

MANAGEMENT COMMENT LETTER

Board of Directors
Cortland County Development Corporation
Cortland, New York

In planning and performing our audit of the financial statements of the Cortland County Development Corporation (the Corporation) as of and for the year ended December 31, 2018, 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 our auditing 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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.

DISCUSSION ITEM

Impact of Accounting Standard Updates (ASUs) of the Financial Accounting Standards Board (FASB)

In May 2014, FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers." The update provides extensive guidance to assist management in determining classification of revenues received by an entity and provides a robust reporting framework to address inconsistencies identified in the existing requirements.

In August 2015, FASB issued ASU No. 2015-14. The purpose of the update was to defer the effective date of ASU No. 2014-09. Accordingly, the effective date for non-public entities is for years beginning after December 15, 2018, applied on a retrospective basis.

In February 2016, FASB issued ASU No. 2016-02, "Leases." The update changes the recording and reporting requirements for operating leases requiring an assets and liability be recognized if the lease meets certain requirements.

ASU No. 2016-02 is effective for nonpublic entities for years beginning after December 15, 2019, applied on a retrospective basis.

We would like to thank you and your staff for their cooperation and support given to us during the course of the audit. We appreciate the opportunity to be of service to you and look forward to our continued involvement.

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

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 4, 2019