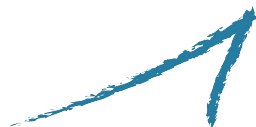


COUNTY OF TIOGA

Owego, New York

FINANCIAL REPORT

For the Year Ended
December 31, 2020



insero&co

Certified Public Accountants | Business Advisors

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 Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 35%, 30%, and 86%, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tioga County Soil and Water Conservation District, is based solely on the reports of the other auditors. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2020, 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.

Other Matters

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, on pages 4-4m and 55-61 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 17, 2021, 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,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 17, 2021

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

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, 2020. Please read this information in conjunction with the County's financial statements, which begin on page 5.

- 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 \$5,628,777, compared to an increase of \$2,985,874 in 2019 and an OPEB liability of \$116,805,474.
- 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 \$22,631,195 (net deficit) compared to \$15,590,234 in 2019. Year-end net position was composed of \$3,783,077 in restricted net position, \$63,641,221 in net investment in capital assets, and \$90,055,493 in unrestricted net deficit. Restricted net position decreased \$162,547 primarily due to monies spent from Board-approved reserves. Net investment in capital assets increased \$2,140,222 compared to the prior year because capital outlay, principal payments, and change in estimates exceeded current year depreciation expense. Unrestricted net deficit increased \$9,018,636 compared to the prior year. This is primarily attributable to the current year recognition of other postemployment benefits and pensions.
- Expenses exceeded revenues and change in estimates by \$7,040,961 in 2020 compared to revenues and change in estimates exceeded expenses by \$6,131,213 in 2019.
- 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 an increase of Government-wide expenses of \$4,140,066, compared to an increase of \$587,297 in 2019.
- The General Fund recorded a decrease in fund balance of \$478,886 in 2020 and had a fund balance at the end of the year of \$27,456,981, compared to \$27,935,867 in 2019. Of this amount, \$20,563,543 was unassigned.
- Resources available for appropriation in the General Fund, including interfund transfers in, were \$7,044,971 less than budgeted. Actual expenditures, including encumbrances and interfund transfers out, were \$9,818,622 less than budgeted, resulting in a favorable budget variance of \$2,773,651.

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

- The County's total indebtedness decreased \$1,236,554 to \$26,555,787. Serial bond obligations decreased \$1,710,000 due to principal payments, while accreted interest on TTASC bonds increased \$473,446.
- Capital additions during 2020 amounted to \$5,425,668 for the purchase of various machinery and equipment, infrastructure, buildings and improvements, and construction in progress expenditures. Depreciation expense was \$4,346,725 for the year. Change in estimate was \$360,886.

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 5-6a) 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 7. 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 provide 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 5 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.

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

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.

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 7. 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.

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

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.

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 14. 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, 2020 increased \$7,040,961, from \$15,590,234 to \$22,631,195. Last year net deficit decreased by \$6,131,213.

The largest portion of the County's net position, \$63,641,221, 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, \$3,783,077, 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 \$90,055,493, 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, 2020

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

Figure 1 - Net Position

Net Position	Governmental Activities		Dollar Change	Percent Change
	2020	2019	2019 - 2020	2019 - 2020
Current Assets	\$ 55,363,000	\$ 54,222,569	\$ 1,140,431	2.10%
Capital Assets, Net	72,816,221	71,847,140	969,081	1.35%
Other Noncurrent Assets	775,972	775,842	130	0.02%
Total Assets	128,955,193	126,845,551	2,109,642	1.66%
Pensions	15,068,742	5,084,203	9,984,539	196.38%
Other Postemployment Benefits	22,434,158	6,537,615	15,896,543	243.16%
Total Deferred Outflows of Resources	37,502,900	11,621,818	25,881,082	222.69%
Current Liabilities	12,661,149	11,942,835	718,314	6.01%
Noncurrent Liabilities	166,877,237	129,102,717	37,774,520	29.26%
Total Liabilities	179,538,386	141,045,552	38,492,834	27.29%
Pensions	963,463	2,389,674	(1,426,211)	(59.68)%
Other Postemployment Benefits	8,587,439	10,622,377	(2,034,938)	(19.16)%
Total Deferred Inflows of Resources	9,550,902	13,012,051	(3,461,149)	(26.60)%
Net Investment in Capital Assets	63,641,221	61,500,999	2,140,222	3.48%
Restricted	3,783,077	3,945,624	(162,547)	(4.12)%
Unrestricted	(90,055,493)	(81,036,857)	(9,018,636)	(11.13)%
Total Net (Deficit)	\$ (22,631,195)	\$ (15,590,234)	\$ (7,040,961)	(45.16)%

Current assets increased primarily due to increases in receivables as a result of delayed state payments partially offset by decreases in cash and investments as a result of operations. Capital assets increased because capital outlay exceeded depreciation expense and net book value of disposed assets.

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 accrued liabilities based on timing of payments.

The change in net investment in capital assets is due to reductions in debt and increases in capital assets net of accumulated depreciation. Restricted net position decreased primarily as a result of decreases in board 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, 2020

The County's total revenues decreased by 6.96%, while the total cost of all programs and services increased 8.93%. Our analysis in *Figure 2* considers the operations of Governmental Activities.

Figure 2 - Changes in Net Position

	Governmental Activities		Dollar Change	Percent Change
	2020	2019	2019 - 2020	2019 - 2020
REVENUES				
Program Revenues:				
Charges for Services	\$ 6,814,097	\$ 7,290,261	\$ (476,164)	(6.53)%
Operating Grants and Contributions	16,120,293	16,597,163	(476,870)	(2.87)%
Capital Grants	3,756,085	3,193,242	562,843	17.63%
General Revenues:				
Property Taxes and Tax Items	27,374,218	27,576,953	(202,735)	(0.74)%
Sales and Other Taxes	24,144,291	24,971,673	(827,382)	(3.31)%
Tobacco Settlement	770,564	706,771	63,793	9.03%
State Sources	600,336	1,376,229	(775,893)	(56.38)%
Use of Money and Property	345,765	525,855	(180,090)	(34.25)%
Other	45,947	353,173	(307,226)	(86.99)%
Change in Estimate	360,886	3,748,177	(3,387,291)	(90.37)%
Total Revenues	\$ 80,332,482	\$ 86,339,497	\$ (6,007,015)	(6.96)%
PROGRAM EXPENSES				
General Government	\$ 16,803,378	\$ 17,048,002	\$ (244,624)	(1.43)%
Education	4,488,197	5,549,843	(1,061,646)	(19.13)%
Public Safety	17,280,529	15,546,227	1,734,302	11.16%
Public Health	8,938,355	7,925,891	1,012,464	12.77%
Transportation	9,536,878	5,448,233	4,088,645	75.05%
Economic Assistance and Opportunity	25,318,490	24,347,359	971,131	3.99%
Culture and Recreation	498,031	380,021	118,010	31.05%
Home and Community Services	2,998,201	2,430,939	567,262	23.34%
Interest on Long-Term Debt	1,511,384	1,531,769	(20,385)	(1.33)%
Total Expenses	\$ 87,373,443	\$ 80,208,284	\$ 7,165,159	8.93%
CHANGE IN NET POSITION	\$ (7,040,961)	\$ 6,131,213	\$ (13,172,174)	(214.84)%

Revenues

- Charges for services decreased based on fewer charges for public and mental health fees, jail facility services, and handicapped children.
- Operating grants decreased primarily due to decreased state aid for handicapped children and fire protection aid in the current year.
- Capital grants increased due to additional ongoing FEMA aid received in the current year.

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

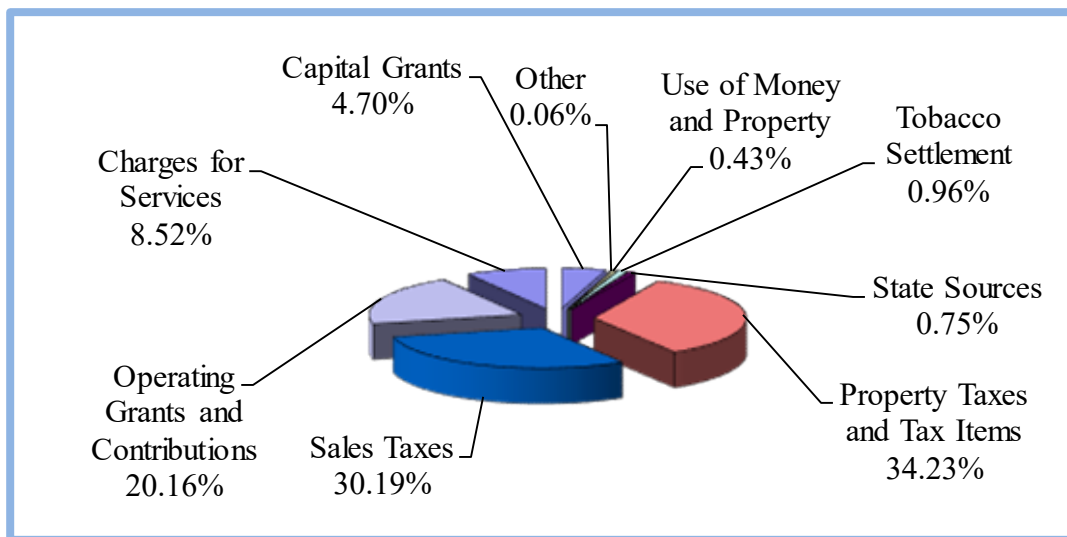
- Property tax and tax items decreased due to decreases in gain on sale of tax acquired properties.
- Sales tax and state sources decreased due to impacts from COVID-19 on economic activity in the County as well as aid from casino operations.
- The decreases in other and changes in estimates are based on reconciliation of client fixed asset records to the audited financial statements.

