

**COUNTY OF TIOGA**  
**WELLSBORO, PENNSYLVANIA**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

COUNTY OF TIOGA, PENNSYLVANIA  
YEAR ENDED DECEMBER 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

Commissioners of Tioga County  
Wellsboro, Pennsylvania

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Tioga, Pennsylvania (the "County"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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



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In performing an audit in accordance with GAAS and GAS, we:

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

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

## **Adoption of Governmental Accounting Standards Board Pronouncements**

As described in Note 1 to the financial statements, in 2023 the County adopted the provisions of Governmental Accounting Standards Board's Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*", and the requirements related to leases, PPPs, and SBITAs of GASB Statement No. 99, "*Omnibus 2022*". Our opinion is not modified with respect to these matters.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension (asset) liability and related ratios, schedule of employer contributions – last ten years, schedule of investment returns, and the required budgetary comparison schedules, on pages 4 through 14, and 48 through 52, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.



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## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024 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 solely 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 the effectiveness of 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.

*Zelenkofske Axelrod LLC*

ZELENKOFSCHE AXELROD LLC

Harrisburg, Pennsylvania  
September 30, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

The COUNTY OF TIOGA, PENNSYLVANIA, hereafter referred to as the "County", is pleased to present its financial statements developed in compliance with Statement of Governmental Accounting Standard No. 34, entitled "Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments" (hereafter "GASB 34"). This section of the financial reporting package presents our discussion and analysis of the County's financial performance during the year that ended on December 31, 2023. Please read it in conjunction with the County's financial statements that follow this section.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This report consists of the following three parts:

- Management's discussion and analysis (this section)
- Basic financial statements (including notes)
- Required supplementary information

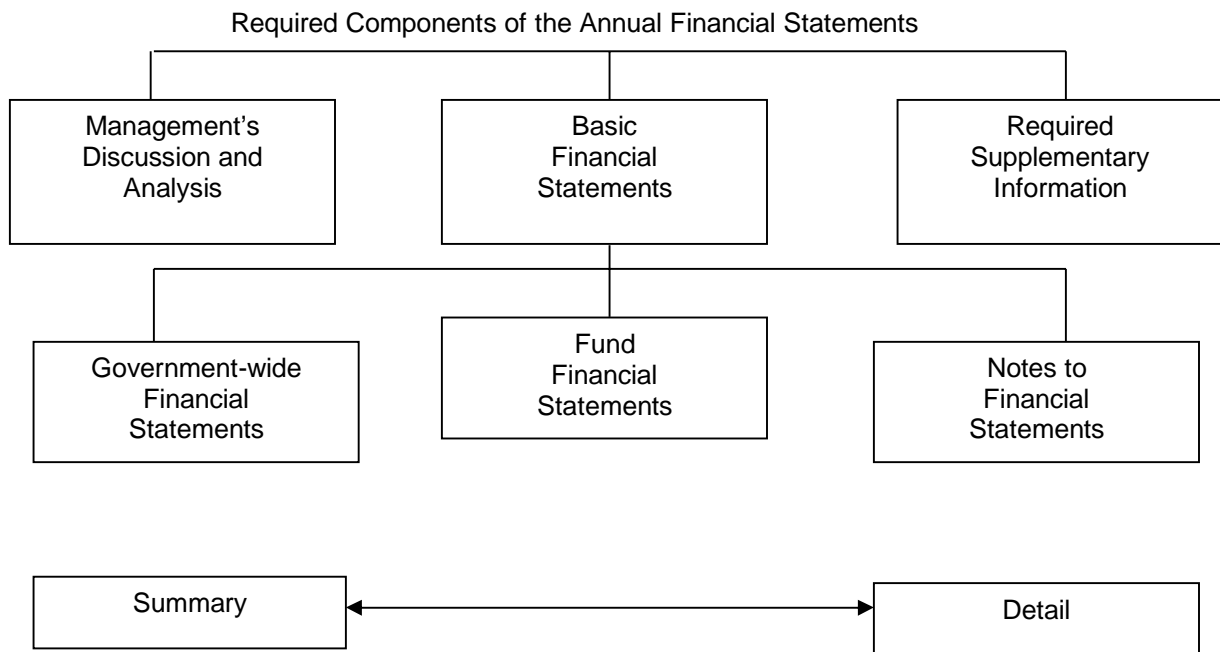
Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the County's government. The basic financial statements include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Required supplementary information is provided on the County's budget to actual figures for the general and human services funds and pension schedules.

The basic financial statements present two different views of the County.

- *Government-wide financial statements*, the first two statements, provide information about the County's overall financial status.
- *Fund financial statements*, the remaining statements, focus on individual parts of the County's government. They provide more detail on operations than the government-wide statements. There are two types of fund financial statements:
  - *Governmental funds statements* show how general government services such as public safety, human services, public works, culture and recreation, and conservation and development are financed in the short term, as well as what remains for future spending.
  - *Fiduciary funds statements* reflect activities involving resources that are held by the County as a trustee or agent for the benefit of others. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the County's programs.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**Table A-1: Organization of the County's annual financial report**



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2023**

Table A-2 summarizes the major features of the County's financial statements, including the area of the County's activities they cover and the types of information they contain.

**Table A-2: Major features of the government-wide and fund financial statements**

	<b>Government-wide Statements</b>	<b>Fund Financial Statements</b>	
		<b><u>Governmental</u></b>	<b><u>Fiduciary</u></b>
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the County, such as public safety and courts	Instances in which the County administers resources on behalf of others
Required Financial Statements	-Statement of net position -Statement of activities	-Balance Sheet -Statement of revenues, expenditures and changes in fund balance	-Statement of fiduciary net position -Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services and have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

The remainder of the overview explains the structure and contents of the government-wide and fund financial statements.

### **Government-Wide Financial Statements**

Government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies.

- The statement of net position includes all the County's assets, deferred outflows, liabilities, and deferred inflows, except fiduciary funds, with the difference between the four reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business.
- The statement of activities focuses on how the County's net position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on local taxes for funding.

All changes to net position are reported using the accrual basis of accounting, which requires revenues to be reported when they are earned and expenses to be reported when the goods and/or services are incurred.

Net position is one way to measure the County's financial position. Over time, increases or decreases in the County's net position are one indicator of whether the County's financial position is improving or deteriorating. However, other non-financial factors such as changes in the County's property tax base and general economic conditions must be considered to assess the overall position of the County.

There is one category of activities for the primary government:

- *Governmental activities* include the County's basic services such as general government, judicial, public safety, public works, human services, culture and recreation, and conservation and development.

Net position of the governmental activities differs from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets in the fund level statements are reported as expenditures when financial resources (money) are expended to purchase or build assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Finally, capital assets and long-term debt do not affect fund balances.

Government-wide statements are reported on the accrual basis of accounting that involves the following steps to format the statement of net position:

- Capitalize current outlays of capital assets
- Depreciate capital assets and allocate the depreciation to the proper program activities
- Report long-term debt and other long-term liabilities as a liability
- Report the difference between the County pension plan's net position and the total pension liability as a net pension (asset) liability
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**Government-Wide Financial Statements (Continued)**

- Allocate net position balances as follows:
  - Net investment in capital assets;
  - Restricted net position are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation; and
  - Unrestricted net position is net position that does not meet any of the above restrictions.

**Fund Financial Statements**

Fund financial statements provide more detailed information on the County's most significant funds, not the County as a whole. Funds are accounting devices, i.e., a group of related accounts, the County uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. Other funds are established to control and manage resources designated for specific purposes. Fund financial statements are reported using the modified accrual basis of accounting.

The County has two kinds of funds:

- *Governmental funds* include most of the County's basic services and focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash, and: (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting.

The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds are described in a reconciliation that follows the governmental fund financial statements.

The County adopts an annual budget for the General Fund, as required by state law. A budgetary comparison of the County's General Fund is presented as required supplementary information.

- *Fiduciary Funds* are for which the County is the trustee or fiduciary. These include certain custodial funds, or clearing accounts for assets held by the County in its role as custodian until the funds are allocated to the private parties, organizations or government agencies to which they belong. The County is responsible to ensure the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net position. These funds are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations. The fiduciary funds are reported using the accrual basis of accounting.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Net position**

At December 31, 2023, under the accrual basis of accounting the County's total assets and deferred outflows of resources were \$82.7 million with a comparative amount reported at December 31, 2022 of \$85.2 million.

GASB No. 34 requires that all capital assets, including infrastructure, be valued and reported within the governmental activities' column of the government-wide financial statements.

**Table A-3: Condensed Statement of Net position**

	<b>Governmental Activities 2023</b>	<b>Governmental Activities 2022</b>	<b>Changes from 2022 to 2023</b>
<b>ASSETS:</b>			
Capital Assets, net	\$ 36,866,080	\$ 33,901,063	\$ 2,965,017
Current & Other Assets	<u>39,561,282</u>	<u>39,889,224</u>	<u>(327,942)</u>
Total Assets	<u>76,427,362</u>	<u>73,790,287</u>	<u>2,637,075</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	<u>6,233,869</u>	<u>11,434,724</u>	<u>(5,200,855)</u>
<b>LIABILITIES:</b>			
Non-Current Liabilities	8,293,306	13,545,371	(5,252,065)
Current Liabilities	<u>3,829,679</u>	<u>4,124,356</u>	<u>(294,677)</u>
Total Liabilities	<u>12,122,985</u>	<u>17,669,727</u>	<u>(5,546,742)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	158,444	192,630	(34,186)
Pensions	<u>298,127</u>	<u>691,213</u>	<u>(393,086)</u>
	<u>456,571</u>	<u>883,843</u>	<u>(427,272)</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	36,132,986	33,104,706	3,028,280
Restricted Net Position	16,453,766	16,359,991	93,775
Unrestricted Net Position	<u>17,494,923</u>	<u>17,206,744</u>	<u>288,179</u>
Total Net Position	<u>\$ 70,081,675</u>	<u>\$ 66,671,441</u>	<u>\$ 3,410,234</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**Change in Net position**

The following statement of activities represents changes in net position for the years ended December 31, 2023, and December 31, 2022, and changes from 2022 to 2023. It shows revenues by source and expenses by function for governmental activities.

