

Sovie
& *Bowie C.P.A., P.C.*
Certified Public Accountants

Peter J. Sovie, C.P.A.
Thomas E. Bowie, C.P.A.

Charlene A. Fisk, C.P.A.
Elizabeth A. Bush, C.P.A.
Catherine A. Satterley, C.P.A.
Karen M. Christie, C.P.A.

167 Polk St., Suite 340
Watertown, New York 13601-2764
Telephone: (315) 788-7690
Fax: (315) 788-0966
E-mail: sovie@sovie-bowie.com
www.sovie-bowie.com

August 10, 2010

To the Board of Directors
County of Lewis Industrial Development Agency
Lowville, New York

We have audited the basic financial statements of County of Lewis Industrial Development Agency for the year ended May 31, 2010, and have issued our report thereon dated July 30, 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 communicated such information in our letter dated February 27, 2009. 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 has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by County of Lewis Industrial Development Agency are described in Note A to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by County of Lewis Industrial Development Agency during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions 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

Accounting estimates are an integral part of the basic 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 basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was useful lives of assets for computation of depreciation.

Management's estimate of the useful lives of capital assets is based on generally accepted guidelines. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

To the Board of Directors
County of Lewis Industrial Development Agency
July 30, 2010
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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. The attached schedule summarizes corrected misstatements of the financial statements. Management has determined that their effects are material both individually and 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 matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the basic financial statements or the auditors' 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 July 30, 2010.

Issues Discussed Prior to Retention of Independent Auditors

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 County of Lewis Industrial Development 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.

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 accounting principle to the governmental unit's basic 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.

Difficulties Encountered in Performing the Audit

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

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

Very Truly Yours,

Thomas E. Bowie, C.P.A.

Sovie E. Bowie C.P.A., P.C.

County of Lewis I D A
Adjusting Journal Entries
 May 31, 2010

11:14 AM
 07/01/10
 Accrual Basis

Date	Num	Memo	Account	Debit	Credit
5/31/2010	1	to reclassify to income account to reclassify to income account	PILOT's Payable Pilot Fees	446.91	446.91
5/31/2010	2	to reclassify NYS withholding payments to reclassify NYS withholding payments	Payroll-SWT Payroll Taxes	4,663.94	4,663.94
5/31/2010	3	to reclassify retirement account payment to reclassify retirement account payment	Payroll-Pension Retirement	227.76	227.76
5/31/2010	4	to reclassify net assets to reclassify net assets	Net Assets Retained Earnings	123,468.43	123,468.43
5/31/2010	5	to reclassify prepaid insurance to expense to reclassify prepaid insurance to expense	Health Ins. Prepaid Insurance	745.24	745.24
5/31/2010	6	to record receivable from NYS to record receivable from NYS	Accounts Receivable Public Authority 2975 ...	28,773.00	28,773.00
5/31/2010	7	to reclassify against agency fee to reclassify against agency fee	Public Authority 2975 ... Agency Fees	3,536.00	3,536.00
5/31/2010	8	to record depreciation to record depreciation	Depreciation Accumulated Depreci...	4,988.00	4,988.00
5/31/2010	9	to correct journal entry for sale of Beaverite office building to correct journal entry for sale of Beaverite office building to correct journal entry for sale of Beaverite office building to correct journal entry for sale of Beaverite office building	DueFrBeaverite Accumulated Depreci... Gain on sale of building Legal	11,147.00 5,300.00 11,106.00 5,341.00	11,147.00 5,300.00 11,106.00 5,341.00
TOTAL				183,296.28	183,296.28