Expenses

- The decrease in education expense is attributable to decreased tuition and transportation costs.
- General government, public safety, public health, and economic development expense decreased due to changes in employee benefit allocations and depreciation allocations.
- Transportation expenses increased due to additional expenses incurred for non-capitalizable ongoing projects and repairs.
- Home and community services expenses increased due to a new loan issued in the current year.

Figure 3 and Figure 4 show the sources of revenue for 2020 and 2019.

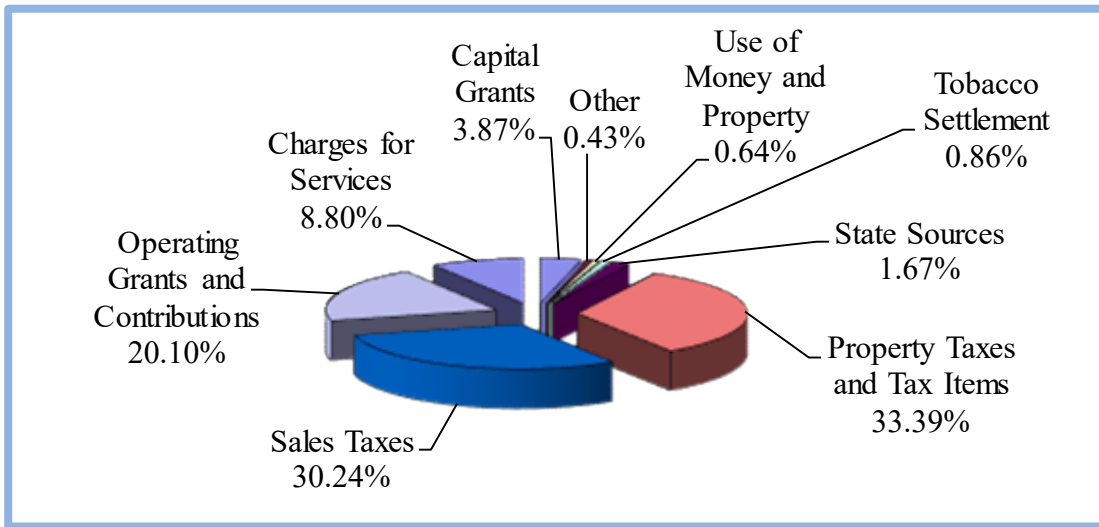
**Figure 3 - Revenue by Source
Governmental Activities
2020**



COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

*Figure 4 - Revenue by Source
Governmental Activities
2019*



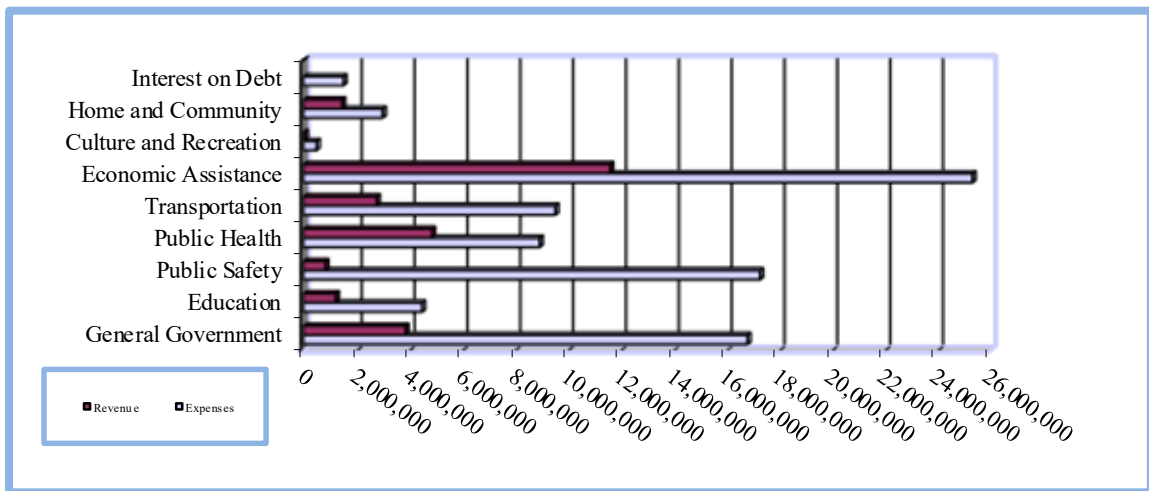
The cost of all Governmental Activities this year was \$87,373,443. As shown in the Statement of Activities, the amount our taxpayers ultimately financed for these activities through County property and other tax revenues was \$60,682,968, because some of the cost was paid by those who directly benefited 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 \$26,690,475. The County paid for the remaining "public benefit" portion of Governmental Activities with \$53,281,121 in taxes and other revenues, such as interest and general entitlements.

COUNTY OF TIOGA

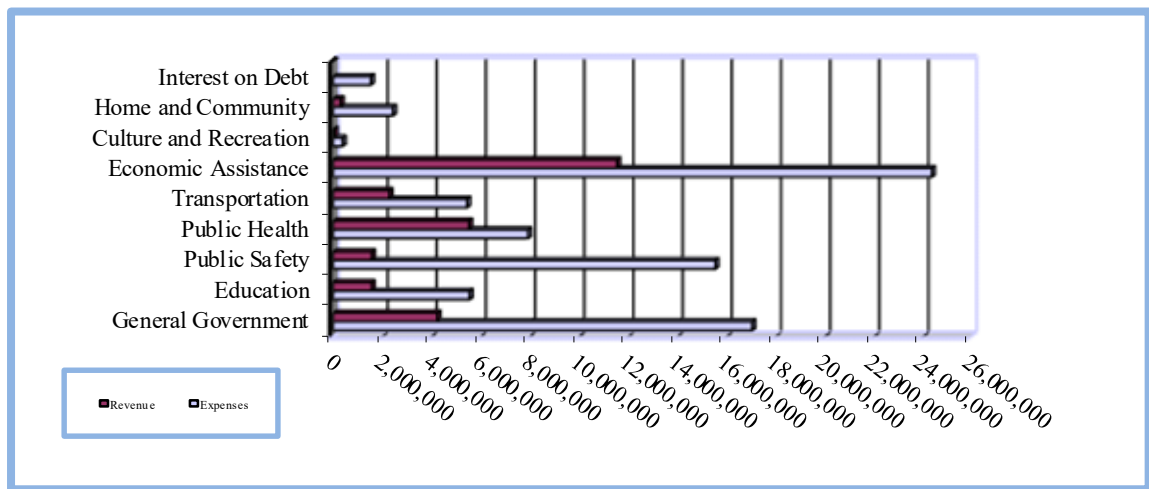
MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

Overall, program expenses of the County's Governmental Activities increased \$7,165,159, which represents a 8.93% increase 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
2020**



**Figure 6 - Net Program Cost
Governmental Activities
2019**



COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

THE COUNTY'S FUNDS

At December 31, 2020, the County's Governmental Funds, as presented in the balance sheet on page 7, reported a combined fund balance of \$39,952,380, which represents a decrease of 0.82% from the prior year. Of this amount, \$1,666,809 was non-spendable, \$3,783,077 was restricted, and \$13,938,951 was assigned, leaving \$20,563,543 in unassigned fund balance. *Figure 7* shows the changes in fund balance for the County's Governmental Funds.

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

Major and Non-Major Funds	2020	2019	Dollar Change	Percent Change
			2019 - 2020	2019 - 2020
Major Funds:				
General Fund	\$ 27,456,981	\$ 27,935,867	\$ (478,886)	(1.71%)
Capital Projects Fund	10,754,621	9,765,813	988,808	10.13%
Non-Major Funds:				
Special Revenue Funds:				
County Road Fund	217,795	297,843	(80,048)	(26.88%)
Road Machinery Fund	25,895	234,915	(209,020)	(88.98%)
Special Grant Fund	351,229	838,182	(486,953)	(58.10%)
Refuse and Garbage Fund	279,210	341,409	(62,199)	(18.22%)
Debt Service Fund	866,649	866,770	(121)	(0.01%)
Totals	\$ 39,952,380	\$ 40,280,799	\$ (328,419)	(0.82%)

The decrease in the General Fund is primarily related to impacts of COVID-19 on revenue streams.

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 \$9,818,622. Resources available for appropriation and other financing sources were \$7,044,971 less than the final budgeted amounts.

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

*Figure 8 - Budgetary Comparison Schedule - General Fund
December 31, 2020*

Budgetary Comparison Schedule	Original Budget	Final Budget	Actual w/ Encumbrances	Variance Fav. (Unfav.)
REVENUES AND OTHER				
FINANCING SOURCES				
Real Property Taxes and Tax Items	\$ 26,178,157	\$ 26,178,157	\$ 25,939,981	\$ (238,176)
Nonproperty Tax Items	22,833,700	22,833,700	23,237,091	403,391
Departmental Income	6,442,960	6,457,017	5,050,841	(1,406,176)
Intergovernmental Charges	151,250	221,223	242,926	21,703
Use of Money and Property	223,000	223,000	243,316	20,316
State Sources	10,660,160	14,355,515	9,217,697	(5,137,818)
Federal Sources	7,066,543	7,914,312	7,072,598	(841,714)
Other Revenues and Financing Sources	348,882	366,115	499,618	133,503
Total Revenues and Other Financing Sources	\$ 73,904,652	\$ 78,549,039	\$ 71,504,068	\$ (7,044,971)
Appropriated Reserves and Fund Balance	\$ 1,587,317	\$ 3,877,378	\$ -	\$ -
EXPENDITURES AND OTHER				
FINANCING USES				
General Governmental Support	\$ 13,629,965	\$ 15,052,199	\$ 12,500,136	\$ 2,552,063
Education	6,085,050	6,064,628	4,669,281	1,395,347
Public Safety	8,804,178	9,885,663	8,713,202	1,172,461
Public Health	6,117,560	6,559,785	5,532,621	1,027,164
Transportation	-	650,549	415,927	234,622
Economic Assistance and Opportunity	21,127,041	22,285,947	20,093,353	2,192,594
Culture and Recreation	422,143	503,683	492,395	11,288
Home and Community Services	783,077	811,554	809,730	1,824
Employee Benefits	13,539,922	13,664,938	12,749,307	915,631
Debt Service (Principal and Interest)	2,096,537	2,096,537	2,096,536	1
Other Financing Uses	2,886,496	4,850,934	4,535,307	315,627
Total Expenditures and Other Financing Uses	\$ 75,491,969	\$ 82,426,417	\$ 72,607,795	\$ 9,818,622
Excess of Revenues and Other Financing Sources	\$ -	\$ -	\$ (1,103,727)	\$ 2,773,651

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2020, the County had \$141,455,670, partially offset by accumulated depreciation of \$68,639,449, invested in a broad range of capital assets, including buildings and improvements, machinery and equipment, roads and bridges, and construction-in-progress. This amount represents a net increase (including additions, disposals and depreciation) of \$969,081 from the prior year.