**Table A-4: Condensed Statement of Activities**

	<b>Governmental Activities 2023</b>	<b>Governmental Activities 2022</b>	<b>Changes from 2022 to 2023</b>
Program Revenues:			
Charges for Services	\$ 3,379,464	\$ 4,212,752	\$ (833,288)
Operating/Capital Grants and Contributions	27,426,579	24,300,078	3,126,501
General Revenues:			
Taxes	13,816,764	13,111,312	705,452
Unrestricted Investment Earnings	838,921	249,560	589,361
Bad debt recoveries - loans receivable	-	674,436	(674,436)
Miscellaneous	515,549	319,283	196,266
Total Revenue	<u>45,977,277</u>	<u>42,867,421</u>	<u>3,109,856</u>
Expenses:			
General Government - Administrative	8,418,000	6,379,661	2,038,339
General Government - Judicial	4,134,085	4,513,760	(379,675)
Public Safety	9,927,622	10,569,284	(641,662)
Public Works	1,341,756	1,065,467	276,289
Human Services	17,156,297	16,553,894	602,403
Culture and Recreation	918,961	942,721	(23,760)
Conservation and Development	670,322	682,693	(12,371)
Total Expenses	<u>42,567,043</u>	<u>40,707,480</u>	<u>1,859,563</u>
Change in Net Position	<u>\$ 3,410,234</u>	<u>\$ 2,159,941</u>	<u>\$ 1,250,293</u>

The County's program and general revenues remained relatively consistent 2023 versus 2022, with the exception of its operating/capital grants and contributions revenue category, which increased \$3,126,501 or approximately 13%. The majority of this increase relates to a "flow through" grant received from the Commonwealth of Pennsylvania of \$2,500,000 for a Broadband Connectivity Project Grant issued to Tri-County Rural Electric Company. The County's general government – administrative expenditure line item increased \$2,038,339, or approximately 32%. This primarily relates to the previously noted \$2,500,000 Broadband Connectivity Project Grant.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**Net Program Expenses**

Net program expenses for the year ended December 31, 2023, indicate the amount of support required from taxes and other general revenues for the programs of the government. In 2023, property and hotel taxes brought in \$13.8 million.

**Net Cost of Governmental Activities**

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Program:		
General Government - Administrative	\$ 8,418,000	\$ 3,737,910
General Government - Judicial	4,134,085	2,370,918
Public Safety	9,927,622	7,474,645
Public Works	1,341,756	(4,277,016)
Human Services	17,156,297	2,717,957
Culture and Recreation	918,961	(249,983)
Conservation and Development	<u>670,322</u>	<u>(13,431)</u>
Total	<u>\$ 42,567,043</u>	<u>\$ 11,761,000</u>

The County relied on property taxes and other general revenues to fund 28% of its governmental activities in 2023.

**Capital Assets**

The County's investment in capital assets at December 31, 2023, net of accumulated depreciation, was \$36.9 million. Capital assets consist primarily of land, buildings, construction in progress, infrastructure and equipment. The following table is a summary of capital assets at December 31, 2023.

	<b>Governmental Activities</b>
Land	\$ 2,203,769
Construction in Progress	6,113,742
Land Improvements	1,612,808
Buildings and Improvements	34,054,345
Infrastructure	12,619,392
Equipment and Furniture	17,783,030
Right-to-use assets	1,037,741
Vehicles	<u>471,853</u>
Total Capital Assets	75,896,680
Accumulated Depreciation	<u>(39,030,600)</u>
Net Capital Assets	<u>\$ 36,866,080</u>

Capital assets, net of depreciation increased approximately \$3.0M over the prior year as a result of ongoing capital outlay during 2023, offset by depreciation expense.

Other detailed information about the County's capital assets can be found in Note 5 to the Financial Statements.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**GOVERNMENTAL FUNDS**

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of governmental funds is to provide information on inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved/undesignated fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

The County's governmental funds include the general fund and special revenue funds. The General Fund is the chief operating fund for the County. Special revenue funds are restricted to specific legislated use. The major funds are shown on the statement of revenues, expenditures and changes in fund balances in the financial statements.

**GOVERNMENTAL FUND REVENUES**

Governmental fund revenues by source for the year ended December 31, 2023 and December 31, 2022, were as follows:

	2023	2022	Changes from 2022 to 2023
Revenues and other financing sources			
Taxes	\$ 13,591,533	\$ 13,770,086	\$ (178,553)
Intergovernmental Revenues	27,426,549	24,191,118	3,235,431
Charges for Services	3,332,673	3,212,036	120,637
Interest and Rents	838,921	249,560	589,361
Court Costs and Fines	125,336	98,223	27,113
License and Permits	10,254	9,609	645
Miscellaneous Income	515,549	319,283	196,266
Bad Debt Recoveries - Loans Receivable	-	674,436	(674,436)
Proceeds from Issuance of Extended Term Financing	127,112	263,847	(136,735)
Capital Contributions	27,665	108,960	(81,295)
Operating Transfers In	<u>9,292,118</u>	<u>9,045,389</u>	<u>246,729</u>
Total Revenues and other financing sources	<u>\$ 55,287,710</u>	<u>\$ 51,942,547</u>	<u>\$ 3,345,163</u>

Governmental fund revenues totaled \$55.3 million for the year ended December 31, 2023. This is an increase of approximately \$3.3 million from 2022 or (6%). The most significant increase occurred in the Intergovernmental Revenues, which was an increase of approximately \$3.2 million. This is mostly comprised of the previously mentioned \$2,500,000 "flow through" Broadband Connectivity Project Grant issued to Tri-County Rural Electric Company.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**GOVERNMENTAL FUND EXPENDITURES**

Governmental fund expenditures by function at December 31, 2023 and December 31, 2022, were as follows:

	2023	2022	Changes from 2022 to 2023
Expenditures and other financing uses:			
General Government - Administrative	\$ 7,700,272	\$ 4,980,646	\$ 2,719,626
General Government - Judicial	4,327,850	4,204,435	123,415
Public Safety	8,998,535	8,644,483	354,052
Public Works	939,169	480,333	458,836
Human Services	16,910,899	16,057,022	853,877
Culture and Recreation	916,468	940,229	(23,761)
Conservation and Development	767,163	733,587	33,576
Debt Service:			
Principal	190,375	148,779	41,596
Interest	66,949	65,113	1,836
Capital Outlay	5,303,277	5,095,950	207,327
Operating Transfers Out	9,292,118	9,045,389	246,729
	<u>\$ 55,413,075</u>	<u>\$ 50,395,966</u>	<u>\$ 5,017,109</u>
Total Expenditures and other financing uses	<u>\$ 55,413,075</u>	<u>\$ 50,395,966</u>	<u>\$ 5,017,109</u>

Governmental fund total expenditures totaled \$55.4 million for the year ended December 31, 2023. This is an increase of approximately \$5.0 million from 2022 (10%). Again, this is mostly comprised of the previously mentioned \$2,500,000 "flow through" Broadband Connectivity Project Grant issued to Tri-County Rural Electric Company. The County had significant capital outlay in 2022 and 2023. This is largely due to the construction of the Marsh Creek Greenway trail.

**GOVERNMENTAL FUND BALANCES**

Ending balances for governmental funds at December 31, 2023 were as follows:

Fund	Governmental Funds
General Fund	\$ 12,013,269
Human Services Fund	2,389,764
911 Fund	529,039
Act 13 Impact Fund	8,998,147
American Rescue Fund	4,723,954
Other Governmental Funds	<u>5,065,855</u>
Total Governmental Funds Balances	<u>\$ 33,720,028</u>

The County's governmental funds reported a combined fund balance of \$33.7 million at December 31, 2023. Of the total, the General Fund reported an unassigned fund balance in the amount of \$12.0 million, which is available to meet the County's current and future needs.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**BUDGET HIGHLIGHTS**

In 2023, the tax millage remained at 6.75 mills. The County has not had a tax increase since 2010. In preparing the 2023, budget the County realized it could still control costs and could provide all the necessary services for the residents of Tioga County without raising taxes.

The largest expense to the County is payroll. Wages account for approximately \$10.2 million of their operating expenditures. Most County employees are covered by multiyear union agreements which define when employees receive wage increases. Closely associated to wages is the County's retirement plan which is a defined benefit plan.

In 2023, Tioga County funded the retirement plan in the amount of \$2,300,000. The County's net pension liability, which is a measure of the difference between the total actuarially determined total pension liability and the retirement plan's fiduciary net position, decreased from \$12,726,884 at December 31, 2022 to \$7,540,860 at December 31, 2023, as a result of positive investment returns and actuarial estimates.

Another major expenditure that all employers face is increasing health insurance costs. The intervention of the Federal Government into health insurance has placed mandates on private health insurance providers which has increased the cost of health insurance. In 2023, the County again paid over \$2.6 million of the County's operating expenditures, for medical and dental insurance.

**ECONOMIC OUTLOOK**

At the end of 2023 Tioga County's unemployment rate was 3.2% which was slightly lower than the state rate of 3.4% and lower than the national rate of 3.7%.

There has been a slight decrease in the population since the Marcellus Shale industry in the County has slowed. However, the County continues to benefit from the Act 13 unconventional well (impact fee) funding.

