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March 19, 2010

CONFIDENTIAL

The Board of Directors  
Erie County Industrial Development Agency

Dear Board Members:

We have completed our audit of the financial statements of the Erie County Industrial Development Agency (ECIDA) for the year ended December 31, 2009. Considering the test character of our audit, you will appreciate that reliance must be placed on adequate methods of internal control as your principal safeguard against irregularities which a test examination may not disclose. We now present for your consideration our comments based upon observations made during our audit.

This report is intended solely for the information and use of the Board of Directors, management, and others within ECIDA.

Status of Prior Recommendations

We reviewed the disposition of our comments and recommendations included in our letter dated March 12, 2009. The following is a summary of action taken with regard to our recommendations:

Perform Assessment of the Effectiveness of Internal Controls - Section 2800 (1)(a)(9) and Section 2800 (2)(a)(8) of the Public Authorities Law require that all public authorities complete an annual assessment of the effectiveness of their internal control structures and procedures. The internal control assessment is an annual evaluation performed by management to determine the effectiveness of its internal control system.

In order to satisfy the reporting requirements of the Public Authorities Law, we recommended that ECIDA conduct a formal, documented process to assess the effectiveness of its internal control structure and procedures, should indicate whether or not the internal controls are adequate, and should prepare a statement that it has done so. In 2009, management provided us documentation to assess the effectiveness of its internal control over financial reporting. We have audited EDICA's internal control over financial reporting and have issued our report dated March 19, 2010, thereon.

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We take this opportunity to thank the staff of ECIDA for the courtesy and cooperation extended to us during the audit. If you have any questions regarding the foregoing comments or wish any assistance in their implementation, please contact us at your convenience.

Very truly yours,

TOSKI, SCHAEFER & CO., P.C.



Ronald C. Toski, CPA  
Managing Director