Figure 9 - Capital Assets, Net of Depreciation

	Governmental Activities		Dollar Change	Percent Change
	2020	2019	2019 - 2020	2019 - 2020
Land	\$ 1,361,109	\$ 1,361,109	\$ -	0.00%
Construction in Progress	173,378	184,307	(10,929)	(5.93)%
Buildings and Improvements	22,806,356	23,295,549	(489,193)	(2.10)%
Machinery and Equipment	7,682,409	7,186,436	495,973	6.90%
Infrastructure	40,792,969	39,819,739	973,230	2.44%
Total	\$ 72,816,221	\$ 71,847,140	\$ 969,081	1.35%

This year's additions consisted of:

Construction-in-Progress	\$ 1,684,765
Buildings and Improvements	150,032
Machinery and Equipment	1,728,997
Infrastructure	1,861,874
Total Additions	<u>5,425,668</u>
Plus: Change in Estimate	360,886
Less: Depreciation Expense	(4,346,725)
Net Book Value of Disposed Assets	<u>(470,748)</u>
Total Net Change	<u><u>\$ 969,081</u></u>

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

Debt Administration

At the end of 2020, the County and its blended component unit had total debt outstanding, in the form of serial bonds, of \$22,047,915. The County's debt of \$9,175,000 is backed by the full faith and credit of the County. Of this amount, \$9,175,000 is subject to the County's statutory debt limit of \$183,589,033, and represents approximately 5.0% of the County's debt limit. The blended component unit, Tioga Tobacco Asset Securitization Corporation, has debt of \$17,380,787, which is backed by future Tobacco Settlement Revenues.

Figure 10 - Outstanding Debt at Years Ended

Outstanding Debt	Governmental Activities		Dollar Change
	2020	2019	2019 - 2020
Bonds - Issued by County	\$ 9,175,000	\$ 10,745,000	\$ (1,570,000)
Bonds - Issued by TTASC	12,872,915	13,012,915	(140,000)
Tobacco Settlement Pass-through Bonds Accreted Interest	4,507,872	4,034,426	473,446
Totals	\$ 26,555,787	\$ 27,792,341	\$ (1,236,554)

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 2021 Budget, the Legislature decreased appropriations by a total of \$3,300,301 or (3.83%); appropriations decreased in the General Fund by \$3,085,642 or 4.09%. Revenues decreased by \$5,961,705 or (10.18%); General Fund revenue decreased by \$4,852,818 or (9.59)%. The tax levy for 2021 is up by \$294,612; an actual 1.19% increase over 2020 while reliance on appropriated fund balance increased by \$5,354,608.
- Gaming Revenue for 2020 was \$600,336, a decrease of 56.38% over 2019. \$600,336 of the 2020 gaming revenue was moved into a capital reserve in 2020. The decrease reflects the impact of the casino being closed from March to September of 2020. Casino revenue is expected to fully recover by year end 2021.
- The 2021 County budget appropriates \$2,858,430 (compared to \$4,171,950 in 2020) for all capital projects (bridges, road projects, vehicles, and equipment).

COUNTY OF TIOGA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

- Employee benefit costs remain a high expenditure. The County had a benefit cost increase from \$14,232,834 to \$14,840,658, a total of \$607,824. The high cost is largely attributed to health insurance premiums. Health insurance covers retirees and active employees.
- As of January 1st, 2021, the County Legislature eliminated the re-cycle program contract and corresponding solid waste tax on county property tax bills. This will reduce 1.1 million in program cost and tax revenue. The service will now be offered to citizens by private haulers at competitive pricing.
- In the first 6 months of 2021, sales tax revenue is up 27% over 2020; The County is rebounding nicely after COVID-19.
- The County received the first allotment of \$4.6 million from the federal American Rescue Plan Act. County officials are studying the required spending categories, reporting regulations, and prioritizing County and Local needs in recovering our economy from the COVID recession.

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, 2020

	Primary Government	Component Units	
	Governmental Activities	Industrial Development Agency	Soil and Water Conservation District
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 27,736,985	\$ 2,053,839	\$ 1,831,182
Restricted Cash	2,994,365	897,606	-
Investments	4,000,000	864,261	-
Taxes Receivable, Net	6,099,546	-	-
Accounts Receivable, Net	1,511,918	523,865	1,626,757
Loans and Leases Receivable - Current Portion	475,000	114,785	-
Due from State and Federal Governments	10,840,817	-	-
Due from Other Governments	37,560	-	-
Prepaid Expenses	1,666,809	-	3,240
Total Current Assets	55,363,000	4,454,356	3,461,179
Noncurrent Assets			
Restricted Cash and Cash Equivalents	775,972	-	-
Loans and Leases Receivable, Long-Term Portion	-	479,298	-
Capital Assets-Land and Construction in Progress	1,534,487	1,469,630	-
Capital Assets-Depreciable, Net of Accumulated Depreciation	71,281,734	762,984	306,730
Total Noncurrent Assets	73,592,193	2,711,912	306,730
Total Assets	128,955,193	7,166,268	3,767,909
Deferred Outflows of Resources			
Pensions	15,068,742	-	672,864
Other Postemployment Benefits	22,434,158	-	-
Total Deferred Outflows of Resources	37,502,900	-	672,864
LIABILITIES			
Current Liabilities			
Accounts Payable	957,962	52	445,420
Accrued Liabilities	1,166,528	-	16,078
Interest Payable	137,965	-	-
Due to Other Governments	4,649,838	475,000	-
Compensated Absences	1,416,861	-	-
Contract Advances	-	-	319,370
Unearned Revenue	1,041,995	-	-
Self Insurance Accruals	840,000	-	-
Long-Term Obligations Due Within One Year	2,450,000	39,673	-
Total Current Liabilities	12,661,149	514,725	780,868
Long-Term Obligations Due After One Year	166,877,237	520,670	995,573
Total Liabilities	179,538,386	1,035,395	1,776,441
Deferred Inflows of Resources			
Pensions	963,463	-	68,957
Other Postemployment Benefits	8,587,439	-	-
Total Deferred Inflows of Resources	9,550,902	-	68,957
Net Position			
Net Investment in Capital Assets	63,641,221	2,232,614	306,730
Restricted	3,783,077	897,606	1,868,592
Unrestricted (Deficit)	(90,055,493)	3,000,653	420,053
Total Net Position (Deficit)	\$ (22,631,195)	\$ 6,130,873	\$ 2,595,375

See Notes to Financial Statements

COUNTY OF TIOGA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2020

	Major Funds		Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Funds		
ASSETS				
Cash and Cash Equivalents - Unrestricted	\$ 18,363,550	\$ 7,566,824	\$ 739,482	\$ 26,669,856
Cash and Cash Equivalents - Restricted	274,717	2,381,159	1,114,461	3,770,337
Taxes Receivable, Net	6,099,546	-	-	6,099,546
Other Receivables, Net	517,908	-	765,623	1,283,531
Due from State and Federal Governments	9,663,781	1,112,944	64,092	10,840,817
Due from Other Governments	37,560	-	-	37,560
Prepaid Expenses	1,623,722	43,087	-	1,666,809
Loans Receivable	-	-	475,000	475,000
Total Assets	\$ 36,580,784	\$ 11,104,014	\$ 3,158,658	\$ 50,843,456
LIABILITIES				
Accounts Payable	\$ 774,087	\$ 32,850	\$ 133,677	\$ 940,614
Accrued Liabilities	1,119,522	-	44,789	1,164,311
Due to Other Governments	4,333,295	316,543	-	4,649,838
Unearned Revenue	1,041,995	-	-	1,041,995
Total Liabilities	7,268,899	349,393	178,466	7,796,758
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	1,854,904	-	1,239,414	3,094,318
FUND BALANCES				
Nonspendable	1,623,722	43,087	-	1,666,809
Restricted	274,717	2,381,159	1,127,201	3,783,077
Assigned	4,994,999	8,330,375	613,577	13,938,951
Unassigned	20,563,543	-	-	20,563,543
Total Fund Balances	27,456,981	10,754,621	1,740,778	39,952,380
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 36,580,784	\$ 11,104,014	\$ 3,158,658	\$ 50,843,456

See Notes to Financial Statements

COUNTY OF TIOGA

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2020

Total Governmental Fund Balances **\$ 39,952,380**

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	\$ 141,455,670	
Less Accumulated Depreciation	(68,639,449)	72,816,221

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		(21,055,976)
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Certain revenues are deferred in Governmental Funds due to applying the "availability criterion" to receivables for the modified accrual basis of accounting. However, these deferred inflows of resources are considered revenues in the Statement of Activities due to applying the full accrual basis of accounting.

3,094,318

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.

(474,049)

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.

