

**TIOGA COUNTY PROPERTY DEVELOPMENT  
CORPORATION**

**Financial Statements as of  
December 31, 2019  
Together with Independent  
Auditor's Report and Report Required by *Government*  
*Auditing Standards***

**Bonadio & Co., LLP**  
Certified Public Accountants

**TIOGA COUNTY PROPERTY DEVELOPMENT CORPORATION**

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**December 31, 2019**

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**INDEPENDENT AUDITOR'S REPORT**

March 16, 2020

To the Board of Directors of the  
Tioga County Property Development Corporation

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Tioga County Property Development Corporation (the Corporation) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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## INDEPENDENT AUDITOR'S REPORT

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2019, and the respective changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2020 on our consideration of the Corporation'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 the Corporation's 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 Corporation's internal control over financial reporting and compliance.

*Bonadio & Co., LLP*

## **TIOGA COUNTY PROPERTY DEVELOPMENT CORPORATION**

### **Management's Discussion and Analysis (Unaudited)**

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This section of the Tioga County Property Development Corporation (the Corporation) annual financial report presents discussion and analysis of the Corporation's financial performance during the fiscal year ending December 31, 2019. Please read it in conjunction with the Corporation's financial statements and accompanying notes.

#### **GENERAL INFORMATION**

This Corporation was incorporated in March 2017 but activity began in 2019. The mission was to foster economic and community development by acquiring, holding, managing, developing and marketing distressed, vacant, abandoned, tax foreclosed and under-utilized residential and commercial properties.

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

This annual financial report consists of two parts: this section, the Management's Discussion and Analysis (MD&A) and the basic financial statements. The Corporation is a self-supporting entity and follows business-type activity reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Business-type activity statements offer short-term and long-term financial information about the activities and operations of the Corporation. This annual report consists of the financial statements and notes to those statements. The Statement of Net Position, Statement of Revenue, Expenses and Change in Net Position, the Statement of Cash Flows and related notes provide a detailed look at the specific financial activities of the Corporation and generally provide an indication of the Company's financial health. The Statement of Net Position includes all of the Corporation's assets and liabilities, using the accrual basis of accounting. The Statement of Revenue, Expenses and Change in Net Position reports all of the revenues and expenses during the time period indicated. The Statement of Cash Flows reports the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for debt.

#### **FINANCIAL HIGHLIGHTS**

- The Corporation's total net position at December 31, 2019 is \$64,564.
- Total current assets at December 31, 2019 are \$113,308. It is comprised of cash on hand and inventory.
- Total current liabilities at December 31, 2019 are \$48,744. The liability is comprised of a grant advance.
- Operating revenues in 2019 were \$338,685 as a result of grant and government subsidy revenue. Operating expenses of \$274,121 included primarily cost of sales and unrealized loss on inventory.

**TIOGA COUNTY PROPERTY DEVELOPMENT CORPORATION**

**Management's Discussion and Analysis (Unaudited)**

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**FINANCIAL ANALYSIS OF THE CORPORATION**

Below is an analysis of the assets, liabilities, revenues and expenses of the Corporation.

**Summary of Assets, Liabilities, and Net Position**

	<u>2019</u>
Current assets	\$ 113,308
Current liabilities	<u>48,744</u>
Total net position	<u>\$ 64,564</u>

**CURRENT ASSETS**

Current assets at December 31, 2019 were comprised of cash and inventory.

**INVENTORY**

Properties held for sale comprise inventory. At December 31, 2019 the Corporation owned 12 properties.

**CAPITAL ASSETS**

At this moment, the Corporation does not possess any capital assets.

**CURRENT LIABILITIES**

Current liabilities at December 31, 2019 are comprised of a grant advance. The grant advance is part of a grant awarded from the Enterprise Community Partners, Inc. This \$500,000 grant agreement stipulates that each disbursement of grant proceeds shall be based on the Land Bank's projections, as submitted to Enterprise Community Partners, Inc., of its use of grant proceeds over the coming reporting period. These projections consist of periodic written reports submitted by the Land Bank before the agreed upon submission deadlines contained in the agreement.

## TIOGA COUNTY PROPERTY DEVELOPMENT CORPORATION

### Management's Discussion and Analysis (Unaudited)

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#### Summary of Revenues, Expenses, and Change in Net Position

	<u>2019</u>
OPERATING REVENUES:	
Grant and government subsidy revenue	\$ <u>338,685</u>
Total operating revenues	<u>338,685</u>
OPERATING EXPENSES:	
Cost of sales	5,210
Unrealized loss on inventory	228,342
General and administrative expenses	2,704
Professional services	33,326
Insurance	4,294
Travel	<u>245</u>
Total operating expenses	<u>274,121</u>
OPERATING INCOME (LOSS)	<u>64,564</u>
CHANGE IN NET POSITION	64,564
NET POSITION - beginning of year	<u>-</u>
NET POSITION - end of year	<u>\$ 64,564</u>

#### OPERATING REVENUES

Operating revenues include grant revenue.

