

**CORTLAND COUNTY BUSINESS
DEVELOPMENT CORPORATION**

Cortland, New York

FINANCIAL REPORT

December 31, 2014 and 2013

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION
DECEMBER 31, 2014 and 2013

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Frederick J. Ciaschi, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cortland County Business
Development Corporation
Cortland, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Cortland County Business Development Corporation (the Corporation), a non-profit corporation, which comprise the Statements of Financial Position as of December 31, 2014 and 2013, and the related Statements of Activities and Cash Flows for the years then ended, and the related notes to the financial statements.

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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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cortland County Business Development Corporation as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2015 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 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 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.

A handwritten signature in black ink that reads "Lisa Dietershagen, Little, Minkler & Company, CPA". The signature is written in a cursive style.

March 5, 2015
Ithaca, New York

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION
 STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

<u>ASSETS</u>	2014		
	Operating	Revolving Loan	Total
Current Assets:			
Cash and cash equivalents:			
Unrestricted	\$ 285,287	\$	\$ 285,287
Restricted		409,254	409,254
Accounts receivable	100,634		100,634
Grants receivable	250,000		250,000
Loans receivable - Current portion, net of allowance (\$30,745 and \$8,036, respectively)		37,857	37,857
Prepaid expenses	11,860		11,860
Total Current Assets	647,781	447,111	1,094,892
Furniture and fixtures, net of accumulated depreciation (\$40,695 and \$41,903, respectively)	2,768		2,768
Loans receivable - Long-term portion, net of allowance		232,452	232,452
Total Assets	\$ 650,549	\$ 679,563	\$ 1,330,112
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable	\$ 4,495	\$ 198	\$ 4,693
Accrued payroll liabilities	552		552
Grants payable	250,000		250,000
Total Current Liabilities	255,047	198	255,245
<u>NET ASSETS</u>			
Unrestricted	63,064		63,064
Board designated	332,438		332,438
Temporarily restricted		679,365	679,365
Total Net Assets	395,502	679,365	1,074,867
Total Liabilities and Net Assets	\$ 650,549	\$ 679,563	\$ 1,330,112

See Independent Auditor's Report and Notes to Financial Statements

2013

<u>Operating</u>	<u>Revolving Loan</u>	<u>Total</u>
\$ 270,362	\$	\$ 270,362
	390,291	390,291
92,445		92,445
		-0-
	64,091	64,091
<u>5,675</u>		<u>5,675</u>
368,482	454,382	822,864
4,225		4,225
<u> </u>	<u>231,325</u>	<u>231,325</u>
<u>\$ 372,707</u>	<u>\$ 685,707</u>	<u>\$ 1,058,414</u>
\$ 5,790	\$ 22	\$ 5,812
315		315
<u> </u>	<u> </u>	<u>-0-</u>
6,105	22	6,127
116,602		116,602
250,000		250,000
<u> </u>	<u>685,685</u>	<u>685,685</u>
<u>366,602</u>	<u>685,685</u>	<u>1,052,287</u>
<u>\$ 372,707</u>	<u>\$ 685,707</u>	<u>\$ 1,058,414</u>

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2014		
<u>Changes in Net Assets</u>	<u>Operating</u>	<u>Revolving Loan</u>	<u>Total</u>
Operating Revenues:			
Contracts and support	\$ 410,632	\$	\$ 410,632
Interest income	306	15,856	16,162
Grant Income	500,000		500,000
Application fees		200	200
Administrative service revenue	25,000		25,000
Other revenue	3,635	596	4,231
Total Operating Revenues	939,573	16,652	956,225
Operating Expenses:			
Payroll	214,240		214,240
Payroll taxes	17,471		17,471
Employee benefits	60,937		60,937
Conferences and meetings	5,678		5,678
Legal and professional fees	13,781	208	13,989
Marketing	24,795		24,795
Special projects	17,562		17,562
Grant expenditures	500,000		500,000
Dues	435		435
Occupancy	19,651		19,651
Telephone, fax, and internet	4,178		4,178
Postage	1,376		1,376
Supplies	2,594		2,594
Equipment rental and maintenance	6,488		6,488
Accounting and payroll services	7,100		7,100
Insurance	3,161		3,161
Travel	4,000		4,000
Automobile expense	5,317		5,317
NY nonprofit filing fee	250		250
Depreciation	1,457		1,457
Bad debt expense		22,709	22,709
Miscellaneous	202	55	257
Total Operating Expenses	910,673	22,972	933,645
Change in Net Assets	28,900	(6,320)	22,580
Net Assets, January 1,	366,602	685,685	1,052,287
Net Assets, December 31,	\$ 395,502	\$ 679,365	\$ 1,074,867

