

**CONEY ISLAND DEVELOPMENT CORPORATION  
ANNUAL REPORT PER SECTION 2800 OF PUBLIC AUTHORITIES LAW  
INTERNAL CONTROL ASSESSMENT  
YEAR ENDED 6/30/09**

Management continually reviews and updates the Corporation's Policies and Procedures Manual, and the Corporation's Operating procedures Manual which includes internal controls over financial reporting. These manuals enable the Corporation to effectively document the systems of internal controls presently in place. Reviews and updates to these manuals are performed either as a result of a problem experienced with a particular system/function or as a result of an audit report or to adopt best practices.

To support the activities of the Board of Directors, staff of the New York City Economic Development Corporation ("NYCEDC") provide certain in-kind services to the Corporation. NYCEDC's Internal Audit Department may perform full scope operational audits in the future.

Additionally, in performing their annual audit of financial statements, the Corporation's independent auditors consider the Corporation's internal control over financial reporting in planning and performing their audit. Though this internal control consideration was for a limited purpose, no significant deficiencies or material weaknesses were identified.

The above serves to provide the Corporation with an effective control structure.