

WHEAT & FITZPATRICK

CERTIFIED PUBLIC ACCOUNTANTS

6 GANSEVOORT STREET • BATH NY 14810-1611 • (607) 776-4308 • FAX: (607) 776-1465

March 22, 2011

To the Board of Directors of
Steuben County Industrial Development Agency

We have audited the financial statements of Steuben County Industrial Development Agency for the year ended December 31, 2010, and have issued our report thereon dated March 22, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as information related to the scope and timing of our audit. We have communicated such information in our letter to you dated November 9, 2010. 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 Steuben County Industrial Development Agency are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010. 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.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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. None of the misstatements detected as a result of audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 22, 2011.

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.

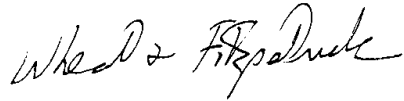
Other Audit Findings or Issues

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.

Other Information in Documents Containing Audited Financial Statements

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "W. D. & Fitzpatrick".

WHEAT & FITZPATRICK

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March 22, 2011

To the Board of Directors of
Steuben County Industrial Development Agency

In planning and performing our audit of the financial statements of Steuben County Industrial Development Agency, for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

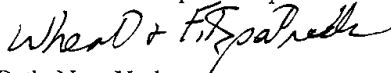
However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. This letter summarizes our comment and suggestion regarding that matter. This letter does not affect our report dated March 22, 2011, on the financial statements of Steuben County Industrial Development Agency.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment is summarized as follows:

Organizational Structure

The size of the Organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide the optimum segregation of duties. This situation dictates that the Board remain involved in the financial affairs of the Organization to provide oversight and independent review functions.

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



Bath, New York
March 22, 2011