See Independent Auditor's Report and Notes to Financial Statements

2013

Operating	Revolving Loan	Total
\$ 410,632	\$ 18,454	\$ 410,632
318		18,772
	200	-0-
		200
		-0-
<u>2,932</u>	<u>966</u>	<u>3,898</u>
<u>413,882</u>	<u>19,620</u>	<u>433,502</u>
208,000		208,000
17,713		17,713
55,624		55,624
7,388		7,388
13,693	752	14,445
13,546		13,546
		-0-
		-0-
1,455		1,455
19,650		19,650
3,847		3,847
553		553
2,695		2,695
6,885		6,885
7,100		7,100
2,672		2,672
4,000		4,000
4,414		4,414
125		125
868		868
		-0-
<u>276</u>	<u>15</u>	<u>291</u>
<u>370,504</u>	<u>767</u>	<u>371,271</u>
43,378	18,853	62,231
<u>323,224</u>	<u>666,832</u>	<u>990,056</u>
<u>\$ 366,602</u>	<u>\$ 685,685</u>	<u>\$ 1,052,287</u>

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 22,580	\$ 62,231
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,457	868
Allowance for uncollectable loans	22,709	-0-
(Increase) decrease in:		
Accounts receivable	(8,189)	(12,413)
Grants receivable	(250,000)	10,000
Prepaid expenses	(6,185)	(3,630)
Increase (decrease) in:		
Accounts payable	(1,119)	(26,029)
Accrued payroll liabilities	237	(81)
Grants payable	250,000	-0-
Deferred revenue	-0-	(16,367)
	<u>31,490</u>	<u>14,579</u>
Net Cash Provided by Operating Activities		
Cash Flows from Investing Activities:		
Purchase of fixed assets	-0-	(3,117)
Principal received on loans receivable	71,389	101,081
New loans receivable issued	(68,991)	(44,200)
	<u>2,398</u>	<u>53,764</u>
Net Cash Provided by Investing Activities		
Cash Flows from Financing Activities:	<u>-0-</u>	<u>-0-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	33,888	68,343
Cash and Cash Equivalents, January 1,	<u>660,653</u>	<u>592,310</u>
Cash and Cash Equivalents, December 31,	<u>\$ 694,541</u>	<u>\$ 660,653</u>

See Independent Auditor's Report and Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

Note 1 - Summary of Significant Accounting Policies

Activity

Cortland County Business Development Corporation (the Corporation) is a not-for-profit corporation formed on May 12, 1992. The Corporation's activities involve attracting new business, developing existing business and promotion and development of job opportunities in Cortland County. Cortland County Business Development Corporation received approximately 90% and 95% of its funding from local governments in 2014 and 2013, respectively.

Basis of Accounting

The financial statements of the Cortland County Business Development Corporation have been prepared on the accrual basis.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting and are presented in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 "Not-for-Profit Entities." Under FASB ASC 958, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Corporation has no permanently restricted net assets. Temporarily restricted net assets represent resources restricted for revolving loan funds.

Use of Funds

The assets, liabilities and net assets of the Corporation are reported in two self-balancing fund groups as follows:

Operating Funds: Unrestricted resources which represent the portion of expendable funds that are available for support of Corporation operations.

Revolving Loan Funds: Restricted resources used to support local business by granting loans for economic development within Cortland County. This fund is included in the temporary restricted net asset classification.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Loans Receivable

The Corporation holds funds that are earmarked for the purpose of making loans to qualified Cortland County businesses. They are to use these funds for expansion and the creation of jobs within the County. As of December 31, 2014, the Committee had granted 11 loans still outstanding at 6% interest and with various terms to maturity through 2021. Collateral consists of various assets owned by the individual businesses. The Corporation has filed all necessary legal documents to obtain a first or second lien on the various assets. One new loan was issued during 2014 in the amount of \$25,000, and one current loan was increased by \$43,991. In addition, interest on loans is recognized when collected.

An allowance for uncollectable loans has been established and used based on management's evaluation of potential uncollectable loans at year end. Amounts expensed to maintain the appropriate reserve balance were \$22,709 and \$-0-in 2014 and 2013, respectively.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2014 and 2013

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the respective assets. The Corporation capitalizes all assets greater than \$1,000 and with useful lives greater than one year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Marketing Costs

Marketing costs are comprised of print and audio media advertising and promotions. These costs are expensed when incurred.

Tax Status

The Corporation is recognized as exempt from federal taxation under Section 501(c)(6) of the Internal Revenue Code. However, the Corporation is subject to routine audits by taxing jurisdictions. While there are no current audits in progress for any tax periods, the Corporation's open audit periods are 2011, 2012 and 2013.