Property taxes represent a major source of revenue for the County. Property taxes are based on assessed property values and the millage rate. In 2023, a reassessment was performed. For 2024, property values and millage rate were changed but overall revenue is expected to remain relatively consistent with 2023.

The County Commissioners are committed to meeting unfavorable economic indicators. The County will continue to look for opportunities to control government costs and maximize reimbursements of allowable expenditures while maintaining a professional staff to deliver the necessary services in Tioga County.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to demonstrate the County's accountability. Questions concerning this financial information or requests for additional information should be directed to:

County of Tioga, Pennsylvania  
Janice Chamberlain, Chief Clerk  
118 Main Street  
Wellsboro, PA 16901

Phone: 570-723-8209

COUNTY OF TIOGA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023

	<u>Governmental Activities</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 15,789,115
Receivables	
Accounts	1,736,073
Taxes	1,482,008
Loans	1,092,003
Leases	158,444
Due From Other Governments	4,442,775
Other Assets	64,260
Restricted Assets	
Cash for Program Purposes	14,760,457
Cash for Construction	36,147
Total Current Assets	<u>39,561,282</u>
Noncurrent Assets:	
Capital Assets, Not Being Depreciated	8,317,511
Capital Assets Being Depreciated, Net	<u>28,548,569</u>
Total Noncurrent Assets	<u>36,866,080</u>
Total Assets	<u>76,427,362</u>
<u>Deferred Outflows of Resources</u>	
Pensions	<u>6,233,869</u>
Total Assets and Deferred Outflows of Resources	<u>82,661,231</u>
<u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	1,799,180
Current Portion of Lease Obligations	192,427
Accrued Liabilities	1,003,820
Due to Other Governments	59,315
Unearned Revenues	767,365
Funds Held in Escrow	<u>7,572</u>
Total Current Liabilities	<u>3,829,679</u>
Noncurrent Liability:	
Lease Obligations	540,667
Net Pension Liability	7,540,860
Compensated Absences	<u>211,779</u>
Total Noncurrent Liabilities	<u>8,293,306</u>
Total Liabilities	<u>12,122,985</u>
<u>Deferred Inflows of Resources</u>	
Deferred Inflows of Resources, Leases	158,444
Deferred Inflows of Resources, Pension	<u>298,127</u>
Total Deferred Inflows of Resources	<u>456,571</u>
<u>Net Position</u>	
Net Investment in Capital Assets	36,132,986
Restricted	16,453,766
Unrestricted	<u>17,494,923</u>
Total Net Position	<u>\$ 70,081,675</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF TIOGA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)/Revenue Change in Net Position
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General Government - Admin	\$ 8,418,000	\$ 1,080,511	\$ 2,973,625	\$ 625,954	\$ (3,737,910)
General Government - Judicial	4,134,085	950,720	-	812,447	(2,370,918)
Public Safety	9,927,622	296,804	-	2,156,173	(7,474,645)
Public Works	1,341,756	229,938	892,194	4,496,640	4,277,016
Human Services	17,156,297	821,491	500,888	13,115,961	(2,717,957)
Culture and Recreation	918,961	-	1,168,944	-	249,983
Conservation and Development	670,322	-	30,922	652,831	13,431
Total governmental activities					
and primary government	<u>\$ 42,567,043</u>	<u>\$ 3,379,464</u>	<u>\$ 5,566,573</u>	<u>\$ 21,860,006</u>	(11,761,000)
General revenues:					
Taxes:					
Property taxes					12,989,079
Hotel taxes					827,685
Unrestricted investment earnings					838,921
Miscellaneous					<u>515,549</u>
Total general revenues					<u>15,171,234</u>
Change in net position					3,410,234
Net position - beginning					66,671,441
Net position - ending					<u>\$ 70,081,675</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF TIOGA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023

<u>Assets</u>	<u>General</u>	<u>Human Services Fund</u>	<u>911 Fund</u>	<u>Act 13 Impact Fund</u>	<u>American Rescue Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	\$ 9,237,781	\$ -	\$ -	\$ -	\$ 4,723,954	\$ 1,827,380	\$ 15,789,115
Receivables							
Accounts	683,827	987,845	50	-	-	64,351	1,736,073
Taxes	1,482,008	-	-	-	-	-	1,482,008
Loans	-	-	-	1,092,003	-	-	1,092,003
Leases	158,444	-	-	-	-	-	158,444
Due From Other Funds	2,755,819	13,424	953	-	-	14,569	2,784,765
Due From Other Governments	229	3,758,636	386,142	-	-	297,768	4,442,775
Other Assets	9,966	54,294	-	-	-	-	64,260
Restricted Assets							
Cash for Program Purposes	-	2,772,107	227,602	8,113,496	-	3,647,252	14,760,457
Cash for Improvements	-	-	-	-	-	36,147	36,147
Total Assets	<u>\$ 14,328,074</u>	<u>\$ 7,586,306</u>	<u>\$ 614,747</u>	<u>\$ 9,205,499</u>	<u>\$ 4,723,954</u>	<u>\$ 5,887,467</u>	<u>\$ 42,346,047</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF TIOGA  
BALANCE SHEET (CONTINUED)  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023

<u>Liabilities, Deferred Inflow of Resources and Fund Balances</u>	<u>General</u>	<u>Human Services Fund</u>	<u>911 Fund</u>	<u>Act 13 Impact Fund</u>	<u>American Rescue Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Liabilities							
Accounts Payable	\$ 88,361	\$ 727,178	\$ 32,713	\$ 207,352	\$ -	\$ 743,576	\$ 1,799,180
Accrued Liabilities	752,514	197,989	52,995	-	-	322	1,003,820
Unearned Revenues	56,140	706,375	-	-	-	4,850	767,365
Due to Other Funds	17,847	2,753,344	-	-	-	13,574	2,784,765
Due to Other Governments	25	-	-	-	-	59,290	59,315
Funds Held in Escrow	-	7,572	-	-	-	-	7,572
Total Liabilities	914,887	4,392,458	85,708	207,352	-	821,612	6,422,017
Deferred Inflows of Resources							
Opioid Settlement	-	804,084	-	-	-	-	804,084
Leases	158,444	-	-	-	-	-	158,444
Unavailable Revenues - Taxes	1,241,474	-	-	-	-	-	1,241,474
Total Deferred Inflows of Resources	1,399,918	804,084	-	-	-	-	2,204,002
Fund Balances							
Restricted	-	2,389,764	-	8,998,147	-	5,065,855	16,453,766
Unassigned	12,013,269	-	529,039	-	4,723,954	-	17,266,262
Total Fund Balances	12,013,269	2,389,764	529,039	8,998,147	4,723,954	5,065,855	33,720,028
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,328,074	\$ 7,586,306	\$ 614,747	\$ 9,205,499	\$ 4,723,954	\$ 5,887,467	\$ 42,346,047

The accompanying notes are an integral part of the financial statements.

COUNTY OF TIOGA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2023

Total fund balances for governmental funds \$ 33,720,028

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Those assets consist of:

Land	2,203,769	
Construction in Progress	6,113,742	
Buildings and improvements, net of \$14,191,112 accumulated depreciation	19,863,233	
Equipment and furniture, net of \$14,166,372 accumulated depreciation	3,616,658	
Land Improvements, net of \$287,546 accumulated depreciation	1,325,262	
Vehicles, net of \$471,853 accumulated depreciation	-	
Right to use assets, net of \$404,146 accumulated depreciation	633,595	
Infrastructure, net of \$9,509,571 accumulated depreciation	3,109,821	
		36,866,080

Noncurrent assets applicable to the County's governmental activities are not financial resources and therefore, are not reported in the funds. Those assets consist of:

Deferred Outflows of Resources	6,233,869
--------------------------------	-----------

Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.

1,241,474

The County's opioid settlement deferred within the fund level is recognized as revenue on the government-wide statements.

804,084

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year end consist of:

Lease obligations	(733,094)	
Net pension liability	(7,540,860)	
Deferred Inflows of Resources - Pension	(298,127)	
Compensated absences	(211,779)	
		(8,783,860)

Total net position of governmental activities

\$ 70,081,675

COUNTY OF TIOGA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>General</u>	<u>Human Services Fund</u>	<u>911 Fund</u>	<u>Act 13 Impact Fund</u>	<u>American Rescue Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues							
Taxes	\$ 12,763,848	\$ -	\$ -	\$ -	\$ -	\$ 827,685	\$ 13,591,533
Intergovernmental Revenues	4,914,161	13,227,275	1,550,314	4,016,537	50,000	3,668,262	27,426,549
Charges for Services	1,952,209	811,889	91,574	-	-	477,001	3,332,673
Interest and Rents	457,579	128,766	18,031	108,100	9,220	117,225	838,921
License and Permits	10,254	-	-	-	-	-	10,254
Court Costs and Fines	100,110	-	-	-	-	25,226	125,336
Miscellaneous	362,320	116,934	17,679	-	-	18,616	515,549
Total Revenues	20,560,481	14,284,864	1,677,598	4,124,637	59,220	5,134,015	45,840,815
Expenditures							
Current:							
General Government - Administrative	7,618,267	-	-	-	-	82,005	7,700,272
General Government - Judicial	4,315,520	-	-	-	-	12,330	4,327,850
Public Safety	6,299,214	-	2,407,123	-	-	292,198	8,998,535
Public Works	-	-	-	-	-	939,169	939,169
Human Services	331,782	16,579,117	-	-	-	-	16,910,899
Culture and Recreation	108,952	-	-	-	-	807,516	916,468
Conservation and Development	509,602	-	-	82,469	-	175,092	767,163
Debt Service							
Principal	138,421	51,954	-	-	-	-	190,375
Interest	45,508	21,441	-	-	-	-	66,949
Capital Outlay	253,252	15,965	313,836	1,657,136	-	3,063,088	5,303,277
Total Expenditures	19,620,518	16,668,477	2,720,959	1,739,605	-	5,371,398	46,120,957
Excess of Revenues Over (Under) Expenditures	939,963	(2,383,613)	(1,043,361)	2,385,032	59,220	(237,383)	(280,142)
Other Financing Sources (Uses)							
Capital contributions	-	-	-	20,586	-	7,079	27,665
Proceeds from issuance of extended term financing	127,112	-	-	-	-	-	127,112
Operating Transfer In	3,208,559	2,165,326	1,156,691	848,089	-	1,913,453	9,292,118
Operating Transfer (Out)	(3,310,565)	-	(829)	(1,818,453)	(1,355,930)	(2,806,341)	(9,292,118)
Total Other Financing Sources(Uses)	25,106	2,165,326	1,155,862	(949,778)	(1,355,930)	(885,809)	154,777
Net change in fund balances	965,069	(218,287)	112,501	1,435,254	(1,296,710)	(1,123,192)	(125,365)
Fund Balances - Beginning of Year	11,048,200	2,608,051	416,538	7,562,893	6,020,664	6,189,047	33,845,393
Fund Balances - End of Year	\$ 12,013,269	\$ 2,389,764	\$ 529,039	\$ 8,998,147	\$ 4,723,954	\$ 5,065,855	\$ 33,720,028

The accompanying notes are an integral part of the financial statements.