#### OPERATING EXPENSES

Operating expenses in 2019 are mostly comprised of cost of sales, unrealized loss on inventory, professional services, and insurance.

#### OPERATING RESULTS

The Corporation had operating income of \$64,564 for the year ended December 31, 2019.

## **TIOGA COUNTY PROPERTY DEVELOPMENT CORPORATION**

### **Management's Discussion and Analysis (Unaudited)**

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#### **REQUEST FOR INFORMATION**

This financial report is designed to provide the reader with a general overview of the Corporation's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Tioga County Property Development Corporation, 56 Main Street #203, Owego, NY 13827.



**TIOGA COUNTY PROPERTY DEVELOPMENT CORPORATION**

**Statement of Net Position  
December 31, 2019**

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	<u>2019</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash - restricted	\$ 48,744
Inventory	<u>64,564</u>
Total current assets	<u>113,308</u>
Total assets	<u>113,308</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES:</b>	
Grant and government subsidy revenue advance	<u>48,744</u>
Total current liabilities	<u>48,744</u>
Total liabilities	<u>48,744</u>
<b>NET POSITION</b>	
Unrestricted	<u>64,564</u>
Total net position	<u>\$ 64,564</u>

The accompanying notes are an integral part of these statements.

**TIOGA COUNTY PROPERTY DEVELOPMENT CORPORATION**

**Statement of Revenues, Expenses and Change in Net Position  
For the year ended December 31, 2019**

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	<u>2019</u>
OPERATING REVENUES:	
Grant and government subsidy revenue	\$ <u>338,685</u>
Total operating revenues	<u>338,685</u>
OPERATING EXPENSES:	
Cost of sales	5,210
Unrealized loss on inventory	228,342
General and administrative expenses	2,704
Professional services	33,326
Insurance	4,294
Travel	<u>245</u>
Total operating expenses	<u>274,121</u>
OPERATING INCOME	<u>64,564</u>
CHANGE IN NET POSITION	64,564
NET POSITION - beginning of year	<u>-</u>
NET POSITION - end of year	<u>\$ <u>64,564</u></u>

The accompanying notes are an integral part of these statements.

# TIOGA COUNTY PROPERTY DEVELOPMENT CORPORATION

## Statement of Cash Flows

For the year ended December 31, 2019

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	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from grant and government subsidies	\$ 387,429
Cash paid for inventory	(298,116)
Cash paid for general and administrative expenses	(2,704)
Cash paid for professional services	(33,326)
Cash paid for insurance	(4,294)
Cash paid for travel	<u>(245)</u>
Net cash from operating activities	<u>48,744</u>
<b>CHANGE IN CASH</b>	<b>48,744</b>
CASH - beginning of year	<u>-</u>
CASH - end of year	<u><u>\$ 48,744</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Operating income	\$ 64,564
Adjustments to reconcile operating income to net cash flow from operating activities:	
Unrealized loss on inventory	228,342
Changes in:	
Inventory	(292,906)
Grant and government subsidy revenue advance	<u>48,744</u>
Net cash from operating activities	<u><u>\$ 48,744</u></u>

The accompanying notes are an integral part of these statements.

# **TIOGA COUNTY PROPERTY DEVELOPMENT CORPORATION**

## **Notes to Basic Financial Statements**

**December 31, 2019**

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### **1. ORGANIZATION**

The Tioga County Property Development Corporation (the Corporation), was formed in 2017 to address the problems of vacant, abandoned, or tax delinquent property in the County of Tioga, New York (the County), in a coordinated manner through the acquisition of real property. Operations did not commence until 2019. The mission of the Corporation is to return that property to productive use in order to strengthen the economy, improve the quality of life, and improve the financial condition of the municipalities, through the use of the powers and tools granted to land banks by New York State (NYS).

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Presentation**

The basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for establishing governmental accounting and financial principles.

#### **Measurement Focus and Basis of Accounting**

The Corporation operates as a proprietary fund. Proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

The Corporation utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or an economic asset is used.

#### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### **Income Tax Status**

The Corporation was organized as a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code.

#### **Restricted Cash**

Certain amounts of cash are classified as restricted because their use is restricted by grant agreements. Restricted cash balances have been offset by grant and government subsidy revenue advances at December 31, 2019.

## **TIOGA COUNTY PROPERTY DEVELOPMENT CORPORATION**

### **Notes to Basic Financial Statements**

**December 31, 2019**

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#### **Inventory**

Inventory consists of vacant, abandoned, or tax delinquent property in the County purchased by the Corporation. Inventory is valued at the lower of cost or market. Market value is defined as estimated selling price and is based on third-party appraisals. Cost includes but is not limited to, property purchase cost, appraisal, inspection and recording fees, renovation costs and professional services.