Note 2 - Property and Equipment

Asset	2014		
	Cost	Accumulated Depreciation	Book Value
Equipment	\$ 41,994	\$ 39,226	\$ 2,768
Leasehold Improvements	1,469	1,469	-0-
Total	\$ 43,463	\$ 40,695	\$ 2,768
2013			
Asset	Cost	Accumulated Depreciation	Book Value
Equipment	\$ 44,659	\$ 40,434	\$ 4,225
Leasehold Improvements	1,469	1,469	-0-
Total	\$ 46,128	\$ 41,903	\$ 4,225

Depreciation expense amounted to \$1,457 and \$868 for the years ended December 31, 2014 and 2013, respectively.

Note 3 - Pension Plan

Effective April 1, 2000, the Corporation sponsored a Simple IRA retirement plan. Employees may elect to defer up to \$11,500 per year pursuant to a salary reduction agreement. The Corporation matches each employee's elective deferral up to a maximum 3% of the employee's compensation.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2014 and 2013

As of July 1, 2013, the Corporation sponsored a 401(k) plan, effective January 1, 2014. There are no plan imposed limits on the amount employees can contribute. The Corporation matches each employee's contribution up to a maximum of 10% of the employee's compensation. Pension expense incurred as of December 31, 2014 and 2013 amounted to \$19,209 and \$16,375, respectively.

Note 4 - Lease Commitments

The Corporation leases office space from Cortland County. Lease expense amounted to \$19,651 and \$19,650 for the years ended December 31, 2014 and 2013, respectively.

On September 13, 2011, the Corporation entered into a 39 month automobile lease with monthly payments of \$342. On December 1, 2014, this lease was replaced with a new automobile lease with monthly payments of \$344. Automobile lease expense amounted to \$2,532 and \$2,076, net of employee reimbursement for personal miles, for the years ended December 31, 2014 and 2013.

On February 16, 2011, the Corporation entered into a cancelable, five year lease for a copier with monthly payments of \$395 plus usage for five years. Copier lease expense amounted to \$4,740 and \$4,740 for the years ended December 31, 2014 and 2013.

Note 5 - Loans Receivable - Revolving Loan Program

	<u>2014</u>	<u>2013</u>
Loan receivable from 60 Main, LLC, dated February 11, 2010, original amount \$50,000, payable in monthly installments of \$555 including interest at 6%, maturing March 1, 2020.	\$ 29,890	\$ 34,646
Loan receivable from Cortland Foundations, LLC, dated September 19, 2011, original amount \$50,000, payable in monthly installments of \$1,521 including interest at 6%. Renewed November 10, 2014 with an original amount \$50,000, payable in monthly installments of \$1,521 including interest at 6%, maturing December 1, 2017.	50,000	17,674
Loan receivable from Cortland Plastics International, LLC, dated January 25, 2007, original amount \$75,000, payable in monthly installments of \$833 including interest at 6%, maturing February 1, 2017.	20,254	28,752
Loan receivable from Delta Investments, dated January 18, 2010, original amount \$35,000, payable in monthly installments of \$389 including interest at 6%, initially maturing December 1, 2020. During the current year an additional \$25,000 was added to the original loan, increasing monthly payments to \$731, and the maturity date to October 1, 2020.	43,092	49,083
Loan receivable from JAG Court Reporting, dated January 12, 2008, original amount \$20,000, payable in monthly installments of \$387 including interest at 6%, with an original maturity date of December 1, 2013. This loan has passed its maturity date with reduced monthly payments, with no interest, currently being made under a court ordered judgment.	6,455	8,036

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Loan receivable from Marathon Boat Group, dated June 11, 2008, original amount \$15,000, payable in monthly installments of \$219 including interest at 6%, maturing January 1, 2018.	\$ 7,912	\$ 9,488
Loan receivable from Central City Bar and Grill, dated June 14, 2007, original amount \$60,000, payable in monthly installments of \$666 including interest at 6%, maturing July 1, 2017.	19,085	25,716
Loan receivable from M & D Deli Central, dated July 7, 2009, original amount \$60,000, payable in monthly installments of \$666 including interest at 6%, maturing August 1, 2019.	32,466	38,319
Loan receivable from Crown City Stove Works, dated January 29, 2010, original amount \$50,000, payable in monthly installments of \$555 including interest at 6%, maturing February 1, 2020.	30,745	34,274
Loan receivable from Prop, Inc, dated June 29, 2011, original amount \$50,000, payable in monthly installments of \$555 including interest at 6%, maturing July 1, 2021.	36,155	40,504
Loan receivable from Custom Machining Technology, dated November 25, 2014, original amount \$25,000, payable in monthly installments of \$483 including interest at 6%, maturing December 1, 2019.	25,000	-0-
Loan receivable from Sophia Enterprises, dated March 4, 2013, original amount \$19,200, payable in monthly installments of \$371 including interest at 6%, maturing April 1, 2018.	<u>-0-</u>	<u>16,960</u>
Total Loans Outstanding	301,054	303,452
Less allowance for uncollectible loans receivable	<u>(30,745)</u>	<u>(8,036)</u>
Net Loans Outstanding	270,309	295,416
Less Current Portion	<u>(37,857)</u>	<u>(64,091)</u>
Long-term Portion	<u>\$ 232,452</u>	<u>\$ 231,325</u>

