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

Certified Public Accountants and Consultants

Frederick J. Ciaschi, C.P.A.

COUNTY OF TIOGA

Owego, New York

EXECUTIVE SUMMARY

December 31, 2008

CORTLAND

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Cortland, New York 13045
607-753-7439
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ITHACA

401 East State Street ~ Suite 500
Ithaca, New York 14850
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COUNTY OF TIOGA

EXECUTIVE SUMMARY OF 2008 AUDIT REPORT AND FINDINGS

Basic Financial Statements

Report of Independent Auditors on Basic Financial Statements

Report of Independent Auditors on Supplemental Financial Information

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

Single Audit (OMB A-133) Report

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

Report on Schedule of Expenditures of Federal Awards

Auditor's Communication with Those Charged with Governance

Description of Report and Findings

Unqualified opinion on the County's financial statements for the year ended December 31, 2008.

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

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

Reports on the County's internal control over financial reporting based on the auditor's understanding of the internal control structure and assessment of control risk obtained as part of the audit of the basic financial statements. This report identified **one significant deficiency and one material weakness in internal control**.

Description of Report and Findings

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

Unqualified report on the Schedule of Expenditures of Federal Awards supplemental information in relation to the primary audit report. Federal expenditures amounted to \$18,400,026.

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

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

COUNTY OF TIOGA

4 YEAR FINANCIAL STATEMENT ANALYSIS

GENERAL FUND	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>	<u>12/31/2005</u>
<u>ASSETS</u>				
Cash and investments	\$ 8,149,756	\$ 6,478,455	\$ 5,730,186	\$ 6,490,494
Taxes receivable	5,094,743	5,344,497	4,798,459	4,284,394
Due from state and federal	5,015,335	4,394,838	8,471,094	7,683,864
Other receivables	388,736	785,179	745,803	436,915
Prepaid expenses	336,739	401,913		
Due from other governments	13,011			
Due from other funds	3,070,939	1,068,745	348,842	563,120
Other				
Total Assets	<u>\$ 22,069,259</u>	<u>\$ 18,473,627</u>	<u>\$ 20,094,384</u>	<u>\$ 19,458,787</u>
<u>LIABILITIES</u>				
Accounts payable and accruals	\$ 3,369,695	\$ 2,017,622	\$ 2,099,123	1,995,412
Due to other governments	3,534,311	3,434,865	3,141,904	5,150,432
Due to other funds	2,215,791	469,248	1,407,780	1,071,053
Deferred revenue	1,652,877	2,160,927	1,485,665	1,072,339
Total Liabilities	<u>10,772,674</u>	<u>8,082,662</u>	<u>8,134,472</u>	<u>9,289,236</u>
<u>FUND BALANCE</u>				
Reserved for encumbrances	393,403	447,731	378,910	416,249
Reserved for other	599,414	458,032	290,775	221,207
Appropriated	4,600,000	4,000,000	3,400,000	1,900,000
Unreserved	5,703,768	5,485,202	7,890,227	7,632,095
Total Fund Balances	<u>11,296,585</u>	<u>10,390,965</u>	<u>11,959,912</u>	<u>10,169,551</u>
Total Liabilities and Fund Balances	<u>\$ 22,069,259</u>	<u>\$ 18,473,627</u>	<u>\$ 20,094,384</u>	<u>\$ 19,458,787</u>
<u>REVENUES</u>				
Real property taxes and tax items	\$ 20,593,026	\$ 18,735,668	\$ 18,098,306	\$ 18,744,516
Nonproperty tax items	16,895,480	16,007,800	16,967,567	15,062,135
Departmental income	8,030,635	6,910,370	7,323,658	7,062,674
Intergovernmental charges	504,101	581,067	978,255	946,110
Use of money and property	253,453	595,260	444,657	178,780
Fines and forfeitures	133,867	138,024	101,102	141,258
Other	612,542	709,969	193,205	280,392
State sources	8,780,736	8,932,542	9,071,031	9,078,168
Federal sources	6,418,455	8,959,189	9,101,997	8,710,986
Total Revenues	<u>62,222,295</u>	<u>61,569,889</u>	<u>62,279,778</u>	<u>60,205,019</u>
<u>EXPENDITURES</u>				
General governmental support	10,430,420	9,900,808	9,646,497	8,530,227
Education	4,526,465	4,214,424	4,234,407	3,701,925
Public safety	6,497,446	6,150,246	6,123,074	5,710,859
Public health	7,426,805	7,066,839	6,760,855	6,456,663
Transportation	785,701	807,844	729,181	740,602
Economic assistance and opportunity	19,704,320	19,670,902	20,594,140	20,400,859
Culture and recreation	215,570	212,401	227,204	219,965
Home and community service	635,062	592,107	560,764	510,516
Employee benefits	7,979,120	7,984,333	8,149,241	7,793,966
Total Expenditures	<u>58,200,909</u>	<u>56,599,904</u>	<u>57,025,363</u>	<u>54,065,582</u>
Excess of Revenues	<u>4,021,386</u>	<u>4,969,985</u>	<u>5,254,415</u>	<u>6,139,437</u>
Transfers (out)	<u>(3,115,766)</u>	<u>(2,456,579)</u>	<u>(3,464,054)</u>	<u>(2,311,354)</u>
Net Change in Fund Balance	<u>\$ 905,620</u>	<u>\$ 2,513,406</u>	<u>\$ 1,790,361</u>	<u>\$ 3,828,083</u>
Restatement of 2006 DSS Receivable	<u>\$ -0-</u>	<u>\$ (4,082,353)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>EXPENDITURES AND TRANSFERS IN OTHER FUNDS</u>				
Refuse and Garbage Fund	<u>\$ 1,243,391</u>	<u>\$ 1,182,692</u>	<u>\$ 1,125,716</u>	<u>\$ 1,013,187</u>
County Road Fund	<u>\$ 1,756,699</u>	<u>\$ 1,730,025</u>	<u>\$ 1,672,854</u>	<u>\$ 1,711,503</u>
Road Machinery Fund	<u>\$ 660,935</u>	<u>\$ 609,474</u>	<u>\$ 575,768</u>	<u>\$ 634,722</u>
Special Grant Fund	<u>\$ 291,126</u>	<u>\$ 628,460</u>	<u>\$ 446,898</u>	<u>\$ 656,610</u>
Capital Funds	<u>\$ 7,644,938</u>	<u>\$ 8,179,379</u>	<u>\$ 8,042,254</u>	<u>\$ 8,586,090</u>

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

COUNTY OF TIOGA

EXECUTIVE SUMMARY OF 2008 AUDIT

AUDIT FOCUS/REPORTING OBJECTIVES:

- 1) Financial Statements
 - * Management's Discussion and Analysis
 - * Government-wide Financial Statements
 - * Governmental Fund Financial Statements
 - * Notes to Financial Statements
 - * Budgetary Comparison Schedules
 - * Supplementary Information

- 2) Single Audit
 - * Study and Evaluation of Internal Controls
 - * Testing of Compliance with Laws and Regulations

AUDIT APPROACH:

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

AUDIT REPORTS:

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

UNDERSTANDING THE COUNTY'S OPERATIONS:

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

FACTORS AFFECTING THE SCOPE OF TESTING:

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

CONSIDERATION OF INTERNAL CONTROL STRUCTURE:

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