

# BROWN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

March 28, 2011

To the Management and  
Board of Directors of  
Niagara County Brownfield Development Corporation  
6311 Inducon Corporate Drive  
Sanborn, New York 14132

## MANAGEMENT LETTER

In planning and performing our audit, we considered Niagara County Brownfield Development Corporation (the "NCBDC") internal control over financial reporting as a basis for designing our auditing procedures 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 NCBDC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the NCBDC's internal control over financial reporting.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding those matters. Our auditors' "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" dated March 28, 2011 contains our communication of significant deficiencies or material weaknesses in internal control. This letter does not affect our report dated March 28, 2011, on the financial statements of Niagara County Brownfield Development Corporation.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Corporation personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

### INTERNAL CONTROLS PROCEDURES

#### *Journal Entries*

The Corporation does not have a formal policy for the review and approval of monthly journal entries. Journal entries can be created and entered into the system by the accounting personnel with no oversight. There is no formal review of the journal entries by another member of management.

We recommend that management of Niagara County Brownfield Development Corporation create a formal policy in which all journal entries are required to be reviewed by another member of management on a monthly basis. All entries should be initialed by the preparer and the individual approving them in order to attribute responsibility to the appropriate individuals.

### GENERAL

We are pleased to point out that the books and records of Niagara County Brownfield Development Corporation appear to be well maintained and transactions are well documented. Our inquiries and inspections indicate that management is knowledgeable of the compliance requirements related to federal awards.

We would like to thank Gary Kelsey, Amy Fisk, and Mike Dudley for their cooperation and aid during our engagement. We were most appreciative of it, and it made our job a pleasant task. If you have any further questions regarding the above matters and would like to discuss them in greater detail or require assistance, please feel free to contact us at your convenience.

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

Yours truly,

*Brown & Company, LLP*

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