

March 3, 2021

To the Members of Management of
Tioga County Property Development Corporation

In planning and performing our audit of the basic financial statements of Tioga County Property Development Corporation (the Corporation), as of and for the year ended December 31, 2020, we considered the Corporation's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control.

During our audit, we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated March 3, 2021 on the basic financial statements of the Corporation.

We have already discussed these comments and suggestions with Corporation personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This letter is intended solely for the information and use of the Board of Tioga County Property Development Corporation and management, and is not intended to be and should not be used by anyone other than these specified parties.

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1. Observation:

Formal procedures for a review of bank reconciliations are not in place.

Recommendation:

We recommend that the Corporation put in place procedures to ensure the bank reconciliations are reviewed by someone other than the preparer to achieve proper segregation of duties as signified by a signature and date.

2. Observation:

The Corporation receives both restricted and unrestricted funds including grant and government subsidy revenue and property sales. Currently the Corporation does not identify and properly designate those restricted resources that have not yet been earned through incurring expenditures.

Recommendation:

In order to properly recognize grant and government subsidy revenue and grant and government subsidy revenue advance, the Corporation needs a method of tracking the source of funds used to pay for all expenditures. We recommend the Corporation develop a method for identifying grant revenues and matching them to related expenditures. Any amounts of revenue received that are in excess of related expenditures should be recognized as a grant and government subsidy revenue advance until which time allowable expenditures are incurred.