Note 6 - Concentration of Credit Risk and Sources of Revenue

Financial instruments which potentially expose the Corporation to concentrations of credit and market risk consist primarily of cash. Cash is maintained at high quality financial institutions and credit exposure is limited to cash in excess of Federal Deposit Insurance Corporation Limits. From time to time the Corporation may have bank deposits in excess of Federal Deposit Insurance Corporations insurance limits.

The Corporation received approximately 95% and 95%, in 2014 and 2013, respectively, of its support from Cortland County. In 2003, Cortland County passed a resolution to annually fund the Corporation. In 2012, a contract extension was passed for unrestricted funding of \$410,632 for the years 2013 and 2014.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2014 and 2013

Note 7 - Board Designated Net Assets

The Corporation's Board of Directors designated net assets for potential future projects. Changes in Board designed net assets, for the years ended December 31, are as follows:

	Balance at 12/31/13	Transfers In	Funds Used	Balance at 12/31/14
Future project needs	\$ 200,000	\$ 100,000	\$	\$ 300,000
Training	50,000		17,562	32,438
Total	\$ 250,000	\$ 100,000	\$ 17,562	\$ 332,438
	Balance at 12/31/12	Transfers In	Funds Used	Balance at 12/31/13
Future project needs	\$ 250,000	\$	50,000	\$ 200,000
Training	0	50,000		50,000
Total	\$ 250,000	\$ 50,000	\$ 50,000	\$ 250,000

Note 8 - Grant Revenue and Expense

During 2014 the Corporation acted as an intermediary for two \$250,000 New York State Development Assistance Program Grants. The grant funds were received and disbursed to two local businesses for preapproved projects.

Note 9 - Related Party Transactions

Cortland County Industrial Development Agency (the Agency) was created for the purpose of advancing job opportunities, health, general prosperity and economic welfare of the people of Cortland County in 1974. The Executive Director of the Corporation acts as the Chief Executive Officer of the Agency; the Chief Finance Officer and Project Development Director of the Corporation acts as the Treasurer of the Agency; and the Board of Directors of the Corporation are all members of the Agency's Board of Directors. In addition, the Agency has four component units which also share the Chief Executive Officer, Treasurer and Board of the Corporation. The Corporation pays the expenses for two of these component units, Cortland County Agricultural Local Development Corporation (Ag Corp) and Contento Redevelopment LDC, Ltd. (Contento Redevelopment). The expenses of Contento Redevelopment are expected to be repaid to the Corporation when the property is sold. The expenses of Ag Corp are expected to be repaid when the Ag Corp is dissolved. At December 31, 2014, Ag Corp and Contento Redevelopment owed the Corporation \$8,799 and \$91,835, respectively; this is reported as accounts receivable in the Statements of Financial Position.

During 2014, the Corporation entered into an administrative service agreement with the Agency. Under this agreement, the Agency agreed to pay the Corporation \$25,000 annually for administrative services commencing January 1, 2014.

Note 10 - Subsequent Event

The Corporation has evaluated subsequent events through March 5, 2015, the date which the financial statements were available to be issued. Subsequent to year end, ownership of property held by Contento Redevelopment was transferred to the Cortland County Industrial Development Agency (the Agency). As part of the transaction, the Agency agreed to accept the associated liabilities shown in note 9 above and owed to the Corporation at year end.

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**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**

Board of Directors
Cortland County Business Development Corporation
Cortland, New York

We have audited, in accordance with the 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 Cortland County Business Development Corporation (the Corporation), which comprise the Statement of Financial Position as of December 31, 2014, and the related Statements of Activities, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 5, 2015.

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.

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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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lisa Dietershagen, Little, Minkler & Company, LLP". The signature is written in a cursive, flowing style.

March 5, 2015
Ithaca, New York