



**BOWERS & COMPANY**  
**CPAs PLLC**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

February 11, 2015

To the Board of Directors and Management of  
Clayton Local Development Corporation

In planning and performing our audit of the financial statements of Clayton Local Development Corporation for the year ended December 31, 2014 in accordance with auditing standards generally accepted in the United States of America, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated February 11, 2015, on the financial statements of Clayton Local Development Corporation.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with the Corporation's management and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

***Organizational Structure***

The size of the Corporation's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remains involved in the financial affairs of the Corporation to provide enough oversight and independent review functions.

We wish to thank the Executive Director and Board of Directors for their support and assistance during our audit.

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

*Bowers & Company*

Watertown, New York