

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

Cortland, New York

FINANCIAL REPORT

For the Years Ended
December 31, 2015 and 2014



CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

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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, 2015 and 2014, 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.

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, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Cortland County Business Development Corporation as of December 31, 2014 were audited by Ciaschi, Dietershagen, Little, Mickelson & Company, LLP who merged with Insero & Co. CPAs, LLP as of January 1, 2016, and whose report dated March 9, 2015, expressed an unmodified opinion on those statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2016 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.

Respectfully Submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 14, 2016

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION DECEMBER 31,

ASSETS	2015		
	Operating	Revolving Loan	Total
Current Assets:			
Cash and cash equivalents:			
Unrestricted	\$ 97,728	\$	\$ 97,728
Restricted		522,386	522,386
Accounts receivable	100,634		100,634
Grants receivable			
Loans receivable - Current portion, net of allowance (\$8,144 and \$6,231, respectively)		61,644	61,644
Prepaid expenses	12,540		12,540
Total Current Assets	210,902	584,030	794,932
Furniture and fixtures, net of accumulated depreciation (\$42,064 and \$40,695, respectively)	123,636		123,636
Loans receivable - Long-term portion, net of allowance (\$22,601 and \$24,514, respectively)		110,116	110,116
Total Assets	\$ 334,538	\$ 694,146	\$ 1,028,684
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	\$ 5,118	\$	\$ 5,118
Accrued payroll liabilities	126		126
Grants payable			
Total Current Liabilities	5,244	-0-	5,244
Net Assets:			
Unrestricted	(1,144)		(1,144)
Board designated	330,438		330,438
Temporarily restricted		694,146	694,146
Total Net Assets	329,294	694,146	1,023,440
Total Liabilities and Net Assets	\$ 334,538	\$ 694,146	\$ 1,028,684

See Independent Auditor's Report and Notes to Financial Statements

2014

Operating	Revolving Loan	Total
\$ 285,287	\$	\$ 285,287
	409,254	409,254
100,634		100,634
250,000		250,000
	62,371	62,371
11,860		11,860
647,781	471,625	1,119,406
2,768		2,768
	207,938	207,938
\$ 650,549	\$ 679,563	\$ 1,330,112

\$ 4,495	\$ 198	\$ 4,693
552		552
250,000		250,000
255,047	198	255,245
63,064		63,064
332,438		332,438
	679,365	679,365
395,502	679,365	1,074,867
\$ 650,549	\$ 679,563	\$ 1,330,112

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31,

	2015		
Changes in Net Assets:	Operating	Revolving Loan	Total
Operating Revenues:			
Contracts and support	\$ 416,791	\$ 14,362	\$ 416,791
Interest income	228		14,590
Grant Income			-0-
Application fees			-0-
Administrative service revenue	25,000		25,000
Other revenue	4,310	871	5,181
Total Operating Revenues	446,329	15,233	461,562
Operating Expenses:			
Payroll	219,000		219,000
Payroll taxes	17,574		17,574
Employee benefits	65,889		65,889
Conferences and meetings	8,710		8,710
Legal and professional fees	15,770	412	16,182
Marketing	44,559		44,559
Special projects	11,433		11,433
Grant expenditures	70,000		70,000
Dues	2,095		2,095
Occupancy	19,651		19,651
Telephone, fax, and internet	4,193		4,193
Postage	1,820		1,820
Supplies	2,787	15	2,802
Equipment rental and maintenance	8,150		8,150
Accounting and payroll services	7,100		7,100
Insurance	3,211		3,211
Travel	4,000		4,000
Automobile expense	4,633		4,633
NY nonprofit filing fee	275		275
Depreciation	1,369		1,369
Bad debt expense			-0-
Miscellaneous	318	25	343
Total Operating Expenses	512,537	452	512,989
CHANGES IN NET ASSETS	(66,208)	14,781	(51,427)
Net Assets, January 1,	395,502	679,365	1,074,867
Net Assets, December 31,	\$ 329,294	\$ 694,146	\$ 1,023,440

See Independent Auditor's Report and Notes to Financial Statements

2014

<u>Operating</u>	<u>Revolving Loan</u>	<u>Total</u>
\$ 410,632	\$	\$ 410,632
306	15,856	16,162
500,000		500,000
	200	200
25,000		25,000
3,635	596	4,231
<u>939,573</u>	<u>16,652</u>	<u>956,225</u>
214,240		214,240
17,471		17,471
60,937		60,937
5,678		5,678
13,781	208	13,989
24,795		24,795
17,562		17,562
500,000		500,000
435		435
19,651		19,651
4,178		4,178
1,376		1,376
2,594		2,594
6,488		6,488
7,100		7,100
3,161		3,161
4,000		4,000
5,317		5,317
250		250
1,457		1,457
	22,709	22,709
202	55	257
<u>910,673</u>	<u>22,972</u>	<u>933,645</u>
28,900	(6,320)	22,580
<u>366,602</u>	<u>685,685</u>	<u>1,052,287</u>
<u>\$ 395,502</u>	<u>\$ 679,365</u>	<u>\$ 1,074,867</u>

