March 23, 2010

The Audit Committee and Members of the Board of Directors
Oneida County Industrial Development Agency
153 Brooks Road
Rome, New York 13441

Ladies and Gentlemen:

We have completed the audit of the financial statements of Oneida County Industrial Development Agency (the Agency) as of and for the year ended December 31, 2009.

Our professional standards require that we communicate with you concerning certain matters that may be of interest to you in fulfilling your obligation to oversee the financial reporting and disclosure process for which the Agency is responsible. We have prepared the following comments to assist you in fulfilling your obligation.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America

Our responsibility is detailed in auditing standards generally accepted in the United States of America. Those standards require, among other things, that we obtain a sufficient understanding of the Organization’s internal control to enable us to properly plan our audit and to determine the nature, timing and extent of audit procedures to be performed.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements: therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested. Our audit was planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatement. However, because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatement, whether caused by error or fraud, may exist and may not be detected by us. Our responsibility as auditors is limited to the period covered by our audit and does not extend to the later periods for which we are not engaged as auditors. As auditors, we must necessarily rely upon the integrity and cooperation of management and the assistance of your accounting staff. As a condition of our engagement, management will be asked to sign a written representation letter attesting to the completeness and truthfulness of representations and disclosures made to us during the course of our audit.
Significant Accounting Policies

The Agency's significant accounting policies are set forth in Note 1 to the financial statements. During the year ended December 31, 2009, there was one significant change to a previously adopted accounting policy. In prior years the Agency recorded grant activity with the NYS Department of Environmental Conservation and the Rome Community Brownfield Restoration Corporation as both revenue and expense on its statement of activities. There is no economic benefit gained by the Agency. Management has reconsidered this policy and has decided to treat this activity as strictly a fiduciary transaction and is therefore not considered to be a source of revenue to the Agency when received nor an expense to the Agency when the funds are expended. The comparative audited financial statements for 2008 and 2007 have been reissued and have been provided to management. This change in accounting treatment had no effect on the change in net assets in either year.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and on assumptions about future events. There were no significant accounting estimates reflected in the Agency's financial statements.

Audit Risk Areas

The following are the audit risk areas that we have identified, and our responses to contain these risks.

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<tr>
<th>Audit Risk Area</th>
<th>Auditor Responses</th>
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<tbody>
<tr>
<td>Revenue recognition and related.</td>
<td>Analytically tested revenues and reviewed year end cut-offs.</td>
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<td>receivables.</td>
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<tr>
<td>Proper recording of cash balances.</td>
<td>Matched year end ledger amounts and bank reconciliations to independent bank confirmations.</td>
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Significant Audit Adjustments

Our audit was designed to obtain reasonable assurance about whether the financial statements are free of material misstatements, whether caused by error or fraud. In addition, we are obligated by auditing standards generally accepted in the United States of America to inform you of any uncorrected misstatements aggregated by us for the most recent period that were determined by management to be immaterial, and therefore not adjusted. All adjustments identified by your controller and us during the audit have been recorded.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.
Consultations with Other 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 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.

Major Issues Discussed with Management Prior to Retention

Throughout the year, routine discussions regarding the application of accounting principles or auditing standards are sometimes held with management in connection with the transactions that have occurred, transactions that are contemplated, or reassessment of current circumstances. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. Such discussions have been helpful in conducting the audit.

Difficulties Encountered in Performing the Audit

We encountered no major difficulties in dealing with management related to the performance of our audit. We received the full cooperation of the Agency's accounting staff during the audit.

This report is intended solely for the use of the board of directors and management within the Oneida County Industrial Development Agency and is not intended to be, and should not be used by anyone other than these specified parties.

We would be pleased to discuss this report with you further at your convenience.

Very truly yours,

Barone, Howard & Co., CPAs, P.C.