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

*Certified Public Accountants and Consultants*

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Frederick J. Ciaschi, C.P.A.

**COUNTY OF TIOGA**

**Owego, New York**

**EXECUTIVE SUMMARY**

**December 31, 2012**

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COUNTY OF TIOGA

EXECUTIVE SUMMARY OF 2012 AUDIT REPORT AND FINDINGS

**Basic Financial Statements**

Independent Auditor's Report on Basic Financial Statements

Independent Auditor's Report on Supplemental Financial Information

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

**Description of Report and Findings**

**Unqualified opinion** on the County of Tioga's (the County's) financial statements for the year ended December 31, 2012.

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

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

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

**Single Audit (OMB A-133) Report**

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance required by OMB Circular A-133

Report on Schedule of Expenditures of Federal Awards

Communication with Those Charged with Governance at the Conclusion of the Audit

**Description of Report and Findings**

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

**Unqualified report** on the Schedule of Expenditures of Federal Awards supplemental information in relation to the primary audit report. Federal expenditures amounted to \$14,267,416.

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

- Qualitative Aspects of Accounting Practices
- Difficulties Encountered in Performing the Audit
- Corrected and Uncorrected Misstatements
- Disagreements with Management
- Management Representations
- Management Consultations with Other Independent Accountants
- Other Audit Findings or Issues
- Other Matters

COUNTY OF TIOGA

5 YEAR FINANCIAL STATEMENT ANALYSIS

<b><u>GENERAL FUND</u></b>	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 10,972,716	\$ 13,173,961	\$ 11,153,897	\$ 7,495,821	\$ 8,149,756
Taxes receivable	7,124,699	5,900,648	5,382,910	5,450,979	5,094,743
Due from state and federal	7,683,603	5,407,426	6,625,293	5,135,001	4,706,410
Other receivables	872,561	675,863	187,813	389,992	388,736
Prepaid expenses	781,314	677,957	499,385	303,257	336,739
Due from other governments	25,640	-0-	27,490	317,629	13,011
Due from other funds	<u>529,964</u>	<u>369,452</u>	<u>2,150,239</u>	<u>3,183,228</u>	<u>3,070,939</u>
 Total Assets	 <u>\$ 27,990,497</u>	 <u>\$ 26,205,307</u>	 <u>\$ 26,027,027</u>	 <u>\$ 22,275,907</u>	 <u>\$ 21,760,334</u>
<b><u>LIABILITIES</u></b>					
Accounts payable and accruals	\$ 2,184,705	\$ 2,136,631	\$ 2,336,103	\$ 2,614,134	\$ 3,369,695
Due to other governments	6,294,390	5,136,504	5,064,472	5,672,512	3,630,349
Due to other funds	3,190,052	3,436,484	304,023	1,386,457	2,215,791
Deferred revenue	<u>2,798,180</u>	<u>2,726,115</u>	<u>2,282,357</u>	<u>1,980,278</u>	<u>1,652,877</u>
 Total Liabilities	 <u>14,467,327</u>	 <u>13,435,734</u>	 <u>9,986,955</u>	 <u>11,653,381</u>	 <u>10,868,712</u>
<b><u>FUND BALANCE</u></b>					
Nonspendable	781,314	677,957	499,385	303,257	336,739
Restricted	475,097	441,851	375,965	669,955	599,414
Assigned	3,753,013	6,464,067	5,463,742	4,344,900	4,993,403
Unassigned	<u>8,513,746</u>	<u>5,185,698</u>	<u>9,700,980</u>	<u>5,304,414</u>	<u>4,962,066</u>
 Total Fund Balances	 <u>13,523,170</u>	 <u>12,769,573</u>	 <u>16,040,072</u>	 <u>10,622,526</u>	 <u>10,891,622</u>
 Total Liabilities and Fund Balances	 <u>\$ 27,990,497</u>	 <u>\$ 26,205,307</u>	 <u>\$ 26,027,027</u>	 <u>\$ 22,275,907</u>	 <u>\$ 21,760,334</u>