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,

	2015	2014
Cash Flows from Operating Activities:		
Change in net assets	\$ (51,427)	\$ 22,580
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	1,369	1,457
Allowance for uncollectable loans	-0-	22,709
(Increase) decrease in:		
Accounts receivable	-0-	(8,189)
Grants receivable	250,000	(250,000)
Prepaid expenses	(680)	(6,185)
Increase (decrease) in:		
Accounts payable	425	(1,119)
Accrued payroll liabilities	(426)	237
Grants payable	(250,000)	250,000
Net Cash (Used) Provided by Operating Activities	(50,739)	31,490
Cash Flows from Investing Activities:		
Purchase of fixed assets	(122,237)	-0-
Principal received on loans receivable	98,549	71,389
New loans receivable issued	-0-	(68,991)
Net Cash (Used) Provided by Investing Activities	(23,688)	2,398
Cash Flows from Financing Activities:	-0-	-0-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(74,427)	33,888
Cash and Cash Equivalents, January 1,	694,541	660,653
Cash and Cash Equivalents, December 31,	\$ 620,114	\$ 694,541

See Independent Auditor's Report and Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

***Note 1* Summary of Significant Accounting Policies**

Business 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. The Corporation received approximately 93% and 44% of its funding from local governments in 2015 and 2014, respectively.

Accounting Method

The financial statements of the 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.

Reclassification

Certain reclassifications have been made to the 2014 financial statement presentation to correspond to the current year's presentation. Net assets and net income were unchanged due to these reclassifications.

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.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

***Note 1* Summary of Significant Accounting Policies - Continued**

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, 2015, the Committee had granted 10 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. During 2015, no new loans were issued or increased. 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 \$-0- and \$22,709 in 2015 and 2014, respectively.

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.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

Note 2 Property and Equipment

Asset	2015		
	Cost	Accumulated Depreciation	Book Value
Equipment	\$ 41,994	\$ 40,595	\$ 1,399
Leasehold Improvements	1,469	1,469	-0-
Special Projects – Land Route	122,237	-0-	122,237
Total	\$ 165,700	\$ 42,064	\$ 123,636

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

Depreciation expense amounted to \$1,369 and \$1,457 for the years ended December 31, 2015 and 2014, 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.

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, 2015 and 2014 amounted to \$19,650 and \$19,209, respectively.

Note 4 Lease Commitments

The Corporation leases office space from Cortland County. Lease expense amounted to \$19,651 and \$19,651 for the years ended December 31, 2015 and 2014, respectively.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

Note 4 Lease Commitments - Continued

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 39 monthly payments of \$344. Automobile lease expense amounted to \$4,131 and \$2,532, net of employee reimbursement for personal miles, for the years ended December 31, 2015 and 2014.

On January 17, 2015, the Corporation entered into a cancelable 5 year lease for a copier with monthly payments of \$321 plus usage. Copier lease expense amounted to \$4,298 and \$4,740 for the years ended December 31, 2015 and 2014.

On October 20, 2014, the Corporation entered into a 51 month lease for a postage machine with quarterly payments of \$360. Postage lease expense amounted to \$1,440 and \$1,440 for the years ended December 31, 2015 and 2014

Note 5 Loans Receivable - Revolving Loan Program

	<u>2015</u>	<u>2014</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.	\$ 24,880	\$ 29,890
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.	34,321	50,000
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.	11,233	20,254
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 prior year an additional \$25,000 was added to the original loan, increasing monthly payments to \$731, and extending the maturity date to October 1, 2020.	36,731	43,092

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

Note 5 Loans Receivable - Revolving Loan Program - Continued

	2015	2014
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.	\$ 2,239	\$ 6,455
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.	5,697	7,912
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.	12,046	19,085
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.	26,251	32,466
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.	28,527	30,745
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.	-0-	36,155
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.	20,580	25,000
Total Loans Outstanding	202,505	301,054
Less allowance for uncollectible loans receivable	(30,745)	(30,745)
Net Loans Outstanding	171,760	270,309
Less Current Portion	(61,644)	(62,371)
Long-term Portion	\$ 110,116	\$ 207,938

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

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 2015 and 2014, respectively, of its support from Cortland County. In 2003, Cortland County passed a resolution to annually fund the Corporation. In 2014, a contract extension was passed for unrestricted funding of \$416,791, 423,042 429,387, and 435,827 for the years 2015, 2016, 2017, and 2018.

Note 7 Board Designated Net Assets

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

	Balance at 12/31/14	Transfers In	Funds Used	Balance at 12/31/15
Future project needs	\$ 300,000	\$	\$	\$ 300,000
Training	32,438		2,000	30,438
Total	\$ 332,438	\$ -0-	\$ -0-	\$ 330,438
	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

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. In 2015, the Corporation did not receive any grant revenue.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

***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 three 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 Ag Corp are expected to be repaid when the Ag Corp is dissolved. During 2015, Contento Redevelopment was dissolved and the organizations assets and liabilities were transferred to the Agency. Upon sale of the Contento asset, the Agency will repay the Corporation. At December 31, 2015, Ag Corp and Agency 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 14, 2016, 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.

**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, 2015, 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 14, 2016.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 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.

Respectfully Submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 14, 2016