	Debt Service Fund (TTASC)	
<b>ASSETS</b>						
Cash and Cash Equivalents - Unrestricted	\$ -	\$ -	\$ 370,649	\$ 134,392	\$ 96,302	\$ 601,343
Cash and Cash Equivalents - Restricted	475,265	-	-	-	775,969	1,251,234
Other Receivables, Net	7,812	-	-	947	784,010	792,769
Due From State and Federal Governments	20,700	-	-	-	-	20,700
Loans Receivable	363,456	-	-	-	-	363,456
<b>Total Assets</b>	<b>\$ 867,233</b>	<b>\$ -</b>	<b>\$ 370,649</b>	<b>\$ 135,339</b>	<b>\$ 1,656,281</b>	<b>\$ 3,029,502</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 469	\$ -	\$ 10,973	\$ 18,653	\$ -	\$ 30,095
Accrued Liabilities	3,792	-	32,048	7,092	-	42,932
<b>Total Liabilities</b>	<b>4,261</b>	<b>-</b>	<b>43,021</b>	<b>25,745</b>	<b>-</b>	<b>73,027</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	363,456	-	-	-	784,010	1,147,466
<b>FUND BALANCES</b>						
Restricted	499,516	-	-	-	775,969	1,275,485
Assigned	-	-	327,628	109,594	96,302	533,524
<b>Total Fund Balances</b>	<b>499,516</b>	<b>-</b>	<b>327,628</b>	<b>109,594</b>	<b>872,271</b>	<b>1,809,009</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 867,233</b>	<b>\$ -</b>	<b>\$ 370,649</b>	<b>\$ 135,339</b>	<b>\$ 1,656,281</b>	<b>\$ 3,029,502</b>

# COUNTY OF TIOGA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2021

	Special Revenue Funds					
	Special Grant Fund	Refuse and Garbage Fund	County Road Fund	Road Machinery Fund	Debt Service Fund (TTASC)	Total Non-Major Governmental Funds
<b>REVENUES</b>						
Departmental Income	\$ 111,544	\$ -	\$ 100	\$ -	\$ -	\$ 111,644
Use of Money and Property	1,627	-	108	29	373	2,137
Sale of Property and Compensation for Loss	-	-	-	29,189	-	29,189
Miscellaneous Local Sources	-	-	2,395	-	764,414	766,809
Federal Sources	273,666	-	-	-	-	273,666
<b>Total Revenues</b>	386,837	-	2,603	29,218	764,787	1,183,445
<b>EXPENDITURES</b>						
General Governmental Support	-	-	-	-	49,377	49,377
Transportation	-	-	1,435,271	470,703	-	1,905,974
Economic Assistance and Opportunity	181,463	-	-	-	-	181,463
Employee Benefits	107,087	-	586,749	124,343	-	818,179
Debt Service (Principal and Interest)	-	-	-	-	709,788	709,788
<b>Total Expenditures</b>	288,550	-	2,022,020	595,046	759,165	3,664,781
Excess of Revenues (Expenditures)	98,287	-	(2,019,417)	(565,828)	5,622	(2,481,336)
<b>OTHER FINANCING SOURCES (USES)</b>						
Interfund Transfers In	50,000	-	2,129,250	649,527	-	2,828,777
Interfund Transfers (Out)	-	(279,210)	-	-	-	(279,210)
<b>Total Other Financing Sources (Uses)</b>	50,000	(279,210)	2,129,250	649,527	-	2,549,567
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	148,287	(279,210)	109,833	83,699	5,622	68,231
Fund Balances, Beginning	351,229	279,210	217,795	25,895	866,649	1,740,778
<b>Fund Balances, Ending</b>	\$ 499,516	\$ -	\$ 327,628	\$ 109,594	\$ 872,271	\$ 1,809,009

**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, 2021, 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 28, 2022. 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.

**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.

**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 28, 2022



**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, 2021. 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, 2021.

