

March 30, 2018

To the Board of Directors
Tioga County Local Development Corporation

In planning and performing our audit of the financial statements of the Tioga County Local Development Corporation as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Corporation'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 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis.

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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we also noted certain operational matters that are presented for your consideration, and have been identified as "other comments and recommendations" in the following pages. These other 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. This letter does not affect our report dated March 30, 2018, on the financial statements of the Tioga County Local Development Corporation. We will review the status of these comments during our next engagement.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than those specified parties.

Very truly yours,

EFPR Group, CPAs, PLLC

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Tioga County Local Development Corporation
Status of Prior Year Deficiencies
December 31, 2017

Deficiency - Authorities Budget Office Compliance: The Corporation is subject to the Public Authorities Accountability Act, which requires local authorities to post specific financial, budgetary, investment, and procurement information on its website. It was noted that several of these required items were missing.

Recommendation: We recommend that management review the Public Authorities Accountability Act to become familiar with the information required to be posted on its website and update the Corporation's website accordingly.

Resolution: This deficiency was resolved in 2017.

Deficiency - Review of Bank Reconciliations: During the 2016 audit, it was noted that bank reconciliations were not reviewed after they were prepared.

Recommendation: Our recommendation was the Assistant Director should prepare the bank reconciliations and sign off as the preparer, and the Director should review the bank reconciliations after they have been prepared and sign off as the reviewer.

Resolution: This deficiency was resolved in 2017.

Deficiency - Adjusting Journal Entries: During the 2016 audit, it was noted that both the Assistant Director and Director have access and authority to post journal entries, but there was no review process of journal entries.

Recommendation: Our recommendation was a member of the Board of Directors review the journal entries that had been made each month. That member would review the supporting documentation that supports each entry, and sign off as the reviewer once they had determined the entry appears reasonable and appropriate.

Resolution: This deficiency was not resolved in 2017.

Tioga County Local Development Corporation
Other Comments And Recommendations
December 31, 2017

Other Comment: Payroll - During our audit, we noted that Paid Family Leave had not been properly accounted for in QuickBooks.

Recommendation: We recommend that management review the Corporation's payroll processes to ensure that Paid Family Leave is properly accounted for.

Other Comment: Adjusting Journal Entries - During our audit, it was noted that both the Assistant Director and Director have access and authority to post journal entries, but there was no review process of journal entries.

Recommendation: Our recommendation was a member of the Board of Directors review the journal entries that had been made each month. That member would review the supporting documentation that supports each entry, and sign off as reviewer once they had determined the entry appears reasonable and appropriate.