(137,965)

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	\$ (963,463)	
Deferred Outflows of Resources - Pensions	15,068,742	
Deferred Inflows of Resources - OPEB	(8,587,439)	
Deferred Outflows of Resources - OPEB	22,434,158	27,951,998

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	\$ (22,047,915)	
Accreted Interest on TTASC Bonds	(4,507,872)	
Other Postemployment Benefits Liability	(116,805,474)	
Compensated Absences	(1,416,861)	(144,778,122)

Net Position (Deficit) of Governmental Activities **\$ (22,631,195)**

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, 2020

	<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>		
REVENUES				
Real Property Taxes	\$ 23,108,876	\$ -	\$ 1,336,297	\$ 24,445,173
Real Property Tax Items	2,831,105	-	99,297	2,930,402
Nonproperty Tax Items	23,237,091	907,200	-	24,144,291
Departmental Income	5,050,841	-	235	5,051,076
Intergovernmental Charges	242,926	-	-	242,926
Use of Money and Property	243,316	39,229	1,696	284,241
Licenses and Permits	48,360	-	-	48,360
Fines and Forfeitures	76,831	-	-	76,831
Sale of Property and Compensation for Loss	30,000	-	65,843	95,843
Miscellaneous Local Sources	343,257	764	712,812	1,056,833
State Sources	9,217,697	2,325,473	30,809	11,573,979
Federal Sources	7,072,598	1,259,128	551,009	8,882,735
Total Revenues	<u>71,502,898</u>	<u>4,531,794</u>	<u>2,797,998</u>	<u>78,832,690</u>
EXPENDITURES				
General Governmental Support	12,458,508	-	46,313	12,504,821
Education	4,488,197	-	-	4,488,197
Public Safety	8,650,584	-	-	8,650,584
Health	5,290,735	-	-	5,290,735
Transportation	330,215	-	2,466,654	2,796,869
Economic Assistance and Opportunity	20,081,440	-	163,853	20,245,293
Culture and Recreation	492,395	-	-	492,395
Home and Community Services	809,730	-	1,949,293	2,759,023
Employee Benefits	12,749,307	-	756,501	13,505,808
Debt Service (Principal and Interest)	2,096,536	-	667,123	2,763,659
Capital Outlay	-	5,506,225	-	5,506,225
Total Expenditures	<u>67,447,647</u>	<u>5,506,225</u>	<u>6,049,737</u>	<u>79,003,609</u>
Excess of Revenues (Expenditures)	<u>4,055,251</u>	<u>(974,431)</u>	<u>(3,251,739)</u>	<u>(170,919)</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers In	1,170	1,964,408	2,413,398	4,378,976
Interfund Transfers (Out)	(4,535,307)	(1,169)	-	(4,536,476)
Total Other Financing Sources (Uses)	<u>(4,534,137)</u>	<u>1,963,239</u>	<u>2,413,398</u>	<u>(157,500)</u>
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	<u>(478,886)</u>	<u>988,808</u>	<u>(838,341)</u>	<u>(328,419)</u>
Fund Balances, Beginning	<u>27,935,867</u>	<u>9,765,813</u>	<u>2,579,119</u>	<u>40,280,799</u>
Fund Balances, Ending	<u>\$ 27,456,981</u>	<u>\$ 10,754,621</u>	<u>\$ 1,740,778</u>	<u>\$ 39,952,380</u>

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, 2020

Net Change in Fund Balances - Total Governmental Funds **\$ (328,419)**

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	\$ 5,425,668	
Change in Estimate	360,886	
Net Book Value of Disposed Assets	(470,748)	
Depreciation Expense	<u>(4,346,725)</u>	<u>969,081</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.

531,395

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>1,710,000</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	\$ (158,232)	
Change in OPEB Liability	(5,628,777)	
Change in Accrued Interest Payable	15,721	
Change in Accreted Interest on TTASC Capital Appreciation Bonds	<u>(473,446)</u>	<u>(6,244,734)</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	\$ 9,984,539	
Net Pension Liability - Proportionate Share	(15,550,816)	
Deferred Inflows of Resources - Pensions	<u>1,426,211</u>	<u>(4,140,066)</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.

461,782

Change in Net Position of Governmental Activities **\$ (7,040,961)**

See Notes to Financial Statements

COUNTY OF TIOGA

STATEMENT OF NET POSITION PROPRIETARY FUND DECEMBER 31, 2020

	<u>Governmental Activities Internal Service Fund</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,067,129
Investments	4,000,000
Accounts Receivable, Net	228,387
Total Assets	<u>5,295,516</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	17,348
Accrued Liabilities	2,217
Self Insurance Accruals	840,000
Total Current Liabilities	<u>859,565</u>
Noncurrent Liabilities	
Benefits and Awards Payable	4,910,000
Total Noncurrent Liabilities	<u>4,910,000</u>
Total Liabilities	<u>5,769,565</u>
NET POSITION	
Unrestricted	(474,049)
Total Net Position (Deficit)	<u>\$ (474,049)</u>

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, 2020

	<u>Governmental Activities Internal Service Fund</u>
OPERATING REVENUES	
Charges for Services	\$ 1,543,196
Other Operating Revenues	<u>147,713</u>
Total Operating Revenues	<u>1,690,909</u>
OPERATING EXPENSES	
Salaries and Wages	<u>202,873</u>
Contractual	<u>494,500</u>
Benefits and Awards	<u>682,352</u>
Claims and Judgments	<u>21,786</u>
Employee Benefits	<u>46,640</u>
Total Operating Expenses	<u>1,448,151</u>
Income From Operations	<u>242,758</u>
NONOPERATING REVENUES (EXPENSES)	
Interest Income	<u>61,524</u>
Transfer from Other Funds	<u>157,500</u>
Total Nonoperating Revenues	<u>219,024</u>
Change in Net Position	<u>461,782</u>
Net Position (Deficit), January 1,	<u>(935,831)</u>
Net Position (Deficit), December 31,	<u><u>\$ (474,049)</u></u>

See Notes to Financial Statements

COUNTY OF TIOGA

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2020

	Governmental Activities
	Internal Service Fund
Cash Flows From Operating Activities	
Cash Received From Providing Services - External Participants	\$ 1,341,652
Cash Received From Insurance Recoveries	147,713
Cash Payments - Employees	(249,647)
Cash Payments - Claims and Benefits	(704,138)
Cash Payments - Vendors	(491,919)
Net Cash Provided (Used) by Operating Activities	43,661
Cash Flows From Non-Capital Financing Activities	
Transfer From Other Funds	157,500
Net Cash Provided (Used) by Non-Capital Financing Activities	157,500
Cash Flows From Investing Activities	
Purchase of Investments	(459,081)
Interest Income Received	61,524
Net Cash Provided (Used) by Investing Activities	(397,557)
Change in Cash and Cash Equivalents	(196,396)
Cash and Cash Equivalents, January 1,	1,263,525
Cash and Cash Equivalents, December 31,	\$ 1,067,129
Reconciliation of Income From Operations to Net Cash Provided (Used) by Operating Activities	
Income From Operations	\$ 242,758
(Increase) Decrease in Other Receivables	(201,544)
Increase (Decrease) in Accounts Payable	2,581
Increase (Decrease) in Accrued Liabilities	(134)
Net Cash Provided (Used) by Operating Activities	\$ 43,661

See Notes to Financial Statements

COUNTY OF TIOGA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS DECEMBER 31, 2020

	Custodial Fund
ASSETS	
Cash and Cash Equivalents - Unrestricted	<u>\$ 441,294</u>
Total Assets	<u><u>\$ 441,294</u></u>
NET POSITION	
Restricted for Individuals, Organizations, and Other	<u>441,294</u>
Total Liabilities and Net Position	<u><u>\$ 441,294</u></u>

See Notes to Financial Statements

COUNTY OF TIOGA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	Custodial Funds
ADDITIONS	
Bail Deposits	\$ 27,000
Social Service Receipts	619,795
Mortgage Tax Receipts	638,312
Other	4,480
	<hr/>
Total Additions	1,289,587
	<hr/>
DEDUCTIONS	
Returned Bail	67,350
Social Services Payments	584,255
Mortgage Tax Payments	531,751
Other	10,754
	<hr/>
Total Deductions	1,194,110
	<hr/>
Change in Net Position	95,477
	<hr/>
Net Position - Beginning	345,817
	<hr/>
Net Position - Ending	\$ 441,294
	<hr/> <hr/>

See Notes to Financial Statements

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

***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, 2020

***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, 2020

***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, 2020

***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, 2020

***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 General Municipal Law.

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 mortgage tax and social service trust 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, 2020

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, 2020

***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, 2020

***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, 2020

***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 \$907,200 is sales tax designated for capital projects.

The General Fund's primary non-property tax item is sales tax, which amounted to \$22,926,286. At December 31, 2020, this amount included an accrual of \$1,493,750, which is included in state and federal receivables, for sales that occurred in New York State in 2020 which were not received by the County at December 31, 2020. Of the \$22,926,286 recognized as revenue, \$6,040,425 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, 2020

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, 2020 is computed as follows:

Five-Year Average Full Valuation of Taxable Real Estate (2016-2020)	\$ 2,622,700,465
Tax limit @ 1.7%	44,585,908
Less:	
Tax Levy	24,543,279
Less Exclusions	<u>(1,942,605)</u>
Tax Levy Subject to Tax Limit	<u>22,600,674</u>
Tax Margin	<u>\$ 21,985,234</u>

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

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, 2020

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 \$1,416,861 is reported as an accrued liability in the Governmental Activities; as such, amounts were not due and payable at December 31, 2020.

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, 2020

***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.

New Accounting Standards

The County adopted and implemented the following current Statements of the GASB effective for the year ended December 31, 2020:

- GASB has issued Statement No. 84, "Fiduciary Activities," effective for the year ended December 31, 2020. This statement improves guidance regarding identification of fiduciary activities for accounting and reporting purposes.

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. 92, "Omnibus 2020," effective for the year ending December 31, 2022.