COUNTY OF TIOGA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balances - total governmental funds		\$ (125,365)
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$5,303,277) exceeded depreciation (\$2,306,257).		
	2,997,020	
In the statement of activities, the loss on the disposal of assets is recorded, which is not included in the governmental funds.		(6,217)
In the statement of activities, the reduction in residual value of right to use assets, which is not included in the governmental funds.		(25,786)
In the statement of activities, the opioid settlement funds receivable change at 12/31/23 recognized as revenue in prior year		(88,800)
Pursuant to the modified accrual basis of accounting, governmental funds do not recognize expenditures for transactions that are not normally paid with expendable available financial resources. Pursuant to the accrual basis of accounting, the Statement of Activities reports expenses and liabilities regardless of when financial resources are available. The net differences for the items discussed above are :		
Issuance of extended term financing (lease obligations)	(127,112)	
Repayment of principal, lease obligations	190,375	
Net change in pension liability and pension deferred inflows/outflows	378,255	
Compensated absences	<u>(7,367)</u>	
		434,151
Under the modified accrual basis of accounting used in governmental funds, revenues are not reported until they become available. In the statement of activities, however, revenues are recorded regardless of when financial resources are available. This is the change in unearned real estate tax revenue from 12/31/22 to 12/31/23.		
		<u>225,231</u>
Change in net position of governmental activities		<u><u>\$ 3,410,234</u></u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF TIOGA  
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
DECEMBER 31, 2023

	<u>Component Unit</u>		
	<u>Employee Retirement Fund</u>	<u>Custodial Funds</u>	<u>Total Fiduciary Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 1,827,856	\$ 1,221,379	\$ 3,049,235
Certificates of Deposit	485,043	-	485,043
Government Obligations	5,124,232	-	5,124,232
Corporate Bonds	2,278,908	-	2,278,908
Common/Preferred Stocks	12,954,769	-	12,954,769
Mutual Funds	27,021,585	-	27,021,585
Fixed Income Mutual Funds	17,657,296	-	17,657,296
Real Estate/Alternative	3,125,648	-	3,125,648
Accounts Receivable	84,131	-	84,131
	<hr/>	<hr/>	<hr/>
Total Assets	70,559,468	1,221,379	71,780,847
 <u>Liabilities</u>			
Funds held as Fiduciary	-	45,174	45,174
Due to Other Governments	-	672,545	672,545
	<hr/>	<hr/>	<hr/>
Total Liabilities	-	717,719	717,719
	<hr/>	<hr/>	<hr/>
 <u>Net Position</u>			
Funds Held in Trust for Pension Benefits	70,559,468	-	70,559,468
	<hr/>	<hr/>	<hr/>
Funds Restricted For Other Governments and Individuals	-	503,660	503,660
	<hr/>	<hr/>	<hr/>
Total Net Position	<u>\$ 70,559,468</u>	<u>\$ 503,660</u>	<u>\$ 71,063,128</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF TIOGA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Component Unit</u> <u>Employee</u> <u>Retirement</u> <u>Fund</u>	<u>Custodial</u> <u>Funds</u>	<u>Total</u> <u>Fiduciary</u> <u>Funds</u>
Additions:			
Contributions:			
Employer contributions	\$ 2,300,000	\$ -	\$ 2,300,000
Contributions by members	1,197,125	-	1,197,125
Total Contributions	<u>3,497,125</u>	<u>-</u>	<u>3,497,125</u>
Investment Income:			
Net appreciation in fair value of investments	6,761,324	-	6,761,324
Interest and dividends	1,807,480	-	1,807,480
Total Investment Income	8,568,804	-	8,568,804
Less: Investment expense	<u>(253,592)</u>	<u>-</u>	<u>(253,592)</u>
Net Investment Income	<u>8,315,212</u>	<u>-</u>	<u>8,315,212</u>
Fines and fees	-	6,256,483	6,256,483
Taxes	-	10,085,244	10,085,244
Interest	-	3,788	3,788
Miscellaneous	-	18,645	18,645
Total Additions	<u>11,812,337</u>	<u>16,364,160</u>	<u>28,176,497</u>
Deductions:			
Retirement benefits paid	4,809,710	-	4,809,710
Payments to governments	-	16,254,152	16,254,152
Distribution to owners	-	45,011	45,011
Miscellaneous	3,833	42,398	46,231
Fees	-	22,139	22,139
Transfer to other funds	-	3,548	3,548
Participant contributions refunded	-	58,639	58,639
Administrative expenses	26,634	-	26,634
Total Deductions	<u>4,840,177</u>	<u>16,425,887</u>	<u>21,266,064</u>
Change in Net Position	6,972,160	(61,727)	6,910,433
Net Position - Beginning	<u>63,587,308</u>	<u>565,387</u>	<u>64,152,695</u>
Net Position - End	<u>\$ 70,559,468</u>	<u>\$ 503,660</u>	<u>\$ 71,063,128</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Tioga, Pennsylvania (the "County") was formed in 1804. The County operates under the direction of an elected Board of Commissioners and provides the following services: general administrative services, tax assessment and collections, judicial, public improvements, public safety, human services, culture and recreation, and conservation and development. The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units, as prescribed by the Governmental Accounting Standards Board ("GASB").

A summary of the County's significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

A. Reporting Entity

The County follows the criteria promulgated by the Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. For purposes of determining the scope of its reporting entity, the criteria includes financial accountability and the nature and significance of the relationship. As required by accounting principles generally accepted in the United States of America, the financial statements include those of the County of Tioga (the "Primary Government") as it was determined that no other entities meet the criteria for inclusion in the County's financial statements.

Fiduciary Component Unit

In accordance with the guidance contained in GASB Statement No. 84, *Fiduciary Activities*, the County has determined the Tioga County Employee Retirement Fund ("Fund") to be a fiduciary component unit. The Fund was established to provide retirement benefits to eligible retirees of the County. The Fund is included in the financial reporting entity as a fiduciary fund because the plan is (1) considered to be a separate legal entity, (2) the County appoints a voting majority of the governing board, and (3) the Fund imposes a financial burden to the County as it is legally obligated to make contributions to the plan.

Related Organizations

The Board of County Commissioners is also responsible for appointing the members of the governing boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County does not designate management nor does it have the ability to significantly influence the operations of the entities. These organizations include:

- Tioga County Industrial Development Authority
- Tioga County Housing Authority
- Tioga County Development Authority
- Tioga County Conservation District
- Tioga County Visitors Bureau

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Joint Ventures

The County is a participant in joint ventures that provide services to constituents of all the participants. The County is a participant in the following joint ventures:

- Area Agency on Aging

This joint venture includes Bradford, Sullivan, and Susquehanna Counties. Each County appoints three members to the board, has no equity interest and the Agency obtains its own funding.

- Bradford & Tioga Counties Redevelopment Authority

This joint venture only includes Bradford County. Each county appoints five members to the board, has no equity interest and the Authority obtains its own funding sources.

- Endless Mountains Transportation Authority

This joint venture includes the counties of Bradford and Sullivan. Each County Appoints three members to the board, has no equity interest and is responsible for its own funding.

- Northern Tier Regional Planning and Development Commission

This joint venture includes Bradford, Sullivan, and Susquehanna Counties. Each County appoints three members to the board, has no equity interest and the Commission obtains its own funding for operations.

- Northern Tier Solid Waste Authority

This joint venture includes Bradford County. Each County appoints an equal amount of members to the board, has no equity interest and the Authority obtains its own funding for operations.

- Potter-Tioga Library System

This joint venture includes the County of Potter. Each County appoints an equal amount of members to the board, has no equity interest and the System obtains its own funding for operations.

All separately published audit reports of the related organizations and the joint ventures are available for public inspection at the offices of those entities.

B. Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely, to a significant extent on fees and charges for support.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are effected by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds and the fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditures.

General capital asset acquisitions, including entering into contracts giving the County the right to use lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 365 days of the end of the current fiscal period with the exception of property taxes which must be received within 60 days of the year end to be deemed available. Expenditures generally are recorded when a liability is incurred, except as noted below. Licenses, operating and capital grants, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the cash is received by the County.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during the period.