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

COUNTY OF TIOGA  
(CONTINUED)  
5 YEAR FINANCIAL STATEMENT ANALYSIS

	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
<b><u>REVENUES</u></b>					
Real property taxes and tax items	\$ 22,831,313	\$ 22,569,265	\$ 22,479,665	\$ 20,620,771	\$ 20,593,026
Nonproperty tax items	19,778,733	18,573,837	16,858,161	16,865,711	16,895,480
Departmental income	7,243,322	6,583,679	8,221,866	8,306,344	8,030,635
Intergovernmental charges	725,519	479,682	704,385	579,018	504,101
Use of money and property	83,659	223,481	102,965	87,658	253,453
Fines and forfeitures	121,401	116,642	117,600	141,813	133,867
Other	372,429	579,616	452,311	328,578	612,542
State sources	10,025,619	9,194,566	9,137,655	9,700,304	8,780,736
Federal sources	7,786,462	6,801,319	9,043,633	8,410,117	6,418,455
Total Revenues	<u>68,968,457</u>	<u>65,122,087</u>	<u>67,118,241</u>	<u>65,040,314</u>	<u>62,222,295</u>
<b><u>EXPENDITURES</u></b>					
General governmental support	10,461,164	10,062,138	9,471,874	9,888,484	10,430,420
Education	4,164,315	4,405,340	4,494,316	5,191,138	4,526,465
Public safety	7,132,224	6,740,298	6,868,533	6,401,237	6,497,446
Public health	6,700,779	7,094,388	7,092,383	7,324,576	7,426,805
Transportation	813,822	869,717	1,072,579	630,986	785,701
Economic assistance and opportunity	21,058,883	20,270,319	19,879,247	20,342,519	19,704,320
Culture and recreation	322,207	223,387	229,476	232,827	215,570
Home and community service	632,540	608,096	605,536	657,064	635,062
Employee benefits	11,787,400	11,125,587	10,089,514	8,678,869	7,979,120
Debt service (principal and interest)	1,694,739	1,341,163	874,600	862,138	-0-
Total Expenditures	<u>64,768,073</u>	<u>62,740,433</u>	<u>60,678,058</u>	<u>60,209,838</u>	<u>58,200,909</u>
Excess of Revenues	<u>4,200,384</u>	<u>2,381,654</u>	<u>6,440,183</u>	<u>4,830,476</u>	<u>4,021,386</u>
Transfers (out)	<u>(3,446,787)</u>	<u>(5,652,153)</u>	<u>(1,022,637)</u>	<u>(5,099,572)</u>	<u>(3,115,766)</u>
Net Change in Fund Balance	<u>\$ 753,597</u>	<u>\$ (3,270,499)</u>	<u>\$ 5,417,546</u>	<u>\$ (269,096)</u>	<u>\$ 905,620</u>
Restatement	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (404,963)</u>	<u>\$ -0-</u>

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

COUNTY OF TIOGA  
(CONTINUED)  
5 YEAR FINANCIAL STATEMENT ANALYSIS

<u>EXPENDITURES AND TRANSFERS</u> <u>IN OTHER FUNDS</u>	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
Refuse and Garbage Fund	\$ 1,219,529	\$ 1,187,363	\$ 1,229,018	\$ 1,240,149	\$ 1,243,391
County Road Fund	\$ 1,960,461	\$ 1,984,096	\$ 1,846,969	\$ 1,801,061	\$ 1,756,699
Road Machinery Fund	\$ 634,345	\$ 637,672	\$ 616,333	\$ 632,046	\$ 660,935
Special Grant Fund	\$ 1,375,583	\$ 288,918	\$ 688,571	\$ 719,869	\$ 291,126
Capital Projects Funds	\$ 5,659,829	\$ 10,487,725	\$ 6,007,097	\$ 4,226,178	\$ 7,644,938

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

COUNTY OF TIOGA

EXECUTIVE SUMMARY OF 2012 AUDIT

**AUDIT FOCUS/REPORTING OBJECTIVES:**

- 1) Financial Statements
  - \* Management's Discussion and Analysis
  - \* Government-wide Financial Statements
  - \* Governmental Fund Financial Statements
  - \* Notes to Financial Statements
  - \* Budgetary Comparison Schedules
  - \* Supplementary Information
- 2) Single Audit
  - \* Study and Evaluation of Internal Controls
  - \* Testing of Compliance with Laws and Regulations

**AUDIT APPROACH:**

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

**AUDIT REPORTS:**

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

**UNDERSTANDING THE COUNTY'S OPERATIONS:**

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

**FACTORS AFFECTING THE SCOPE OF TESTING:**

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

**CONSIDERATION OF INTERNAL CONTROL STRUCTURE:**

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