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, 2020

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 \$36,661,039 include \$866,649 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 \$775,972 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, 2020

Note 2 Cash and Investments - Continued

Restricted Cash

Restricted cash and cash equivalents of the primary government at December 31, 2020 consisted of the following:

<u>Purpose</u>	<u>Amount</u>
General Fund	
STOP DWI Program	\$ 5,129
Criminal Forfeiture Proceeds	11,064
Unexpended Hotel/Motel Usage Proceeds	16,843
Unexpended Handicapped Parking Proceeds	971
Unemployment Reserve	29,387
Debt Service Reserve	211,323
Total General Fund	<u>274,717</u>
Capital Fund	
Software Reserve	41,661
Hardware Reserve	320,832
Public Land, Structure, and Equipment	1,873,764
Financial Management System Reserve	144,902
Total Capital Fund	<u>2,381,159</u>
Special Grant Fund	
Restricted for Community Development	<u>338,489</u>
Debt Service (TTASC) Fund	
TTASC	<u>775,972</u>
Total Governmental Activities	<u>\$ 3,770,337</u>

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Note 2 **Cash and Investments - Continued**

Investments

Investments at December 31, 2020 are as follows:

<u>Purpose</u>	<u>Amount</u>
Proprietary Fund	
Certificate of Deposit, Maturing 09/23/2021	\$ 4,000,000
Total Primary Government	\$ 4,000,000

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

Total bank balances of the District totaled approximately \$2,240,000 at December 31, 2020 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 \$3,039,198 at December 31, 2020 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 \$864,261, all of which mature in 2020.

Note 3 **Property Taxes**

Property taxes levied for 2020 are recorded as revenue and receivables, net of estimated uncollectible amounts. In the fund financial statements, the net receivables collected during 2020, and expected to be collected within the first 60 days of 2021, are recognized as revenues in 2020.

Net receivables estimated to be collectible subsequent to the first 60 days of 2021 are reflected as unavailable revenue in the Governmental Fund financial statements. At December 31, 2020, the County recognized \$1,854,904 of unavailable tax revenue.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Note 3 **Property Taxes - Continued**

Taxes receivable at December 31, 2020 are summarized as follows:

Returned School Taxes Receivable	\$ 3,192,108
Taxes Receivable - Overdue	2,905,901
Delinquent Village Taxes Receivable	514,822
Other	616,484
Allowance for Uncollectible Taxes	<u>(1,129,769)</u>
Total	<u>\$ 6,099,546</u>

Uncollected school and village taxes assumed by the County as a result of settlement proceedings are reported as receivables in the General Fund to maintain central control and provide for tax settlement and enforcement proceedings. The portion of the receivable that represents taxes re-levied for schools and villages in the amount of \$3,617,8707 is reflected as part of a liability, due to other governments, in the accompanying basic financial statements.

Note 4 **Receivables**

State and Federal Receivables

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

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

Tobacco Settlement and Other

In October 2000, the County sold to TTASC all of its future rights, title, and interest, in the tobacco settlement revenues. As part of this sale, the County became the beneficial owner of a Residual Certificate, which represents the entitlement to receive all amounts required to be distributed after payment of debt service, operating expenses, and certain other costs. The Non-Major Governmental Funds reflect \$712,812 of tobacco settlement revenues for the year ended December 31, 2020. The amount recognized in the Statement of Activities, on the accrual basis, is \$770,564.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Note 4 Receivables - Continued

Other Accounts Receivable

Other accounts receivable as of December 31, 2020, are as follows:

Governmental Activities	Amount
Various Fees and Charges Recorded in:	
General Fund	\$ 517,908
Road Machinery Fund	1,133
Internal Service Funds	228,387
Special Grant Fund	76
Tobacco Settlement Revenues Recorded in the Debt Service Fund	764,414
Total	\$ 1,511,918

Note 5 Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance at 12/31/2019	Additions	Reclassifications, Disposals, and Change in Estimate	Balance at 12/31/2020
Governmental Activities				
Land	\$ 1,361,109	\$ -	\$ -	\$ 1,361,109
Construction in Progress	184,307	1,684,765	(1,695,694)	173,378
Total Non-Depreciable Capital Assets	1,545,416	1,684,765	(1,695,694)	1,534,487
Buildings and Improvements	37,504,070	150,032	188,124	37,842,226
Machinery and Equipment	17,832,851	1,728,997	(2,139,283)	17,422,565
Infrastructure	81,105,018	1,861,874	1,689,500	84,656,392
Total Depreciable Capital Assets	136,441,939	3,740,903	(261,659)	139,921,183
Total Historical Cost	137,987,355	5,425,668	(1,957,353)	141,455,670
Less Accumulated Depreciation:				
Buildings	(14,208,521)	(812,000)	(15,349)	(15,035,870)
Machinery and Equipment	(10,646,415)	(984,527)	1,890,786	(9,740,156)
Infrastructure	(41,285,279)	(2,550,198)	(27,946)	(43,863,423)
Total Accumulated Depreciation	(66,140,215)	(4,346,725)	1,847,491	(68,639,449)
Governmental Activities				
Capital Assets, Net	\$ 71,847,140	\$ 1,078,943	\$ (109,862)	\$ 72,816,221

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Note 5 Capital Assets - Continued

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government Support	\$ 1,338,770
Public Safety	563,451
Public Health	123,240
Transportation	2,272,544
Economic Assistance and Opportunity	46,595
Home and Community	<u>2,125</u>
Total	<u><u>\$ 4,346,725</u></u>

Capital asset activity for the Tioga County Industrial Development Agency for the year ended December 31, 2020, was as follows:

<u>TCIDA</u>	<u>Balance at December 31, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at December 31, 2020</u>
Land	\$ 1,467,178	\$ 2,452	\$ -	\$ 1,469,630
Railroad Tracking and Facilities	1,979,331	-	-	1,979,331
Machinery and Equipment	<u>1,701</u>	<u>-</u>	<u>-</u>	<u>1,701</u>
Total Depreciable Capital Assets	<u>1,981,032</u>	<u>-</u>	<u>-</u>	<u>1,981,032</u>
Total Historical Cost	<u>3,448,210</u>	<u>2,452</u>	<u>-</u>	<u>3,450,662</u>
Less Accumulated Depreciation	<u>(1,197,077)</u>	<u>(20,971)</u>	<u>-</u>	<u>(1,218,048)</u>
TCIDA Capital Assets, Net	<u><u>\$ 2,251,133</u></u>	<u><u>\$ (18,519)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,232,614</u></u>

Capital asset activity for the Soil and Water Conservation District for the year ended December 31, 2020 was as follows:

<u>TCSWCD</u>	<u>Balance at 12/31/2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at 12/31/2020</u>
Office Equipment	\$ 10,021	\$ -	\$ -	\$ 10,021
Program Buildings and Equipment	<u>1,390,041</u>	<u>35,671</u>	<u>(35,514)</u>	<u>1,390,198</u>
Total Historical Cost	<u>1,400,062</u>	<u>35,671</u>	<u>(35,514)</u>	<u>1,400,219</u>
Less Accumulated Depreciation:				
Office Equipment	(6,462)	(1,597)	-	(8,059)
Program Buildings and Equipment	<u>(1,020,749)</u>	<u>(100,195)</u>	<u>35,514</u>	<u>(1,085,430)</u>
	<u>(1,027,211)</u>	<u>(101,792)</u>	<u>35,514</u>	<u>(1,093,489)</u>
TCSWCD Capital Assets, Net	<u><u>\$ 372,851</u></u>	<u><u>\$ (66,121)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 306,730</u></u>

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

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

Plan Descriptions and Benefits Provided

Employees' Retirement System (ERS)

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

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

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, 2020

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:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
County - ERS	\$ 2,766,966	\$ 2,743,664	\$ 2,670,717
TCSWCD - ERS	89,571	125,092	118,939

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

At December 31, 2020, 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, 2020. 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.

	<u>ERS</u>
Actuarial Valuation Date	4/1/2019
Net Pension Liability	\$ 26,480,579,097
County's Proportionate Share of the Plan's Total Net Pension Liability	21,055,976
County's Share of the Plan's Total Net Pension Liability	0.0795148%
TCSWCD's Portion of the Plan's Total Net Pension Liability	971,303
TCSWCD's Share of the Plan's Total Net Pension Liability	0.0036680%

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

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, 2020, the County recognized pension expense of \$6,957,335 for ERS in the financial statements. At December 31, 2020, the County's reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	County - ERS	TCSWCD - ERS
Deferred Outflows of Resources		
Differences Between Expected and Actual Experience	\$ 1,239,229	\$ 57,165
Changes of Assumptions	423,968	19,557
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	10,794,317	497,937
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	480,025	31,027
County's Contributions Subsequent to the Measurement Date	2,131,203	67,178
Total	\$ 15,068,742	\$ 672,864
Deferred Inflows of Resources		
Changes of Assumptions	\$ 366,089	\$ 16,888
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	597,374	52,069
Total	\$ 963,463	\$ 68,957

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

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, 2021. 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>
2021	\$ 1,985,453	\$ 86,150
2022	3,077,107	134,987
2023	3,824,323	174,379
2024	3,087,193	141,213
2025	-	-
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, 2020
Actuarial Valuation Date	April 1, 2019
Investment Rate of Return	6.8%
Salary Increases	4.2%
Cost of Living Adjustments	1.3%
Inflation Rate	2.5%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2018.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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, 2020

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, 2020
Asset Type	
Domestic Equities	4.1%
International Equities	6.2%
Real Estate	5.0%
Private Equity/Alternative Investments	6.8%
Absolute Return Strategies	3.3%
Opportunistic Portfolio	4.7%
Real Assets	6.0%
Cash	0.0%
Inflation-Indexed Bonds	0.5%
Mortgages and Bonds	0.8%

Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. 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, 2020

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 6.8%, 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:

<u>ERS</u>	<u>1% Decrease (5.8%)</u>	<u>Current Assumption (6.8%)</u>	<u>1% Increase (7.8%)</u>
County's Proportionate Share of the Net Pension Liability	\$ 38,643,662	\$ 21,055,976	\$ 4,857,644
TCSWCD's Proportionate Share of the Net Pension Liability	1,782,615	971,303	224,081

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:

	<u>Dollars in Thousands</u>
	<u>ERS</u>
Measurement Date	March 31, 2020
Employers' Total Pension Liability	\$ 194,596,261
Plan Net Position	(168,115,682)
Employers' Net Pension Liability	<u>\$ 26,480,579</u>
Ratio of Plan Net Position to the Employers' Total Pension Liability	86.4%

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, 2020 represent the projected employer contribution for the period of April 1, 2020 through December 31, 2020 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2020 amounted to \$-0-.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

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, 2020 resulted in the following effect on net position:

	Beginning Balance	Change	Ending Balance
County - ERS:			
Net Pension Liability	\$ (5,505,160)	\$ (15,550,816)	\$ (21,055,976)
Deferred Outflows of Resources	5,084,203	9,984,539	15,068,742
Deferred Inflows of Resources	(2,389,674)	1,426,211	(963,463)
County Total Effect on Net Position	\$ (2,810,631)	\$ (4,140,066)	\$ (6,950,697)
TCSWCD - ERS:			
Net Pension Liability	\$ (259,366)	\$ (711,937)	\$ (971,303)
Deferred Outflows of Resources	258,125	414,739	672,864
Deferred Inflows of Resources	(143,883)	74,926	(68,957)
TCSWCD Total Effect on Net Position	\$ (145,124)	\$ (222,272)	\$ (367,396)

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, 2020

Note 7 Other Postemployment Benefits (OPEB) - Continued

General Information About the OPEB Plan - Continued

Employees Covered by Benefit Terms - At December 31, 2020, the following employees were covered by the benefit terms:

Retired and Surviving Spouses	236
Terminated Vested Employees	-
Active Employees	<u>356</u>
Total	<u><u>592</u></u>

Total OPEB Liability

The County's total OPEB liability of \$116,805,474 was measured as of January 1, 2020 and was determined by an actuarial valuation as of January 1, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2019 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-2019.
- 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 (v2019-b). These rates were adjusted for inflation, projected GDP growth, extra trend, and health share of GDP resistance point.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Note 7 Other Postemployment Benefits - Continued

Actuarial Assumptions and Other Inputs - Continued

- The actuarial assumptions used in the January 1, 2019 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).
- Changes of assumptions and other inputs reflect a change in the discount rate from 4.10% percent in 2019 to 2.74% in 2020.

Municipal Bond Index Rate	2.74%
Single Discount Rate	2.74%
Initial Healthcare Cost Trend Rate	7.00%
Ultimate Healthcare Cost Trend Rate	3.94%
Salary Scale	3.50%
Rate of Inflation	2.40%
Election Percentage	100.00%
Marital Assumption	70.00%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2019	\$ 93,245,216
Changes for the Year	
Service Cost	2,932,894
Interest Cost	3,884,923
Changes of Benefit Terms	(79,411)
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	19,669,644
Benefit Payments	(2,847,792)
	<u>23,560,258</u>
Balance at December 31, 2020	<u>\$ 116,805,474</u>

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Note 7 Other Postemployment Benefits - Continued

Changes in the Total OPEB Liability - Continued

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

	1% Decrease (1.74%)	Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB Liability	\$ 137,928,964	\$ 116,805,474	\$ 99,999,569

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	\$ 97,124,019	\$ 116,805,474	\$ 142,456,632

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

For the year ended December 31, 2020, the County recognized OPEB expense of \$8,654,214.

At December 31, 2020, 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	\$ -	\$ 1,120,889
Changes in Assumptions or Other Inputs	19,408,721	7,466,550
Contributions Subsequent to Measurement Date	3,025,437	-
Total	\$ 22,434,158	\$ 8,587,439

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Note 7 Other Postemployment Benefits - Continued

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

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, 2021. 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
2021	\$ 1,915,808
2022	1,915,808
2023	1,915,808
2024	1,663,511
2025	2,714,635
2026 and Thereafter	695,712

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
Governmental Activities			
OPEB Liability	\$ 93,245,216	\$ 23,560,258	\$ 116,805,474
Deferred Outflows of Resources	(6,537,615)	(15,896,543)	(22,434,158)
Deferred Inflows of Resources	10,622,377	(2,034,938)	8,587,439
Total	\$ 97,329,978	\$ 5,628,777	\$ 102,958,755

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, 2020, 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, 2020, the County did not issue or redeem any short-term BANs.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Note 9 Long-Term Debt

Constitutional Debt Limit

At December 31, 2020, the total outstanding indebtedness of the County aggregated to \$26,555,787. Of this amount, \$9,175,000 is subject to the statutory debt limit and represents approximately 5.0% 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.

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, 2020:

	<u>Balance</u> <u>12/31/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Amount Due</u> <u>Within One</u> <u>Year</u>
Indebtedness					
Serial Bonds	\$ 23,757,915	\$ -	\$ (1,710,000)	\$ 22,047,915	\$ 2,450,000
Add: Accreted Interest Payable	4,034,426	473,446	-	4,507,872	-
Carrying Value of Bonds	<u>27,792,341</u>	<u>473,446</u>	<u>(1,710,000)</u>	<u>26,555,787</u>	<u>2,450,000</u>
Total	<u>\$ 27,792,341</u>	<u>\$ 473,446</u>	<u>\$ (1,710,000)</u>	<u>\$ 26,555,787</u>	<u>\$ 2,450,000</u>

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Note 9 Long-Term Debt - Continued

Changes in Indebtedness - Continued

The following is a summary of serial bond indebtedness as of December 31, 2020:

Description	Date Issued	Original Amount	Interest Rate	Maturity Date	Balance Outstanding
Serial Bonds					
Issued by TTASC:					
Series 2005	08/2005	\$ 21,713,420	4.25-5.00%	12/2040	\$ 12,872,915
Add Accreted Interest on Capital Appreciation Bonds					4,507,872
Carrying Value of TTASC Bonds					17,380,787
Issued by the County:					
Public Improvement - 2010	11/2010	9,000,000	3.36-9.07%	03/2030	5,630,000
Public Improvement - 2013	08/2013	9,995,000	1.50-2.75%	08/2023	3,545,000
Total					\$ 26,555,787

The TTASC Series 2005 bonds are comprised of tax-exempt turbo bonds in the amount of \$10,540,000 and \$2,332,915 of tax exempt turbo capital appreciation bonds. As of December 31, 2020, total accreted interest of \$4,507,872 has been accrued on the capital appreciation bonds, for a total carrying value of \$17,380,787.

Annual requirements to amortize the debt on outstanding bonds as of December 31, 2020 are as follows:

Year	County Serial Bonds				TTASC Bonds		
	Principal	Interest	Interest Subsidy	Total	Principal	Interest	Total
2021	\$ 1,615,000	\$ 469,817	\$ (140,300)	\$ 1,944,517	\$ 835,000	\$ 293,875	\$ 1,128,875
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
2026-2030	3,130,000	601,565	(239,885)	3,491,680	6,928,698	2,967,424	9,896,122
2031-2035	-	-	-	-	747,488	5,443,847	6,191,335
2036-2040	-	-	-	-	461,729	4,999,620	5,461,349
Totals	\$ 9,175,000	\$ 2,373,920	\$ (830,181)	\$ 10,718,739	\$ 12,872,915	\$ 14,418,266	\$ 27,291,181

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

***Note 9* Long-Term Debt - Continued**

Changes in Indebtedness - Continued

Interest expense on bonds for the year ending December 31, 2020 is as follows:

	County	TTASC	Total
Interest Paid	\$ 526,536	\$ 527,123	\$ 1,053,659
Less Interest Accrued in Prior Year	(153,686)	-	(153,686)
Add Interest Accrued in Current Year	137,965	-	137,965
Less Prior Year Accreted Interest	-	(4,034,426)	(4,034,426)
Add Current Year Accreted Interest	-	4,507,872	4,507,872
Total	\$ 510,815	\$ 1,000,569	\$ 1,511,384

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 2021 and 2039. Repayment of these loans is estimated as follows:

Year	Principal
2021	\$ 39,673
2022	40,069
2023	40,469
2024	40,875
2025	41,284
2026-2030	180,810
2031-2035	116,845
2036-2039	60,318
Total	\$ 560,343

***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.

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Note 10 Other Long-Term Obligations - Continued

The following is a summary of changes other long-term obligations for the period ended December 31, 2020:

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020	Amount Due Within One Year
Other Long-Term Liabilities					
Compensated Absences	\$ 1,258,629	\$ 158,232	\$ -	\$ 1,416,861	\$ 1,416,861
Self-Insurance Liabilities	5,750,000	-	-	5,750,000	840,000
Total	\$ 7,008,629	\$ 158,232	\$ -	\$ 7,166,861	\$ 2,256,861

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

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, 2020. Interfund transfers at December 31, 2020 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 1,170	\$ 4,535,307
Capital Fund	1,964,408	1,169
Non-Major Funds	2,413,398	-
Internal Service Fund	157,500	-
Totals	\$ 4,536,476	\$ 4,536,476

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

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

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, 2020 totaled \$5,129.
- 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, 2020 was \$11,064.
- The County Legislature permits collection of fees for hotel/motel usage. Unexpended hotel/motel usage revenue restricted in the General Fund at December 31, 2020 was \$16,843.
- The County Legislature permits collection of fees from illegal handicapped parking. Unexpended handicapped parking revenue restricted in the General Fund at December 31, 2020 was \$971.
- The County Legislature established a reserve for unemployment in the General Fund at December 31, 2020 was \$29,387.
- 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, 2020 was \$211,323.
- The County created various reserves in the Capital Fund. They consist of the following balances:

Software Reserve	\$ 41,661
Hardware Reserve	320,832
Public Land, Structure, and Equipment	1,873,764
Financial Management System	<u>144,902</u>
Total	<u>\$ 2,381,159</u>

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Note 12 Fund Balances - Continued

Fund Balance Detail

At December 31, 2020, fund balance in the governmental funds was comprised of the following:

	General Fund	Capital Fund	Non-Major Funds
Nonspendable			
Prepaid Expenses	\$ 1,623,722	\$ 43,087	\$ -
Total Nonspendable Fund Balance	\$ 1,623,722	\$ 43,087	\$ -
Restricted			
Miscellaneous Reserves (See Previous Page)	\$ 274,717	\$ 2,381,159	\$ -
Home and Community Services	-	-	351,229
TTASC Liquidity Reserve	-	-	775,972
Total Restricted Fund Balance	\$ 274,717	\$ 2,381,159	\$ 1,127,201
Assigned			
Appropriated for Next Year's Budget	\$ 4,351,277	\$ 969,331	\$ -
Encumbered for:			
General Governmental Support	41,628	1,866	-
Education	181,084	-	-
Public Safety	62,618	-	-
Public Health	241,886	18,001	-
Transportation	85,712	33,371	2,110
Economic Assistance and Opportunity	11,913	-	-
Home and Community Services	-	-	6,076
Employee Benefits	-	-	-
Assigned for:	-	-	-
Public Safety	18,881	-	-
Transportation	-	-	241,580
Home and Community Services	-	-	273,134
Debt Payment	-	-	90,677
Capital Projects	-	7,307,806	-
Total Assigned Fund Balance	\$ 4,994,999	\$ 8,330,375	\$ 613,577
Total Unassigned Fund Balance	\$ 20,563,543	\$ -	\$ -
Total Fund Balances	\$ 27,456,981	\$ 10,754,621	\$ 1,740,778

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

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 \$474,049 at December 31, 2020, 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, 2020 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, 2020 including discounted long-life workers’ compensation awards within the Workers’ Compensation Fund. Changes in the fund’s liabilities for the year ended December 31, 2020 were:

	Beginning of Year	Changes in Estimates	Claim Payments	End of Year
Workers’ Compensation - 2020	\$ 5,750,000	\$ -	\$ -	\$ 5,750,000
Workers’ Compensation - 2019	\$ 5,750,000	\$ -	\$ -	\$ 5,750,000

COUNTY OF TIOGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

***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 2020, the County provided \$319,234 to the District. In addition, the District office is on land owned by the County. A lease agreement has been put into place outlining the term and how the land may be used. The District is obligated to pay any and all expenses relative to the property as rent. The County has the right to request a security deposit, but has not made that request. The current lease is for ten years ending December 31, 2027, with the option to renew for four additional ten year periods.

***Note 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, 2020, the Internal Service Fund had a deficit unrestricted net position of \$474,049. 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, 2020, the Government-wide Statement of Net Position had an unrestricted deficit net position of \$90,055,493. 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, 2020

Note 17 Tax Abatements

For the year ended December 31, 2020, 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, 2020 is as follows:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
Economic Development	\$ 1,814,830
Total	\$ 1,814,830

Note 18 Economic Uncertainty - COVID-19

In March 2020, the COVID-19 coronavirus outbreak was declared a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the area in which the County exists. While it is unknown how long these conditions will last and what the complete financial effect will be, the County expects disruptions to businesses and residents, which could negatively impact operating results in future periods.

COUNTY OF TIOGA

BUDGETARY COMPARISON SCHEDULE (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable- (Unfavorable)
REVENUES					
Real Property Taxes	\$ 23,315,092	\$ 23,315,092	\$ 23,108,876	\$ -	\$ (206,216)
Real Property Tax Items	2,863,065	2,863,065	2,831,105	-	(31,960)
Nonproperty Tax Items	22,833,700	22,833,700	23,237,091	-	403,391
Departmental Income	6,442,960	6,457,017	5,050,841	-	(1,406,176)
Intergovernmental Charges	151,250	221,223	242,926	-	21,703
Use of Money and Property	223,000	223,000	243,316	-	20,316
Licenses and Permits	42,000	42,000	48,360	-	6,360
Fines and Forfeitures	115,877	131,110	76,831	-	(54,279)
Sale of Property and Compensation for Loss	30,000	30,000	30,000	-	-
Miscellaneous Local Sources	161,005	163,005	343,257	-	180,252
State Sources	10,660,160	14,355,515	9,217,697	-	(5,137,818)
Federal Sources	7,066,543	7,914,312	7,072,598	-	(841,714)
Total Revenues	73,904,652	78,549,039	71,502,898	-	(7,046,141)
EXPENDITURES					
General Governmental Support	13,629,965	15,052,199	12,458,508	41,628	2,552,063
Education	6,085,050	6,064,628	4,488,197	181,084	1,395,347
Public Safety	8,804,178	9,885,663	8,650,584	62,618	1,172,461
Public Health	6,117,560	6,559,785	5,290,735	241,886	1,027,164
Transportation	-	650,549	330,215	85,712	234,622
Economic Assistance and Opportunity	21,127,041	22,285,947	20,081,440	11,913	2,192,594
Culture and Recreation	422,143	503,683	492,395	-	11,288
Home and Community Services	783,077	811,554	809,730	-	1,824
Employee Benefits	13,539,922	13,664,938	12,749,307	-	915,631
Debt Service (Principal and Interest)	2,096,537	2,096,537	2,096,536	-	1
Total Expenditures	72,605,473	77,575,483	67,447,647	624,841	9,502,995
Excess of Revenues (Expenditures)	1,299,179	973,556	4,055,251	(624,841)	2,456,854
OTHER FINANCING SOURCES (USES)					
Interfund Transfers In	-	-	1,170	-	1,170
Interfund Transfers (Out)	(2,886,496)	(4,850,934)	(4,535,307)	-	315,627
Total Other Financing Sources (Uses)	(2,886,496)	(4,850,934)	(4,534,137)	-	316,797
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	<u>(1,587,317)</u>	<u>(3,877,378)</u>	<u>(478,886)</u>	<u>\$ (624,841)</u>	<u>\$ 2,773,651</u>
Appropriated Fund Balance	1,587,317	3,877,378			
Net Decrease	<u>\$ -</u>	<u>\$ -</u>	(478,886)		
Fund Balance, Beginning			27,935,867		
Fund Balance, Ending			<u>\$ 27,456,981</u>		

See Notes to Required Supplementary Information

COUNTY OF TIOGA

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

Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total OPEB Liability										
Service Cost	\$ 2,932,894	\$ 3,511,739	\$ 3,245,186	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	3,884,923	3,568,441	3,558,782	*	*	*	*	*	*	*
Changes of Benefit Terms	(79,411)	-	-	*	*	*	*	*	*	*
Differences Between Expected and Actual Experience	-	(1,652,117)	-	*	*	*	*	*	*	*
Changes in Assumptions or Other Inputs Benefit Payments	19,669,644	(11,005,198)	5,266,671	*	*	*	*	*	*	*
Benefit Payments	<u>(2,847,792)</u>	<u>(2,799,306)</u>	<u>(2,702,941)</u>	*	*	*	*	*	*	*
	<u>23,560,258</u>	<u>(8,376,441)</u>	<u>9,367,698</u>	*	*	*	*	*	*	*
Total OPEB Liability - Beginning	<u>93,245,216</u>	<u>101,621,657</u>	<u>92,253,959</u>	*	*	*	*	*	*	*
Total OPEB Liability - Ending	<u>\$ 116,805,474</u>	<u>\$ 93,245,216</u>	<u>\$ 101,621,657</u>	<u>\$ 92,253,959</u>	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Covered Employee Payroll	\$ 18,610,431	\$ 17,751,117	\$ 17,520,047	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Total OPEB Liability as a Percentage of Covered Payroll	628%	525%	580%	*	*	*	*	*	*	*

*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

County	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually Required Contribution	\$ 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	\$ 1,997,539
Contributions in Relation to the Contractually Required Contribution	(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)	(1,997,539)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
County's Covered Payroll	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	17,060,889
Contributions as a Percentage of Covered Payroll	15.63%	15.99%	15.69%	19.38%	16.30%	18.40%	20.15%	17.93%	15.82%	11.71%
Soil and Water Conservation District										
Contractually Required Contribution	\$ 89,571	\$ 125,092	\$ 118,939	\$ 91,378	\$ 69,896	\$ 76,553	\$ 30,261	\$ *	\$ *	\$ *
Contributions in Relation to the Contractually Required Contribution	(89,571)	(125,092)	(118,939)	(91,378)	(69,896)	(76,553)	(30,261)	*	*	*
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	*	*	*
District's Covered Payroll	759,000	742,000	759,000	680,000	502,000	391,000	*	*	*	*
Contributions as a Percentage of Covered Payroll	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,

	2020	2019	2018	2017	2016	2015
County						
Proportion of the Net Pension Liability	0.0795148%	0.0776983%	0.0728901%	0.0705442%	0.0736024%	0.0763016%
Proportionate Share of the Net Pension Liability	\$ 21,055,976	\$ 5,505,160	\$ 2,352,489	\$ 6,628,490	\$ 11,813,394	\$ 2,577,656
Covered Payroll During the Measurement Period	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	120.1%	32.3%	13.8%	41.2%	77.1%	15.7%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
Soil and Water Conservation District						
Proportion of the Net Pension Liability	0.0036680%	0.0036606%	0.0033831%	0.0025749%	0.0021080%	0.0017993%
Proportionate Share of the Net Pension Liability	971,303	259,366	109,189	241,947	338,335	60,786
Covered Payroll During the Measurement Period	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	128.0%	35.0%	14.4%	35.6%	67.4%	15.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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, 2020

***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 2020, 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, 2020

***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 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, 2020.

***Note 3* Schedule of Changes in the County's Total OPEB Liability and Related Ratios**

Changes of assumptions and other inputs reflect the effect of changes in the discount rate each period. The following are the discount rates in each period.