#### **Grant and Government Subsidy Revenue Advance**

Grant advances consist of amounts of received grant and government subsidy revenue for which the definition of earned has not been met. Such amounts are reflected as a liability until the amounts are deemed earned and then recognized as revenue.

#### **Operating and Non-Operating Revenues and Expenses**

As a business-type activity, the Corporation distinguishes operating revenues and expenses from non-operating items. Operating revenues are mostly comprised of grant and government subsidy revenue resulting from exchange transactions, in-kind services, and sale of properties associated with the principal activities of the Corporation. Operating expenses generally result from the acquisition, demolition and renovation of properties, and general and administrative expenses in accordance with the Corporation's mission. There were no non-operating revenues and expenses for the year ended December 31, 2019.

#### **Cost of Sales**

At the time of sale of inventory, the book value of inventory is recognized as expense under cost of sales. Cost of sales also include expenses incurred to maintain properties held in inventory that do not meet the definition to be treated as inventory. These include, but are not limited to, property taxes, mowing, and other property maintenance costs.

#### **Unrealized Loss on Inventory**

Deterioration, damage, changing prices and other factors have caused certain inventory's cost to exceed its market value. In accordance with GAAP, inventory has been reduced to market value and an unrealized loss has been recognized for the year ended December 31, 2019.

## **TIOGA COUNTY PROPERTY DEVELOPMENT CORPORATION**

### **Notes to Basic Financial Statements**

**December 31, 2019**

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#### **Net Position**

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Corporation did not have net investment in capital assets at December 31, 2019.
- b. Restricted net position - net position with constraints placed on their use either by (1) external groups such as creditors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Corporation did not have restricted net position at December 31, 2019.
- c. Unrestricted net position - all other net position that does not meet the definition of net investment in capital assets or restricted net position.

It is the Corporation's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

### **3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

Monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within and authorized to do business in New York State (NYS). Collateral is required for deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are those identified in NYS General Municipal Law, Section 10 and outlined in the NYS Comptroller's Financial Management Guide.

#### **Interest Rate Risk**

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Corporation has an 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 Corporation's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations.

# **TIOGA COUNTY PROPERTY DEVELOPMENT CORPORATION**

## **Notes to Basic Financial Statements**

**December 31, 2019**

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### **Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Corporation's investment and deposit policy, all deposits of the Corporation including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIA) shall be secured by a pledge of securities with an aggregate value equal to the aggregate amount of deposits.

The Corporation restricts the securities to the following eligible items:

- Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation;
- Obligations partially insured or guaranteed by an agency of the United States of America;
- Obligations issued or fully insured or guaranteed by NYS;
- Obligations issued by a municipal corporation, school district or district corporation of NYS;
- Obligations issued by states (other than NYS) of the United States of America rated in one of the two highest rating categories by at least one Nationally Recognized Statistical Rating Organization (NRSRO).

The Corporation maintained cash balances with a financial institution insured by the FDIC up to \$250,000, for interest bearing and non-interest bearing accounts. At December 31, 2019, the Corporation's deposits consisted of \$56,796 in cash, and were insured in full by the FDIC.

#### **4. CONCENTRATIONS OF CREDIT RISK**

The Corporation receives significant support from certain governmental entities. The primary source of funding is through a grant award from Enterprise Community Partners, Inc. Funding from Enterprise Community Partners, Inc. comprised 100% of revenue for the year ended December 31, 2019.

#### **5. AGREEMENT WITH COUNTY OF TIOGA, NEW YORK**

The Corporation entered into an agreement with the County for the period of January 1, 2019 through December 31, 2020, under which to operate. The Corporation is to pay an administrative fee of up to \$65,065 annually for the term of the agreement. As of December 31, 2019, \$32,532 was paid to the County for these expenses.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

March 16, 2020

To the Board of Directors of  
Tioga County Property Development Corporation

We have audited, 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, the financial statements of the Tioga County Property Development Corporation (the Corporation) as of and for the year ended December 31, 2019, and the related notes to the financial statements, and have issued our report thereon dated March 16, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bonadio & Co., LLP

March 16, 2020

To the Members of the Audit Committee  
Tioga County Property Development Corporation

We have audited the financial statements of Tioga County Property Development Corporation (the Corporation) for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated December 3, 2019. Professional standards also require that we communicate to you the following information related to our audit.

**SIGNIFICANT AUDIT FINDINGS**

**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019.

We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Valuation of inventory

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

## **SIGNIFICANT AUDIT FINDINGS (Continued)**

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected Misstatements**

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated as of our Independent Auditor's Report.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to management's, discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### **Restriction on Use**

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

*Bonadio & Co., LLP*