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Certified Public Accountant

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

Professional standards established by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) require the auditor to communicate certain matters related to the conduct of the audit to those who have responsibility for oversight of the financial process. The standards require the auditor to ensure that the oversight committee of the Board of Directors receives additional information regarding the scope and the results of the audit that may assist in the supervising of the financial reporting and disclosure process for which management is responsible.

THE AUDITOR'S RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS

It is the auditor's responsibility to conduct an audit in accordance with generally accepted auditing standards. These standards require the auditor to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

See independent auditor's report on the financial statements.

SIGNIFICANT ACCOUNTING POLICIES

The auditor should determine that the oversight committee is informed about the initial selection of, and change in, significant accounting policies or their application, and the methods used to account for significant, unusual transactions or the effect of significant accounting policies for which there is a lack of authoritative guidance or consensus.

No significant accounting policy changes were noted.

MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Accounting estimates are an integral part of financial statement presentation and are based upon management's current judgments.

No estimates of account balances were noted.

DISAGREEMENTS WITH MANAGEMENT

The auditor should discuss with the oversight committee any disagreements with management regarding the application of accounting principles to the entity's specific transaction and events; the basis for management's judgments about accounting estimates; the scope of the audit; disclosures in the financial statements and the wording of the auditor's report, whether or not satisfactorily resolved, that could be significant to the Organizations's financial statements or the auditor's report.

No disagreements with management related to the matters above.

CONSULTATION WITH OTHER ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters. When the auditor is aware that such consultation has occurred, he should discuss with the oversight committee his views about significant matters that were the subject of such consultation.

No consultation by management with other accountants was noted.

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION

The auditor should discuss with the oversight committee any major issues discussed with management in connection with the initial or recurring retention of the auditor.

No major issues were discussed with management prior to retention.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

The auditor should inform the oversight committee of any serious difficulties encountered in dealing with management related to the performance of the audit.

I did not encounter any serious difficulties in dealing with management related to the performance of the audit.

Communication of Internal Control

In planning and performing my audit of the financial statements of the Cortland County Business Development Corporation for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, I considered the Organization's internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control that I consider to be material weaknesses, as defined above.

This communication is intended soley for the information and use of the Board of Directors, management, others within the entity and federal oversight agencies and is not intended to be and should not be used by anyone other than these specified parties.

I thank you for the opportunity to be of service to Cortland County Business Development Corporation and if I can be of any service in regards to the issues mentioned above, please feel free to contact me.

Very Truly Yours,

Richard McNeilly, CPA