2020 - 2.74%
2019 - 4.10%
2018 - 3.44%
2017 - 3.78%

***Note 4* 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.

COUNTY OF TIOGA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2020

***Note 5* 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, 2019 actuarial valuation.

Changes of Assumptions

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, 2015 actuarial valuation. The salary scales for both plans used in the April 1, 2018 actuarial valuation 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.

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The April 1, 2018 actuarial valuation determines the employer rates for contributions payable in fiscal year 2019. 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	3.8% 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, 2020

	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
ASSETS						
Cash and Cash Equivalents - Unrestricted	\$ -	\$ 339,825	\$ 266,237	\$ 42,743	\$ 90,677	\$ 739,482
Cash and Cash Equivalents - Restricted	338,489	-	-	-	775,972	1,114,461
Other Receivables, Net	76	-	-	1,133	764,414	765,623
Due From State and Federal Governments	18,349	45,743	-	-	-	64,092
Loans Receivable	475,000	-	-	-	-	475,000
Total Assets	\$ 831,914	\$ 385,568	\$ 266,237	\$ 43,876	\$ 1,631,063	\$ 3,158,658
LIABILITIES						
Accounts Payable	\$ 560	\$ 104,338	\$ 17,169	\$ 11,610	\$ -	\$ 133,677
Accrued Liabilities	5,125	2,020	31,273	6,371	-	44,789
Total Liabilities	5,685	106,358	48,442	17,981	-	178,466
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	475,000	-	-	-	764,414	1,239,414
FUND BALANCES						
Restricted	351,229	-	-	-	775,972	1,127,201
Assigned	-	279,210	217,795	25,895	90,677	613,577
Total Fund Balances	351,229	279,210	217,795	25,895	866,649	1,740,778
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 831,914	\$ 385,568	\$ 266,237	\$ 43,876	\$ 1,631,063	\$ 3,158,658

COUNTY OF TIOGA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	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)	
REVENUES						
Real Property Taxes	\$ -	\$ 1,336,297	\$ -	\$ -	\$ -	\$ 1,336,297
Real Property Tax Items	-	99,297	-	-	-	99,297
Departmental Income	-	160	75	-	-	235
Use of Money and Property	-	124	558	511	503	1,696
Sale of Property and Compensation for Loss	-	-	17,235	48,608	-	65,843
Miscellaneous Local Sources	-	-	-	-	712,812	712,812
State Sources	-	-	30,809	-	-	30,809
Federal Sources	246,953	-	304,056	-	-	551,009
Total Revenues	246,953	1,435,878	352,733	49,119	713,315	2,797,998
EXPENDITURES						
General Governmental Support	-	-	-	-	46,313	46,313
Transportation	-	-	1,992,749	473,905	-	2,466,654
Economic Assistance and Opportunity	163,853	-	-	-	-	163,853
Home and Community Services	475,000	1,474,293	-	-	-	1,949,293
Employee Benefits	95,053	23,784	538,720	98,944	-	756,501
Debt Service (Principal and Interest)	-	-	-	-	667,123	667,123
Total Expenditures	733,906	1,498,077	2,531,469	572,849	713,436	6,049,737
Excess of Revenues (Expenditures)	(486,953)	(62,199)	(2,178,736)	(523,730)	(121)	(3,251,739)
OTHER FINANCING SOURCES (USES)						
Interfund Transfers In	-	-	2,098,688	314,710	-	2,413,398
Interfund Transfers (Out)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	2,098,688	314,710	-	2,413,398
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	(486,953)	(62,199)	(80,048)	(209,020)	(121)	(838,341)
Fund Balances, Beginning	838,182	341,409	297,843	234,915	866,770	2,579,119
Fund Balances, Ending	\$ 351,229	\$ 279,210	\$ 217,795	\$ 25,895	\$ 866,649	\$ 1,740,778



**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, 2020, 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 17, 2021. 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 entity’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 entity’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 17, 2021



**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

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, 2020. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

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, 2020.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 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 17, 2021

COUNTY OF TIOGA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Catalog #</u>	<u>Pass-Through Grantor #</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
U.S. Department of Agriculture				
Passed Through NYS Office of Temporary and Disability Assistance:				
SNAP Cluster:				
State Administrative Grants for the Supplemental Nutrition Assistance Program	10.561	(1)	\$ -	\$ 662,663
Total SNAP Cluster			-	662,663
Total U.S. Department of Agriculture			-	662,663
U.S. Department of Justice				
Passed Through NYS Department of Justice:				
Bullet Proof Vest Program	16.607	(1)	-	5,280
Total U.S. Department of Justice			-	5,280
U.S. Department of Labor				
Passed Through NYS Department of Labor:				
Workforce Innovation and Opportunity Act Cluster:				
Workforce Innovation and Opportunity Act - Adult Program	17.258	(1)	-	102,116
Workforce Innovation and Opportunity Act - Youth Activities	17.259	(1)	-	77,475
Workforce Innovation and Opportunity Act - Dislocated Workers	17.278	(1)	-	67,362
Total Workforce Innovation and Opportunity Act Cluster			-	246,953
Total U.S. Department of Labor			-	246,953
U.S. Department of Transportation				
Passed Through NYS Department of Transportation:				
Federal Transit Cluster:				
Federal Transit Capital Investment Grants	20.500	(1)	-	235,964
Formula Grants for Other than Urbanized Areas	20.509	T004202	-	64,589
Total Federal Transit Cluster			-	300,553
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	D035917	-	161,211
Highway Planning and Construction	20.205	D036071	-	15,068
Highway Planning and Construction	20.205	D036072	-	602,107
Highway Planning and Construction	20.205	D036139	-	142,844
Total Highway Planning and Construction Cluster			-	921,230
STOP DWI Crackdown Grant	20.616	(1)	-	3,781
Total U.S. Department of Transportation			-	1,225,564
U.S. Department of the Treasury				
Passed Through NYS Department of Health and Human Services:				
Coronavirus Relief Fund	21.019	(1)	-	38,243
Total U.S. Department of the Treasury			-	38,243
U.S. Department of Education				
Passed Through NYS Department of Health:				
Special Education - Grants for Infants and Toddlers	84.181	(1)	-	29,521
Total U.S. Department of Education			-	29,521
U.S. Election Assistance Commission				
Passed Through NYS Board of Elections:				
Help America Vote Act-Shoebox Program	90.401	C003248	-	54,289
NYS HAVA CARES Act Grant Program	90.404	C004219	-	64,618
Total U.S. Election Assistance Commission			-	118,907
Subtotal Expenditures of Federal Awards			-	2,327,131

See Notes to Schedule of Expenditures of Federal Awards

COUNTY OF TIOGA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal Catalog #	Pass-Through Grantor #	Passed Through to Subrecipients	Expenditures
Subtotal Expenditures of Federal Awards Carried Forward			\$ -	\$ 2,327,131
U.S. Department of Health and Human Services				
Passed Through Health Research, Inc.:				
Public Health Preparedness	93.069	1623-10	-	55,761
Passed Through NYS Office of Temporary and Disability Assistance:				
TANF Cluster:				
Temporary Assistance for Needy Families (TANF)	93.558	(1)	-	3,446,598
Total TANF Cluster			-	3,446,598
Child Support Enforcement	93.563	(1)	-	252,985
Low-Income Home Energy Assistance	93.568	(1)	-	3,285,132
Passed Through NYS Office of Children and Family Services:				
Child Care and Development Fund Cluster:				
Child Care and Development Block Grant	93.575	(1)	-	930,161
Total Child Care and Development Fund Cluster			-	930,161
Title IV-E Foster Care Program	93.658	(1)	-	666,724
Social Services Block Grant	93.667	(1)	-	168,882
Chafee Foster Care Independence Program	93.674	(1)	-	10,320
Adoption Assistance	93.659	(1)	-	250,618
Medical Assistance Program	93.778	(1)	-	456,152
Passed Through NYS Department of Health and Human Services:				
Drug Free Communities Grant	93.276	(1)	-	143,847
Passed Through NYS Office of Mental Health:				
Medical Assistance Program	93.778	(1)	-	154,824
Passed Through the NYS Department of Health:				
Maternal and Child Health Services Block Grant to the States	93.994	(1)	-	12,120
Immunization Cooperative Agreements	93.268	(1)	-	19,544
Medical Assistance Program-Upper Payment Limit	93.778	(1)	-	89,350
Total U.S. Department of Health and Human Services			-	9,943,018
U.S. Department of Homeland Security				
Passed Through NYS Division of Homeland Security and Emergency Services:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(1)	-	303,039
Emergency Management Performance Grant	97.042	(1)	-	31,152
Homeland Security Grant Program	97.067	(1)	-	18,379
Total U.S. Department of Homeland Security			-	352,570
Total Expenditures of Federal Awards			\$ -	\$ 12,622,719
Program Total Obscured Above				
Medical Assistance Program and Medicaid Cluster	93.778			\$ 700,326

(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, 2020

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 Catalog of Federal Domestic Assistance (CFDA) number 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

CORRECTIVE ACTION PLAN DECEMBER 31, 2020

Section I Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

___ yes X no

Significant deficiency(ies) identified that
are not considered to be material weakness(es)?

___ yes X none reported

Noncompliance material to financial statements
noted?

___ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

___ yes X no

Significant deficiency(ies) identified that
are not considered to be material weakness(es)?

___ yes X 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 X no

Identification of major programs:

CFDA Numbers:

Name of Federal Program or Cluster:

93.568

Low-Income Home Energy Assistance

93.563

Child Support Enforcement

Dollar threshold used to distinguish between
type A and type B programs

\$750,000

Auditee qualified as low-risk auditee

X yes ___ no

Section II Financial Statement Findings

None

Section III Federal Award Findings

None