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

- The General Fund is the primary government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues of this fund are primarily derived from real estate taxes, state and federal grants, and fees for services. Many of the basic activities of the County are accounted for in this fund including operation of general County government, boards, and commissions, the court system, and health and welfare services.
- The Human Services Fund is used to account for amounts received from various federal, state, and local sources. These funds are restricted to expenditures for specified purposes.
- The 911 Fund is used to account for the emergency response communication network of the County.
- The Act 13 Impact Fund is used to account for amounts received from the State from Unconventional Gas Well Impact Fees. These funds are restricted for certain expenditures as allowed under the Act.
- American Rescue Fund is used to account for amounts received from the federal American Rescue Plan Act grant funding.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the County reports the following fund types:

- The Employee Retirement Fund accounts for the revenue (i.e., member contributions, County contributions, and net investment income) and the expenses (i.e., contributions refunded, retirement allowances, and death benefits paid) of the Pension Fund.
- The Custodial Funds consist of restricted revenues of the various row offices of the County. The row office funds, in essence, are escrow funds maintained by the row offices for bails posted, funds held for sheriff's sales, realty transfer taxes held and owed to other governmental entities, and other funds reserved for disposition of legal action.

D. Assets, Liabilities, and Net Position or Fund Balance

1. Cash and Cash Equivalents

The County considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

2. Restricted Cash

Restricted cash represents cash set aside for the liquidation of specific obligations detailed in Note 14.

3. Investments

Investments are reported at fair value.

4. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the governmental activity column in the government-wide financial statements. Property, plant and equipment and infrastructure with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical costs or estimated historical costs if purchased or constructed (except for intangible right-to-use lease assets, the measurement of which is discussed in Part 5 of the SOSAP below). Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are completed.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

4. Capital Assets (Continued)

Capital assets of the County are depreciated using the straight line method over the following intended useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and Improvements	10-40
Equipment, Furniture and Vehicles	3-20
Land Improvements	20
Infrastructure	5-40
Right-to-use assets	4-70

5. Leases

The County is a lessee for a noncancellable leases of equipment. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.
- The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease.
- Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position

6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

6. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The County had no bonds payable at December 31, 2023.

7. Compensated Absences

County policy permits employees to accumulate a limited amount of earned, but unused vacation and sick leave. These benefits are payable to employees upon separation of services. All leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported. The computed liability is in compliance with GASB 16, *Accounting for Compensated Absences*.

8. Unearned Revenues

Revenues that are received but not earned are recorded as unearned revenue in the County's financial statements. In the County's governmental funds, unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the governmental funds' balance sheet and revenue is recognized.

9. Deferred Outflows / Inflows of Resources

In addition to assets, the statement 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category: deferred outflows related to pensions. Deferred outflows related to pensions are described further in Note 8. The components of deferred outflows of resources, other than the difference between the projected and actual investments earnings on investments, are amortized into pension expense over the weighted average remaining service life of all members of the plan beginning the year in which the deferred amount occurs (current year). The annual difference between the projected and actual earnings on plan investments is amortized over a five-year closed period beginning the year in which the difference occurs (current year).

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

9. Deferred Outflows / Inflows of Resources (Continued)

In addition to liabilities, the statement of net position 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 government had items, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Under the modified accrual basis of accounting, the governmental funds report unavailable revenue from property taxes, opioids, and leases as deferred inflows of resources. Under the accrual basis of accounting, the government-wide statement of net position reports a deferred inflow of resources related to pensions and leases. Deferred inflows of resources related to pensions are described further in Note 8. The components of deferred inflows of resources, other than the difference between the projected and actual investment earnings on investments are amortized over a closed period, which reflects the weighted average remaining service life of all members of the plan beginning the year in which the deferred amount occurs (current year). Deferred outflows related to opioids and leases represents a consumption of net assets that applies to future periods.

10. Net Position/Fund Balance

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, the County's policy is to apply restricted then unrestricted net position.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes accounting and financial standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions as follows:

- *Nonspendable* – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Position or Fund Balance (Continued)

10. Net Position/Fund Balance (Continued)

- Restricted – This classification consists of amounts that are restricted for specific purposes. The County's restricted fund balance consists of external enabling legislation for the state, federal, or local government grants.
- Committed – This classification consists of amounts used for specific purposes imposed by formal action of the Board of Commissioners. The removal or modification of the use of committed funds can only be accomplished by formal action prior to fiscal year end by the Board of Commissioners.
- Assigned – This classification consists of amounts constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. The Board of Commissioners delegated the authority to determine allocation of the assigned funds to the Chief Clerk.
- Unassigned– This classification consists of amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance.

The County's GASB 54 Fund Balance Policy is to apply expenditures against any non-spendable funds, restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance.

11. Allowance for Doubtful Accounts

As of December 31, 2023, no allowance for loans receivable, accounts receivable or taxes receivable has been recorded.

12. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund, and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

13. Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Position or Fund Balance (Continued)

14. Adoption of Governmental Accounting Standards Board Statements

The County adopted the following GASB pronouncement during its year ended December 31, 2023, which had the following effect on its financial reporting process:

- The County adopted provisions of GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*", for the year ended December 31, 2023. This statement defines a subscription-based information technology arrangement (SBITA) as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The Statement requires the recognition of a right-to-use subscription asset – and intangible asset – and a corresponding subscription liability. The amortization of the subscription asset is then recognized as an outflow of resources over the subscription term. The adoption of this statement did not affect the County's financial reporting at December 31, 2023, as the County was not involved in any material SBITA's during 2023. The County also adopted provisions of GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" and the requirements related to leases, PPPs, and SBITAs of GASB Statement No. 99, "*Omnibus 2022*". The adoption of these GASB Statements had no effect on previously reported amounts.

15. Pending Changes in Accounting Principles

The GASB has approved the following:

- Statement No. 99, "*Omnibus 2022*"
- Statement No. 100, "*Accounting Changes and Error Corrections*"
- Statement No. 101, "*Compensated Absences*"
- Statement No. 102, "*Certain Risk Disclosures*"
- Statement No. 103, "*Financial Reporting Model Improvements*"

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 2: BUDGETARY DATA

County Budget Process

1. During the fall, preliminary individual budgets are prepared by each department or agency and are reviewed by the Chief Clerk.
2. During October, the County Commissioners, or their designee, meet with the head of each department and agency to review proposed changes to the preliminary budget.
3. The Commissioners' Office then reassembles the preliminary budget data and prepares a final budget draft including all proposed expenditures and the financing plan, incorporating any revisions or adjustments evolving from the departmental meetings.
4. In early November, the preliminary budget is presented at a public Commissioners' meeting. In accordance with statutes contained in the County Code, public notice is given that the proposed budget is available for inspection for a twenty-day period.
5. In December, after the twenty-day inspection period, the County Commissioners, at a public meeting properly announced, the final budget is adopted by resolution.
6. Formal budgeting integration is employed as a planning device. The budget adopted is on the modified accrual basis. Budget amounts are as originally adopted, or as amended by the County Commissioners.

- Level of Control

The County maintains budgeting control at the individual fund level.

- Lapsing of Appropriations

Unexpended appropriations lapse at year-end.

Management Amendment Authority

During the course of the year, departmental needs may change, emergencies may occur, or additional revenue sources may arise. As a result, funds are occasionally transferred between line items of the department's budget or additional revenue may need to be budgeted for a specific project or grant. Adjustments to the budget are made on a line item basis during the year and are approved by the County Commissioners. Financial analysis is provided monthly to management showing spending levels in comparison to the current budget. The budget is also reviewed by management with other departments.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 3: DEPOSIT AND INVESTMENT RISK

As of December 31, 2023, the County had the following debt investments and maturities within its Retirement Fund accounts:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Agencies	\$ 5,124,232	\$ 149,461	\$ 2,668,188	\$ 2,306,583	\$ -
Corporate Bonds	2,278,908	297,379	1,131,997	849,532	-
Fixed Income Mutual Fund	17,657,296	735,604	9,516,066	5,700,684	1,704,942
Certificates of Deposit	485,043	346,629	138,414	-	-
Total	\$ 25,545,479	\$ 1,529,073	\$ 13,454,665	\$ 8,856,799	\$ 1,704,942

*Interest Rate Risk* – The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* – The County has no investment policy that would limit its investment risk.

As of December 31, 2023, the County's retirement investments had a credit rating as follows:

Investment Type	Credit Quality Rating	Percent of Investment Type
U.S. Government Agencies	Aaa	100%
Fixed Income Mutual Funds	Aaa	7%
Fixed Income Mutual Funds	Aa2	68%
Fixed Income Mutual Funds	A1	4%
Fixed Income Mutual Funds	A2	4%
Fixed Income Mutual Funds	Ba1	12%
Fixed Income Mutual Funds	B2	5%
Corporate Bonds	Aaa	4%
Corporate Bonds	Aa2	20%
Corporate Bonds	Aa3	9%
Corporate Bonds	A1	7%
Corporate Bonds	A2	47%
Corporate Bonds	A3	10%
Corporate Bonds	Baa1	3%

*Custodial Credit Risk* – For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

As of December 31, 2023, the County's cash balances for its governmental activities and custodial funds were \$31,807,098 and its bank balances were \$33,108,476. Of these bank balances, \$32,358,476 was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the County's name. None of the Pension fund investments or cash balances were subject to custodial credit risk.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 3: DEPOSIT AND INVESTMENT RISK (CONTINUED)

*Concentration of Credit Risk* – The County does not have a formal investment policy that addresses concentration of credit risk. No more than five percent of the investments were held in any one issuer.

Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County has following recurring fair value measurements for its retirement accounts as of December 31, 2023:

**Fair Value Measurements**

		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	Totals	Level 1	Level 2	Level 3
<b>Investments by fair value level</b>				
Mutual funds	\$ 27,021,585	\$ 27,021,585	\$ -	\$ -
Fixed income mutual funds	17,657,296	17,657,296	-	-
Common stock	12,954,769	12,954,769	-	-
Certificates of deposit	485,043	-	485,043	-
U.S. government agency obligations	5,124,232	-	5,124,232	-
Corporate bonds	2,278,908	-	2,278,908	-
Real estate/alternative	3,125,648	-	-	3,125,648
Cash equivalents/money market funds	1,827,856	1,827,856	-	-
Total investments by fair value level	<u>\$ 70,475,337</u>	<u>\$ 59,461,506</u>	<u>\$ 7,888,183</u>	<u>\$ 3,125,648</u>

Stock and equity mutual funds are valued using prices quoted in active markets for those securities. Certificates of deposit, U.S. government agency obligations, and corporate bonds are valued using quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, directly or indirectly, for substantially the full-term of the financial instrument.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 4: PROPERTY TAXES

Real Estate Property Taxes

Real estate property taxes for the calendar year are levied on January 1 of each year. Any unpaid real estate taxes attach as an enforceable lien on property as of January 1 of the following year. Taxes are levied on March 1 and payable with a 2% discount to April 30, with no discount or penalty to June 30 and with a 10 % penalty from July 1 to the first Monday in May of the subsequent year. The County bills these taxes which are collected by elected local tax collectors.

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on bonded or funded debt.

The County's 2023 real estate taxes are based on assessed values established by the County's Bureau of Assessments. Assessed values of real property are generally 100% of the market value as determined by the Tioga County Bureau of Assessment in 2001. The total 2023 real estate taxes levied was \$12,791,747 based on a total County assessed valuation of \$1,895,073,607. Based on the 2023 levy of 6.75 mills, a property owner would pay \$6.75 per \$1,000 of assessed valuation.

NOTE 5: CAPITAL ASSETS

Capital asset activity resulting from cash transactions for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<u>GOVERNMENTAL ACTIVITIES:</u>					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,203,769	\$ -	\$ -	\$ -	\$ 2,203,769
Construction in Progress	3,988,360	4,542,542	-	(2,417,160)	6,113,742
Total Capital Assets, Not Being Depreciated	6,192,129	4,542,542	-	(2,417,160)	8,317,511
Capital Assets, Being Depreciated:					
Buildings and Improvements	32,409,339	30,997	-	1,614,009	34,054,345
Equipment and Furniture	16,517,753	462,126	-	803,151	17,783,030
Land Improvements	1,472,308	140,500	-	-	1,612,808
Vehicles	471,853	-	-	-	471,853
Infrastructure	12,619,392	-	-	-	12,619,392
Right-to-use assets	945,135	127,112	(34,506)	-	1,037,741
Total Capital Assets Being Depreciated	64,435,780	760,735	(34,506)	2,417,160	67,579,169
Less Accumulated Depreciation For:					
Buildings and Improvements	(13,326,630)	(864,482)	-	-	(14,191,112)
Equipment and furniture	(13,485,876)	(680,496)	-	-	(14,166,372)
Land Improvements	(213,359)	(74,187)	-	-	(287,546)
Vehicles	(470,996)	(857)	-	-	(471,853)
Infrastructure	(9,039,452)	(470,119)	-	-	(9,509,571)
Right-to-use assets	(190,533)	(216,116)	2,503	-	(404,146)
Total Accumulated Depreciation	(36,726,846)	(2,306,257)	(32,003)	-	(39,030,600)
Total Capital Assets, Being Depreciated, Net	27,708,934	(1,545,522)	-	-	28,548,569
Governmental Activities Capital Assets, Net	\$ 33,901,063	\$ 2,997,020	\$ (32,003)	\$ -	\$ 36,866,080

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 5: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government-Administrative	\$ 732,244
General Government-Judicial	84,057
Public Safety	1,002,863
Public Works	193,002
Human Services	284,666
Culture and Recreation	2,492
Conservation and Development	6,933
Total Depreciation Expense – Governmental Activities	<u>\$ 2,306,257</u>

NOTE 6: LOANS RECEIVABLE

The County's Act 13 Fund has a loan receivable program with loans outstanding with the Upper Tioga River Regional Authority and the Grand Canyon Airport Authority. The Grand Canyon Airport Authority continues to make the agreed to monthly payment of \$1,000, as well as additional payments. The Upper Tioga River Regional Authority does not have a repayment schedule for its loan as of December 31, 2023; however, is expected to be fully collected.

There is no interest associated with these loan receivables. The outstanding balances as of December 31, 2023, and activity since inception, are as follows:

	Grand Canyon Airport Authority	Upper Tioga River Regional Authority	Total
Beginning Balance	\$ 287,029	\$ 650,381	\$ 937,410
New Loans Issued	-	190,593	190,593
Loan Repayments	<u>(36,000)</u>	<u>-</u>	<u>(36,000)</u>
Ending Balance	<u>\$ 251,029</u>	<u>\$ 840,974</u>	<u>\$ 1,092,003</u>

NOTE 7: LEASES RECEIVABLE

The County leases certain buildings and portions thereof to various lessees. During the year ended December 31, 2023, the County received lease rental payments of \$44,365, of which, \$34,186 represented lease payments and \$10,179 represented interest included in the statement of revenues, expenses and change in net position. All leases have an interest rate of 3.8%. At December 31, 2023, the County's lease receivable and deferred inflow of resources amounted to \$158,444.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND

**Plan Description**

*Plan Administration.* The Retirement Board administers the Tioga County Employees Pension Plan – a single-employer defined benefit pension plan that covers all employees of the County and certain part time employees who work more than 1,000 hours each year for the County. The Plan is part of the County's financial reporting entity and is included in the County's financial statements as a Pension Trust Fund.

The Plan is governed by the 1971 County Pension Law, Act 96, of the General Assembly of the Commonwealth of Pennsylvania, as amended (the "Act"). Benefit and contribution provisions of the plan are established and can be amended as provided by the Act.

Management of the Plan is vested in the Board, which consists of five members- three elected County Commissioners, the Chief Clerk and the County Treasurer. Membership in the plan is mandatory for all full time County employees.

At December 31, 2023, the date of the latest valuation, employees covered by the Plan consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	255
Inactive plan members entitled to but not yet receiving benefits	64
Active Plan Members	<u>203</u>
 Total	 <u>522</u>

*Benefits Provided.* Tioga County Employees Pension Plan provided retirement, disability, and death benefits.

Retirement benefits for plan members are calculated as a percent of the member's highest 3-year average salary times the member's years of service depending on class basis. Plan members with 20 years of service are eligible to retire at age 55. Plan members that have attained the age of 60 are eligible to retire.

All plan members are eligible for disability benefits after 5 years of service if disabled while in service and unable to continue as a County employee. Disability retirement benefits are equal to 25% of final average salary at time of retirement.

Death benefits for a member who dies with 10 years of service prior to retirement is the total present value of member's retirement paid in a lump sum.

A plan member who leaves County service with less than 5 years of service may withdraw his or her contributions, plus any accumulated interest.

On an ad hoc basis, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once in every three years subsequent to the member's retirement date. The adjustment, should the County elect to give one, is the Consumer Price Index for All Urban Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware and Maryland area for the 12-month period ending August 31.

*Contributions.* An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For the 2023 measurement period, the active member contribution rate was 9.0 percent of annual pay, and the County average contribution rate was 24.71 percent of annual payroll.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Administrative and investment costs of the Plan are paid by the investment earnings of the Plan. The Act makes no provisions for termination of the Plan. The County does not issue a separate financial report for the Plan.

**Legally Required Reserves**

At December 31, 2023, the County has a balance of \$14,493,736 in the Members' Annuity Reserve Account. This account is the total of the contributions deducted from the salaries of the active and terminated vested members of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of December 31, 2023. Since those accumulations represent the present value as of December 31, 2023 of future benefits, this reserve is fully funded.

The County has a balance of \$2,927,111 in the County Annuity Reserve Account as of December 31, 2023. This balance and the amounts expected to be credited in the future, plus investment earnings thereon, represent the reserves set aside for the payment of the County's share of the retirement allowances.

When a County annuity is scheduled to commence for a particular member, sufficient monies are transferred from the County annuity reserve account to the retired members' reserve account to provide for such County annuities actually entered upon. Thus, this reserve is always fully funded.

The Retired Members' Reserve Account is the account out of which monthly retirement allowances including cost-of-living increases and death benefits are paid. The balance in this account was \$45,587,674 as of December 31, 2023.

At December 31, 2023, the Unrealized Appreciation of Assets was \$7,550,947.

**Plan Reporting**

Net Pension Liability of the County

The total pension liability was based on an actuarial valuation dated January 1, 2023 and update procedures were used to roll-forward the total pension liability to the December 31, 2023 measurement date. The components of the net pension liability of the County at December 31, 2023, were as follows:

Total pension liability	\$ 78,100,328
Plan fiduciary net position	<u>(70,559,468)</u>
County's net pension liability	<u>\$ 7,540,860</u>

Plan fiduciary net position as a percentage of the total pension liability	90.34%
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The schedule of changes in the net pension liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about the plan.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Changes in the County's net pension liability for the plan for the year ended December 31, 2023 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 12/31/2022	\$ 76,314,192	\$ 63,587,308	\$ 12,726,884
Service Cost	1,488,755	-	1,488,755
Interest Cost	5,268,247	-	5,268,247
Difference Between Expected and Actual Experience	(194,475)	-	(194,475)
Contributions - Employer	-	2,300,000	(2,300,000)
Contributions - Member	-	1,197,125	(1,197,125)
Net Investment Income	-	8,242,761	(8,242,761)
Benefit Payments, including Refunds of Member Contributions	(4,776,391)	(4,776,391)	-
Administrative Expense	-	(26,634)	26,634
Other Changes	-	35,299	(35,299)
Net Changes	1,786,136	6,972,160	(5,186,024)
Balances at 12/31/2023	\$ 78,100,328	\$ 70,559,468	\$ 7,540,860

**Deferred Outflows and Inflows of Resources**

The total pension expense recognized in 2023 for the plan was \$1,921,745. At December 31, 2023, the County reported deferred outflows and inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 315,248	\$ (298,127)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,528,675	-
Change in Assumptions	1,389,946	-
	<u>\$ 6,233,869</u>	<u>\$ (298,127)</u>

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

The deferred inflows and outflows of resources will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Inflows and Outflows of Resources
2024	\$ 1,699,965
2025	2,754,613
2026	2,248,236
2027	(767,072)
Total	<u>\$ 5,935,742</u>

**Plan Actuarial Methods and Assumptions**

Actuarial assumptions. The total pension liability was determined by an actuarial valuation for the 2023 measurement period at January 1 and rolled-forward to December 31 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	4.5% average, including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubG-2010 Mortality Table for Males and Females with generational mortality improvement using MP19.

