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September 17, 2026

To Management and the Honorable County Legislature of the
County of Tioga, New York:

In planning and performing our audit of the basic financial statements of the County of Tioga, New York (the "County") as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the County's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit we identified certain matters involving the internal control, other operational matters, and future reporting requirements that are presented for your consideration. This letter does not affect our report dated September 17, 2026 on the financial statements of the County. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized in Exhibit I.

The purpose of this communication, which is an integral part of our audit, is to describe for management, and those charged with governance, the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Drescher & Malecki LLP

September 17, 2026

Journal Entry Process

During our review of the County's journal entry processes, we noted that manual journal entries are not consistently reviewed or approved by an appropriate County employee prior to posting. Specifically, the Treasurer, Deputy Treasurer, and Chief Accountant have the ability to prepare and post journal entries without documented evidence of an independent review. This lack of segregation between preparation, posting, and approval increases the risk that errors or inappropriate entries may be recorded and not detected in a timely manner, which could result in misstatements in the County's financial statements.

We recommend that the County establish and enforce a policy requiring that all manual journal entries be reviewed and approved by an individual independent of the preparer prior to posting, with such approval clearly documented (e.g., electronic workflow approval or initials/signature on supporting documentation). In particular, nonstandard or adjusting journal entries should be subject to heightened scrutiny and review by a senior finance official who does not have system rights to post entries. Implementing these controls will strengthen segregation of duties and enhance the accuracy and reliability of the County's financial reporting.

Purchase Order Process

During our testing of the County's procurement and disbursement processes, we found that 24 of 25 purchase orders (POs) selected from the Department of Public Works were created on or after the date of the related vendor invoice. This practice effectively converts the PO into a documentation tool rather than an authorization mechanism and therefore weakens key controls over purchasing, specifically budgetary control, pre-approval of expenditures, and prevention of unauthorized or duplicate purchases.

We recommend that the County strengthen its PO procedures to ensure that POs are appropriately being used to strengthen the County's purchasing control.

Updated Workers' Compensation Actuarial Report

The County's most recent workers' compensation actuarial report was dated December 31, 2023. Actuarial studies are a key input for estimating and monitoring the County's workers' compensation liabilities, evaluating claim trends, and supporting the adequacy of related reserves.

We recommend that the County obtain updated workers' compensation actuarial valuations on at least an annual basis, or more frequently if there are significant changes in claims experience, legal environment, or workforce composition. More frequent valuations will help ensure that recorded liabilities and related disclosures are based on current data and assumptions and that the County's financial statements continue to present workers' compensation risks and obligations fairly.

Capital Asset Depreciation

During our testing the County's capital assets, we found different applications of depreciation depending on date of acquisition. We noted that documentation supporting estimated useful lives and depreciation methods for some asset classes is limited, and in certain cases useful lives for similar assets are not applied consistently.

We recommend that the County develop and maintain a formal schedule of standard useful lives and depreciation methods by major asset class, enhance capital asset records to ensure that asset cost, acquisition date, estimated useful life, depreciation method, and accumulated depreciation are complete and supportable for all significant assets, and implement a documented review process to evaluate whether estimated useful lives and depreciation methods remain appropriate.

Future Reporting Requirements

The Governmental Accounting Standards Board (“GASB”) has adopted new pronouncements, which may have a future impact upon the County. These should be evaluated to determine the extent the County will be impacted in future years.

GASB Statement No. 103—The County is required to implement GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for the fiscal year ending December 31, 2026. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues.

GASB Statement No. 104—The County is required to implement GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the fiscal year ending December 31, 2026. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

GASB Statement No. 105—The County is required to implement GASB Statement No. 105, *Subsequent Events*, effective for the fiscal year ending December 31, 2027. The objective of this Statement is to improve the financial reporting requirements for subsequent events.