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March 6, 2015

To The Board of Directors
Greater Glens Falls Local Development Corporation

We have audited the financial statements of Greater Glens Falls Local Development Corporation for the year ended December 31, 2014, and have issued our report thereon dated March 6, 2015. 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 to you dated December 17, 2014. 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 Greater Glens Falls Local Development Corporation are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Organization 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 estimate affecting the financial statements were:

Management's estimate of the grant's receivable is based on the expenditures related to the purpose of the grant and the grantor's acceptance of those expenses. We evaluated the key factors and assumptions used to develop the grants receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

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

Difficulties Encountered in Performing the Audit

The completion of our audit was delayed because the response from the Organization's financial management was erratic and slow for a time on some larger audit items. We asked management to explain the large difference in net assets which took some time. We were also given two different QuickBooks general ledgers, neither of which contained opening balances for 2014 that agreed to the 2013 audited financial statements.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely 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. We are attaching all adjusting journal entries made during our audit engagement.

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 March 6, 2015.

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 Organization'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 Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The financial statements for the year ended December 31, 2014, include a schedule of findings and responses. The schedule contains three findings which are explained in detail with the recommendations for the future.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Whittemore, Downen & Ricciardelli, LLP

Whittemore, Downen & Ricciardelli, LLP

Client: 22072 - Greater Glens Falls Local Development Corporation
 Engagement: AUD14 - GF LDC 14
 Trial Balance: 3000.00 - TB
 Workpaper: 3700.01 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		5100.05		
To record 12/31/14 accounts payable.				
5007	Accounting Expense-McCarthy & Conlon		460.00	
5011	Advertising and Marketing		180.00	
5014	Adv/Marketing-Post Star		23.80	
5016	Adv/Marketing-Samantha's Pantry		140.00	
5017	Adv/Marketing-Website		12.00	
5017	Adv/Marketing-Website		70.00	
5020	Attorney's Fees:Fitzgerald Morris Baker & Firth:Loan Expense		567.00	
5055	Incubator Expenses		410.00	
5081	Miscellaneous Expense		101.99	
5083	Misc Exp-Fine Foods		126.33	
2000	Accounts Payable			2,091.12
Total			2,091.12	2,091.12
Adjusting Journal Entries JE # 2		4200.04		
To reverse January 2015 loan interest income invoiced in December 2014.				
4020	Loan Interest Income		935.33	
1205	A/R-Payment Current Due			935.33
Total			935.33	935.33
Adjusting Journal Entries JE # 3		4200.04		
To reverse old outstanding deferred interest revenue and related receivable.				
3005	Deferred Revenue		2,793.23	
1220	Accured Interest Receivable			2,793.23
Total			2,793.23	2,793.23
Adjusting Journal Entries JE # 4		4400.01		
To adjust Prepaid Expense to Insurance Schedule				
1300	Prepaid Expense		3,304.42	
5060	insurance			3,304.42
Total			3,304.42	3,304.42
Adjusting Journal Entries JE # 5		3005		
To record PBC entry to reconcile EDA Grant				
3000	Deferred Revenue - EDA Grant		242,945.00	
1251	EDA Grant Receivable			242,945.00
Total			242,945.00	242,945.00
Adjusting Journal Entries JE # 6		4200.20		
To record EDA Grant Revenue for 2014				
3000	Deferred Revenue - EDA Grant		63,614.00	
3060	Unrestricted Net Assets (Retained Earnings)			63,614.00
Total			63,614.00	63,614.00
Adjusting Journal Entries JE # 7		6100.20		
To adjust temporarily restricted net asset balances to 12/31/13 financial statements.				
3060	Unrestricted Net Assets (Retained Earnings)		649.97	
3110	Restricted Net Assests:Program Income		444.12	
3100	Restricted Net Assests:ARBI-Incubator			48.81
3105	Restricted Net Assests:Local Money			1,045.28
Total			1,094.09	1,094.09

Client: 22072 - Greater Glens Falls Local Development Corporation
 Engagement: AUD14 - GF LDC 14
 Trial Balance: 3000.00 - TB
 Workpaper: 3700.01 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 8		6500.06		
To adjust net assets to reverse 2013 accounts payable				
1504	Tech Meadows Infra-Consultant		2,500.00	
3060	Unrestricted Net Assets (Retained Earnings)		6,373.97	
5006	Accounting Expense-Marvin & Co			3,251.25
5016	Adv/Marketing-Samantha's Pantry			100.00
5017	Adv/Marketing-Website			268.50
5019	Attorney's Fees:Fitzgerald Morris Baker & Firth:General File			1,113.50
5032	Consulting-Barton & Loguidice			1,119.48
5041	Consulting-Shelter Planning			2,500.00
5081	Miscellaneous Expense			521.24
Total			<u><u>8,873.97</u></u>	<u><u>8,873.97</u></u>
Adjusting Journal Entries JE # 10				
To record facade revenue received in 2014 and not recorded.				
3060	Unrestricted Net Assets (Retained Earnings)		12,000.00	
4001	Facade Revenue			12,000.00
Total			<u><u>12,000.00</u></u>	<u><u>12,000.00</u></u>