The actuarial assumptions used for the 2023 measurement period were based past experience under the Plan and reasonable future expectations which represent the actuary's best estimate of anticipated experience under the Plan. An actuarial experience study was performed during 2016; however, no modifications were made as a result.

No ad hoc postemployment benefit changes were included in future liability.

*Investment policy.* The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

The long-term expected 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 pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation for the 2023 measurement period (see discussion of the Plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	Long-Term Expected Real
		<u>Rate of Return</u>
Domestic equity	40-60%	5.4 – 6.4%
International equity	10-20%	5.5 – 6.5%
Fixed Income	30-50%	1.3 – 3.3%
Real estate/alternative	0%	4.5 – 5.5%
Cash	<u>1-5%</u>	0.0 – 1.0%
Total	<u>100%</u>	

*Discount rate.* The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan'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 (i.e., not depletion date is projected to occur).

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the County, calculated using the discount rate of 7.0 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate (7%)</u>	<u>1% Increase (8%)</u>
County's net pension liability	\$16,290,591	\$7,540,860	\$1,041,630

*Rate of return.* For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.49%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 9: LONG-TERM OBLIGATIONS

A summary of changes in long-term debt obligations for 2023 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>					
Other Liabilities:					
Compensated absences	\$ 204,412	\$ 7,367	\$ -	\$ 211,779	\$ -
Leases (Note 10)	796,357	127,112	190,375	733,094	192,427
	<u>\$ 1,000,769</u>	<u>\$ 134,479</u>	<u>\$ 190,375</u>	<u>\$ 944,873</u>	<u>\$ 192,427</u>

County policy applicable to vacation and sick pay for employees is as follows:

Vacation Pay

Time accrues at various rates based on length of service. Employees are encouraged to utilize earned vacation time by December 31 of each period; however, current practice allows for the carryover of 10 days to the subsequent calendar year but must be used within that year. Accrued vacation is paid out upon separation.

Sick Pay

Employees earn 15 sick days per year. Accrued unused sick time may accumulate for each employee not to exceed 90 days. Upon separation, accumulated sick leave is forfeited.

Personal Days

Employees receive 2 personal days a year which may be paid out upon separation.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

## NOTE 10: LEASE LIABILITY

The County is obligated as a lessee under certain leases. The County's governmental activity lease activity for the year ended December 31, 2023, is as follows:

Description	Issue Dates	Maturity Dates	Interest Rate	Original Amount	Balance, December 31, 2023
Various vehicles	April 2019 - December 2023	April 2023 - November 2028	7.016-19.784 %	\$ 938,090	\$ 608,427
Right-of-way	August 2021	August 2091	3.80%	125,437	124,667
Total				<u>\$ 1,063,527</u>	<u>\$ 733,094</u>

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years Ending December 31:			
2024	\$ 192,427	\$ 60,532	\$ 252,959
2025	200,048	39,092	239,140
2026	127,597	20,000	147,597
2027	68,075	10,684	78,759
2028	22,478	5,268	27,746
Thereafter*	122,469	236,524	358,993
	<u>\$ 733,094</u>	<u>\$ 372,100</u>	<u>\$ 1,105,194</u>

\*Principal and interest payments after 2028 relate only to the right-of-way leases.

Payments of principal and interest range from \$4,289 to \$6,500 for years 2029 through 2091.

## NOTE 11: INTERFUND BALANCES

Interfund receivable and payable balances as of December 31, 2023, are as follows:

Governmental Fund Types	Due from Other Funds	Due to Other Funds
General Fund	\$ 2,755,819	\$ 17,847
Human Services Fund	13,424	2,753,344
911 Fund	953	-
Other Governmental Funds	14,569	13,574
Total	<u>\$ 2,784,765</u>	<u>\$ 2,784,765</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided, (2) reimbursable expenditures occur and (3) payments between funds are made.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 12: INTERFUND TRANSFERS

Interfund operating transfers are as follows:

	Transfers from Other Funds	Transfers to Other Funds
General Fund	\$ 3,208,559	\$ 3,310,565
Human Services Fund	2,165,326	-
911 Fund	1,156,691	829
Act 13 Impact Fund	848,089	1,818,453
American Rescue Plan Act Fund	-	1,355,930
Other Governmental Funds	1,913,453	2,806,341
Total Transfers	<u>\$ 9,292,118</u>	<u>\$ 9,292,118</u>

Transfers are used to move revenues from the fund that budget requires to collect them to the fund that budget requires them to expend them; provide matching funds for grants; use unrestricted General Fund revenues to finance activities which must be accounted for in another fund and to segregate money for anticipated capital projects.

NOTE 13: COMMITMENTS AND CONTINGENCIES

The County receives Federal and State Grants and are subject to compliance audits by the Grantor. The County is liable for any expenditures which may disallowed pursuant to the terms and conditions of these programs.

NOTE 14: RESTRICTED ASSETS

Certain assets of the County are classified as restricted assets because their use is restricted for various purposes. The County has \$14,796,604 which are considered restricted assets for program purposes. Of the restricted assets, \$227,602 is restricted for purposes of emergency services, \$8,113,496 is restricted for expenses allowable under Act 13, \$2,772,107 is restricted for human services program purposes, \$3,647,252 is restricted for program purposes. In addition, \$36,147 is restricted for capital improvements.

NOTE 15: RESTRICTED NET POSITION/FUND BALANCE

Portions of the Net Position/Fund Balance of the County are classified as restricted Net Position/Fund Balance because their use is restricted for various purposes. The County has \$16,453,766 which are considered restricted Net Position/Fund Balance. Of the restricted Net Position/Fund Balance, \$8,998,147 is restricted for expenses allowable under Act 13, \$2,389,764 is restricted for human service program purposes, and \$5,065,855 is restricted for program purposes.

NOTE 16. COMPLIANCE

The following funds had excess of actual expenditures over budget for the year ended December 31, 2023:

	Appropriations	Expenditures	Excess Over Appropriations
General Fund	\$ 16,915,717	\$ 19,620,518	\$ 2,704,801

Excess revenues provided the funds to cover the excess expenditure.

COUNTY OF TIOGA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 17: LITIGATION

The County is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the County's financial statements.

NOTE 18: RISK MANAGEMENT

The County participates in the Pennsylvania Counties' Workers' Compensation Trust (the "Trust") insurance pool for workers' compensation insurance. Insurance premiums are developed based on employee job descriptions, rate factors, and payroll costs for the year. The Trust has an audit performed each year and the County may be required to pay an additional premium as a result of the audit, or the County may be entitled to a refund as a result of the audit. For the year ended December 31, 2023, the County paid insurance premiums of \$127,906 to the Trust.

NOTE 19: SUBSEQUENT EVENTS

In 2023, a reassessment was performed. For 2024, property values and millage rate were changed but overall revenue is expected to remain relatively consistent with 2023.

As part of the Marsh Creek Greenway Trail Project the County awarded construction contracts in January 2024 for the Charleston Street Connector section of the Marsh Creek Greenway trail project in the amount of \$1,189,104. In April 2024 the County awarded contracts of approximately \$4.5 million for the Patterson Trailhead Facility and in August 2024, a construction contract of \$3,653,965 was awarded for the North Section of the trail.

The County has evaluated all subsequent events through report issue date of September 30, 2024, noting that no additional events have taken place that effect the financial statement or required disclosure.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

COUNTY OF TIOGA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues				
Taxes	\$ 12,791,450	\$ 12,791,450	\$ 12,763,848	\$ (27,602)
Intergovernmental Revenues	1,347,325	1,347,325	4,914,161	3,566,836
Charges for Services	1,909,215	1,909,215	1,952,209	42,994
Interest and Rents	30,016	30,016	457,579	427,563
License and Permits	7,200	7,200	10,254	3,054
Court Costs and Fines	98,900	98,900	100,110	1,210
Other	82,095	82,095	362,320	280,225
Total Revenues	16,266,201	16,266,201	20,560,481	4,294,280
Expenditures				
Current:				
General Government - Administrative	4,680,072	4,680,072	7,618,267	(2,938,195)
General Government - Judicial	4,783,093	4,783,093	4,315,520	467,573
Public Safety	6,481,231	6,481,231	6,299,214	182,017
Human Services	352,231	352,231	331,782	20,449
Culture and Recreation	112,500	112,500	108,952	3,548
Conservation and Development	506,590	506,590	509,602	(3,012)
Debt Service				
Principal	-	-	138,421	(138,421)
Interest	-	-	45,508	(45,508)
Capital Outlay	-	-	253,252	(253,252)
Total Expenditures	16,915,717	16,915,717	19,620,518	(2,704,801)
Excess of Revenues Over (Under)				
Expenditures	(649,516)	(649,516)	939,963	1,589,479
Other Financing Sources (Uses)				
Appropriation of fund balance	3,462,195	3,462,195	-	(3,462,195)
Proceeds from issuance of extended term financing	-	-	127,112	127,112
Operating Transfer In	1,330,730	1,330,730	3,208,559	1,877,829
Operating Transfer (Out)	(4,143,409)	(4,143,409)	(3,310,565)	832,844
Total Other Financing Sources (Uses)	649,516	649,516	25,106	(624,410)
Net change in fund balances	-	-	965,069	965,069
Fund Balances - Beginning of Year	-	-	11,048,200	11,048,200
Fund Balances - End of Year	\$ -	\$ -	\$ 12,013,269	\$ 12,013,269

