

March 31, 2010

Management and the Board of Directors
Madison County IDA
Canastota, New York

We have audited the financial statements of Madison County IDA for the year ended December 31, 2009, and have issued our report thereon dated March 5, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 4, 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 Madison County IDA, are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the Agency 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.

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.

Management has agreed to correct all such misstatements. A schedule of the misstatements is attached.

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 5, 2010.

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 Agency'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

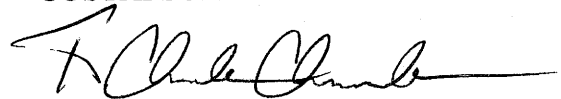
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and Management of Madison County IDA and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

GUSTAFSON & CO.

By:



T. Charles Chambers

Prepared by _____

MADISON COUNTY INDUSTRIAL DEVELOPMENT CO
Adjusting Journal Entries

15020

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Reviewed by _____

03/31/10 11:17 AM

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
AJE01	Adjusting	12/31/09					
		530	TELEPHONE	107.12			
		570	PROMOTION & DEVELOPMEN	16.50			
		552	REPAIR & MAINTENANCE	714.78			
		552	REPAIR & MAINTENANCE	40.45			
		530	TELEPHONE	25.67			
		200	ACCOUNTS PAYABLE		904.52		
						(904.52)	
			TO RECORD UNRECORDED LIABILITIES PER BB-20 SEARCH.				
AJE02	Adjusting	12/31/09					
		109	SBC-4021154720		214.10		
		406	INTEREST OVB MONEY MARK	214.10			
						(214.10)	
			TO REVERSE DUPLICATE INTEREST PAYMENT POSTED FOR 11/09 PER A-30.				
AJE03	Adjusting	12/31/09					
		200	ACCOUNTS PAYABLE		6,500.00		
		560	ACCOUNTING FEES	6,500.00			
						(6,500.00)	
			TO RECORD UNRECORDED G&CO FEES PER AD-1.				
AJE04	Adjusting	12/31/09					
		510	TRAVEL & CONFERENCES		1,358.95		
		560	ACCOUNTING FEES	1,000.00			
		130	FURNITURE AND EQUIPMENT	358.95			
						358.95	
			TO RECLASS EXPENSES PER WP- 200 TESTING.				
AJE05	Adjusting	12/31/09					
		606	FURNITURE & EQUIPMENT		647.76		
		130	FURNITURE AND EQUIPMENT	647.76			
						647.76	
			TO RECLASS FURN & EQUIPMENT TO PROPER ACCT. PER U/V-10.				

Prepared by _____

MADISON COUNTY INDUSTRIAL DEVELOPMENT CO
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Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
AJE06	Adjusting	12/31/09					
		135	A/D FURNITURE & EQUIPMEN		4,718.02		
		141	A/D - BUILDINGS & IMPROV.		9,742.28		
		155	A/D MACHINERY & EQUIPMEI		297.35		
		546	AMORTIZATION	517.15			
		545	DEPRECIATION EXPENSE	14,240.50			
						(14,757.65)	
			TO RECORD CY DEPRECIATION PER U/V-10.				
AJE07	Adjusting	12/31/09					
		310	P&L SUMMARY	39,026.90			
		300	FUND BALANCE		39,026.90		
						0.00	
			TO RECLASS 12/31/08 P&L SUMMARY TO FUND BALANCE.				
		TOTAL		<u>63,409.88</u>	<u>63,409.88</u>	<u>(21,369.56)</u>	