



BOWERS & COMPANY
CPAs PLLC

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

September 15, 2015

Board of Directors
Watertown Industrial Center Local Development Corporation

In planning and performing our audit of the financial statements of Watertown Industrial Center Local Development Corporation as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered Watertown Industrial Center Local Development Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 certain matter that is an opportunity for strengthening internal controls and operating efficiency. The following summarizes our comment and suggestion regarding this matter.

Reconciliation of Leasehold Improvement Loans:

During the audit, it was noted that the deferred revenue and receivable for two LHI loans had not been reconciled and as a result were booked incorrectly. For one loan this resulted in a material understatement of assets and liabilities. For the other loan the result was an understatement of a new loan issue, which will result in a forgiveness of debt by the Organization.

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

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This communication is intended solely for the information and use of management, 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.

Very Truly Yours,

Banner & Company

Watertown, New York
September 15, 2015