COUNTY OF TIOGA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
HUMAN SERVICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues				
Intergovernmental Revenues	\$ 13,733,952	\$ 13,733,952	\$ 13,227,275	\$ (506,677)
Charges for Services	550,862	550,862	811,889	261,027
Interest and Rents	-	-	128,766	128,766
Other	-	-	116,934	116,934
Total Revenues	14,284,814	14,284,814	14,284,864	50
Expenditures				
Current:				
Human Services	17,717,490	17,717,490	16,579,117	1,138,373
Debt Service				
Principal	-	-	51,954	(51,954)
Interest	-	-	21,441	(21,441)
Capital Outlay	-	-	15,965	(15,965)
Total Expenditures	17,717,490	17,717,490	16,668,477	1,049,013
Excess of Revenues Over (Under)				
Expenditures	(3,432,676)	(3,432,676)	(2,383,613)	1,049,063
Other Financing Sources (Uses)				
Operating Transfer In	3,432,229	3,432,229	2,165,326	(1,266,903)
Total Other Financing Sources (Uses)	3,432,229	3,432,229	2,165,326	(1,266,903)
Net change in fund balances	(447)	(447)	(218,287)	(217,840)
Fund Balances - Beginning of Year	-	-	2,608,051	2,608,051
Fund Balances - End of Year	\$ (447)	\$ (447)	\$ 2,389,764	\$ 2,390,211

COUNTY OF TIOGA  
SCHEDULE OF CHANGES IN THE NET PENSION  
LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED DECEMBER 31, 2023

Total Pension Liability	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Service cost includes expected member contribution	\$ 1,763,616	\$ 1,552,157	\$ 1,500,129	\$ 1,533,845	\$ 1,263,705	\$ 1,255,862	\$ 1,312,068	\$ 1,286,487	\$ 1,446,878	\$ 1,488,755
Interest	4,321,360	4,484,812	4,581,404	4,466,104	4,617,921	4,779,565	5,073,878	5,090,191	5,155,982	5,268,247
Differences between expected and actual experience	1,054,619	(114,187)	(979,384)	(3,324,545)	278,200	534,101	(580,318)	(1,381,952)	735,580	(194,475)
Changes in assumptions	-	-	-	-	-	-	3,042,400	-	3,243,208	-
Benefit payments, including refunds of member contributions	<u>(3,660,004)</u>	<u>(3,677,696)</u>	<u>(3,773,409)</u>	<u>(4,853,489)</u>	<u>(4,206,654)</u>	<u>(4,300,292)</u>	<u>(4,970,941)</u>	<u>(4,543,127)</u>	<u>(4,914,230)</u>	<u>(4,776,391)</u>
Net change in total pension liability	3,479,591	2,245,086	1,328,740	(2,178,085)	1,953,172	2,269,236	3,877,087	451,599	5,667,418	1,786,136
Total pension liability - beginning	<u>57,220,348</u>	<u>60,699,939</u>	<u>62,945,025</u>	<u>64,273,765</u>	<u>62,095,680</u>	<u>64,048,852</u>	<u>66,318,088</u>	<u>70,195,175</u>	<u>70,646,774</u>	<u>76,314,192</u>
<b>Total pension liability - ending (a)</b>	<b><u>\$ 60,699,939</u></b>	<b><u>\$ 62,945,025</u></b>	<b><u>\$ 64,273,765</u></b>	<b><u>\$ 62,095,680</u></b>	<b><u>\$ 64,048,852</u></b>	<b><u>\$ 66,318,088</u></b>	<b><u>\$ 70,195,175</u></b>	<b><u>\$ 70,646,774</u></b>	<b><u>\$ 76,314,192</u></b>	<b><u>\$ 78,100,328</u></b>
Plan Fiduciary Net Position										
Contributions - employer	\$ 1,357,706	\$ 1,352,267	\$ 1,268,482	\$ 1,450,000	\$ 1,380,000	\$ 1,390,000	\$ 1,260,000	\$ 2,295,000	\$ 1,250,000	\$ 2,300,000
Contributions - employee	1,224,923	1,050,637	1,036,836	1,084,673	1,065,836	1,052,005	1,059,912	1,097,321	1,155,666	1,197,125
Net investment income	2,536,852	(528,334)	3,000,460	6,542,010	(3,067,840)	9,866,957	11,757,165	5,370,625	(9,929,597)	8,242,761
Benefit payments, including refunds of employee contributions	(3,660,004)	(3,677,696)	(3,773,409)	(4,853,489)	(4,206,654)	(4,300,292)	(4,970,941)	(4,543,127)	(4,914,230)	(4,776,391)
Administrative expense	(32,785)	(30,610)	(25,408)	(25,310)	(25,297)	(25,806)	(25,904)	(25,888)	(25,889)	(26,634)
Other	<u>-</u>	<u>57,732</u>	<u>33,136</u>	<u>1,278,162</u>	<u>17,392</u>	<u>11,672</u>	<u>18,552</u>	<u>2,017,174</u>	<u>29,145</u>	<u>35,299</u>
Net change in plan fiduciary net position	1,426,692	(1,776,004)	1,540,097	5,476,046	(4,836,563)	7,994,536	9,098,784	6,211,105	(12,434,905)	6,972,160
Plan fiduciary net position - beginning	<u>50,887,520</u>	<u>52,314,212</u>	<u>50,538,208</u>	<u>52,078,305</u>	<u>57,554,351</u>	<u>52,717,788</u>	<u>60,712,324</u>	<u>69,811,108</u>	<u>76,022,213</u>	<u>63,587,308</u>
Plan fiduciary net position - ending (b)	<b><u>\$ 52,314,212</u></b>	<b><u>\$ 50,538,208</u></b>	<b><u>\$ 52,078,305</u></b>	<b><u>\$ 57,554,351</u></b>	<b><u>\$ 52,717,788</u></b>	<b><u>\$ 60,712,324</u></b>	<b><u>\$ 69,811,108</u></b>	<b><u>\$ 76,022,213</u></b>	<b><u>\$ 63,587,308</u></b>	<b><u>\$ 70,559,468</u></b>
County's net pension (asset) liability - ending (a) - (b)	<b><u>\$ 8,385,727</u></b>	<b><u>\$ 12,406,817</u></b>	<b><u>\$ 12,195,460</u></b>	<b><u>\$ 4,541,329</u></b>	<b><u>\$ 11,331,064</u></b>	<b><u>\$ 5,605,764</u></b>	<b><u>\$ 384,067</u></b>	<b><u>\$ (5,375,439)</u></b>	<b><u>\$ 12,726,884</u></b>	<b><u>\$ 7,540,860</u></b>
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.18%	80.29%	81.03%	92.69%	82.31%	91.55%	99.45%	107.61%	83.32%	90.34%
Covered-employee payroll	\$10,859,504	\$10,335,476	\$9,462,858	\$9,371,174	\$9,635,562	\$9,746,353	\$10,174,956	\$9,077,135	\$9,370,614	\$9,307,954
County's net pension liability as a percentage of covered-employee payroll	77.22%	120.04%	128.88%	48.46%	117.60%	57.52%	3.77%	-59.22%	135.82%	81.02%

COUNTY OF TIOGA  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - LAST 10 YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contributions	\$ 1,311,325	\$ 1,220,694	\$ 1,399,224	\$ 1,772,848	\$ 1,371,644	\$ 1,141,079	\$ 1,250,995	\$ 1,268,482	\$ 1,352,267	\$ 1,357,706
Contributions in relation to the actuarially determined employer contribution	2,300,000	1,250,000	2,295,000	1,260,000	1,390,000	1,380,000	1,450,000	1,268,482	1,352,267	1,357,706
Employer contributions deficiency (excess)	<u>\$ (988,675)</u>	<u>\$ (29,306)</u>	<u>\$ (895,776)</u>	<u>\$ 512,848</u>	<u>\$ (18,356)</u>	<u>\$ (238,921)</u>	<u>\$ (199,005)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$ 9,307,954	\$ 9,370,614	\$ 9,077,135	\$ 10,174,956	\$ 9,746,353	\$ 9,635,562	\$ 9,371,174	\$ 9,462,858	\$ 10,335,476	\$ 10,859,504
Employer contributions as a percentage of covered - employee payroll	24.71%	13.34%	25.28%	12.38%	14.26%	14.32%	15.47%	13.40%	13.08%	12.50%

**Notes to Schedule**

Valuation date: January 1, 2023

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level dollar
Remaining amortization period	21 Years
Asset valuation method	Market value adjusted for unrecognized gains and losses from prior years
Inflation	3.0%
Salary increases	4.5% average, including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years' service
Mortality	PubG-2010 Mortality Table for males and females with generational mortality improvement using MP19

COUNTY OF TIOGA  
SCHEDULE OF INVESTMENT RETURNS  
REQUIRED SUPPLEMENTARY INFORMATION

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	13.49%	-13.02%	11.12%	20.53%	19.35%	-5.90%	12.68%	6.06%	-0.97%	5.05%