

March 27, 2026

To the Board of Directors of the
Tioga County Industrial Development Agency:

We have audited the financial statements of Tioga County Industrial Development Agency (the Agency), a discretely presented component unit of the County of Tioga, New York (the County), as of and for the year ended December 31, 2025. 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 November 18, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 2 to the financial statements. No new accounting policies, having material impact, were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Agency 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 Agency's financial statements were:

- Useful lives of capital assets
- Allowance for uncollectible loans

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.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected 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. Corrected material audit adjustments are reported in Attachment A.

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 Agency'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 Agency'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 Tioga County Industrial Development Agency and is not intended to be and should not be used by anyone other than these specified parties.

TIOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Attachment B – Material Audit Adjustments For the Year Ended December 31, 2025

Adjusting Journal Entries JE # 6

Audit Adjustment - To record AP and corresponding grant receivable at 12/31/2025.

1201	Accounts Receivable 1300.01	131,725.00	
6210.1	Grant Expense:DRI-HCR	131,725.00	
4111	Grants:DRI-HCR		131,725.00
B&Co. 1	Accounts payable		131,725.00
Total		263,450.00	263,450.00

Adjusting Journal Entries JE # 7

RESTATEMENT - To correct error of reported grants activity in 2024.

1201	Accounts Receivable 1300.01	4,617.00	
4110	Grants	23,650.00	
4110	Grants	45,000.00	
4111	Grants:DRI-HCR	73,546.00	
4113	Grants:Workforce Coordinator	2,500.00	
1110	Retained Earnings		59,717.00
6210	Grant Expense		8,417.00
6210.1	Grant Expense:DRI-HCR		7,633.00
6210.1	Grant Expense:DRI-HCR		73,546.00
Total		149,313.00	149,313.00