**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,



Inero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
September 28, 2022

# COUNTY OF TIOGA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2021

<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>
<b>U.S. Department of Agriculture</b>				
Passed Through NYS Office of Temporary and Disability Assistance:				
SNAP Cluster:				
State Administrative Grants for the Supplemental Nutrition Assistance Program	10.561	(1)	\$ -	\$ 628,687
Total SNAP Cluster			-	628,687
<b>Total U.S. Department of Agriculture</b>			-	628,687
<b>U.S. Department of Justice</b>				
Passed Through NYS Department of Criminal Justice Services:				
Bullet Proof Vest Program	16.607	(1)	-	4,400
<b>Total U.S. Department of Justice</b>			-	4,400
<b>U.S. Department of Labor</b>				
Passed Through NYS Department of Labor:				
Workforce Innovation and Opportunity Act Cluster:				
Workforce Innovation and Opportunity Act - Adult Program	17.258	(1)	-	119,446
Workforce Innovation and Opportunity Act - Youth Activities	17.259	(1)	-	58,223
Workforce Innovation and Opportunity Act - Dislocated Workers	17.278	(1)	-	95,997
Total Workforce Innovation and Opportunity Act Cluster			-	273,666
<b>Total U.S. Department of Labor</b>			-	273,666
<b>U.S. Department of Transportation</b>				
Passed Through NYS Department of Transportation:				
Federal Transit Cluster:				
Federal Transit Capital Investment Grants	20.500	(1)	-	74,216
COVID -19 Formula Grants for Other than Urbanized Areas	20.509	T004202	-	276,389
Total Federal Transit Cluster			-	350,605
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	D036071	-	1,043,103
Total Highway Planning and Construction Cluster			-	1,043,103
STOP DWI Crackdown Grant	20.616	(1)	-	12,252
<b>Total U.S. Department of Transportation</b>			-	1,405,960
<b>U.S. Department of the Treasury</b>				
COVID-19 Coronavirus Local Fiscal Recovery Fund (CLFRF)	21.027	(1)	-	899,908
<b>Total U.S. Department of the Treasury</b>			-	899,908
<b>U.S. Department of Education</b>				
Passed Through NYS Department of Health:				
Special Education - Grants for Infants and Toddlers	84.181	(1)	-	32,559
<b>Total U.S. Department of Education</b>			-	32,559
Subtotal Expenditures of Federal Awards			-	3,245,180

*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, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing #	Pass-Through Grantor #	Passed Through to Subrecipients	Expenditures
Subtotal Expenditures of Federal Awards Carried Forward			\$ -	\$ 3,245,180
<b>U.S. Department of Health and Human Services</b>				
Passed Through Health Research, Inc.:				
Public Health Preparedness	93.069	1623-10	-	49,152
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	(1)		16,354
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response:				
Public Health Crisis Response	93.354	(1)		75,019
Passed Through NYS Office of Temporary and Disability Assistance:				
TANF Cluster:				
Temporary Assistance for Needy Families (TANF)	93.558	(1)	-	3,165,755
Total TANF Cluster			-	3,165,755
Child Support Enforcement	93.563	(1)	-	276,471
Low-Income Home Energy Assistance	93.568	(1)	-	3,754,233
Passed Through NYS Office of Children and Family Services:				
Child Care and Development Fund Cluster:				
Child Care and Development Block Grant	93.575	(1)	-	846,875
Total Child Care and Development Fund Cluster			-	846,875
Title IV-E Foster Care Program	93.658	(1)	-	805,133
Social Services Block Grant	93.667	(1)	-	296,720
Chafee Foster Care Independence Program	93.674	(1)	-	3,624
Adoption Assistance	93.659	(1)	-	235,787
Medical Assistance Program	93.778	(1)	-	418,056
Passed Through NYS Department of Health and Human Services SAMSHA:				
Drug Free Communities Grant	93.276	(1)	-	130,584
CARA - Comprehensive Addiction and Recovery Act	93.799	(1)	-	4,204
Passed Through Health Resources and Services				
COVID-19 HRSA Claims Reimburse for the Uninsured PGM-Alcohol and Drug	93.461	(1)	-	9,194
COVID-19 HRSA Claims Reimburse for the Uninsured PGM-MH	93.461	(1)	-	67,384
Passed Through NYS Office of Mental Health:				
Medical Assistance Program-Upper Payment Limit	93.778	(1)	-	89,350
Passed Through the NYS Department of Health:				
Maternal and Child Health Services Block Grant to the States	93.994	(1)	-	9,193
Immunization Cooperative Agreements	93.268	(1)	-	20,134
Medical Assistance Program	93.778	(1)	-	86,021
<b>Total U.S. Department of Health and Human Services</b>			-	10,359,243
<b>U.S. Department of Homeland Security</b>				
Passed Through NYS Division of Homeland Security and Emergency Services:				
Emergency Management Performance Grant	97.042	(1)	-	23,664
<b>Total U.S. Department of Homeland Security</b>			-	23,664
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 13,628,087
<b>Program Total Obscured Above</b>				
Medical Assistance Program and Medicaid Cluster	93.778			\$ 593,427

(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, 2021**

***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 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, 2021

### 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:

CFDA Numbers:	Name of Federal Program or Cluster:
<u>10.561</u>	<u>State Administrative Grants for the Supplemental Nutrition Assistance Program</u>
<u>21.027</u>	<u>Coronavirus State and Local Fiscal Recovery Funds</u>
<u>20.205</u>	<u>Highway Planning and Construction Cluster</u>
<u>93.575</u>	<u>Child Care and Development Block Grant</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