



February 26, 2018

To the Board of Directors  
Saratoga County Prosperity Partnership, Inc.  
Malta, New York

Re: Management Letter  
December 31, 2017

In planning and performing our audit of the financial statements of Saratoga County Prosperity Partnership, Inc. (the Partnership) for the year ended December 31, 2017, we considered the Partnership's internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the Partnership's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily disclose all matters that might be reportable. In addition, because of inherent limitations in internal control, misstatements due to error or fraud may occur and not be detected by such controls.

A material weakness is a condition in which the design or operation of one or more of these specific internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control and its operations to be material weaknesses as defined above.

However, during our audit we became aware of the following matters and we would like to make the following comments and recommendations:

### **Current-Year Comments/Conditions**

#### **1. Grant Receivables**

**Comment:** We noted that the Organization has spent the funds authorized by an \$8,000 National Grid grant. While not material to the financial statements, the Organization should have recorded a receivable associated with this grant.

**Recommendation:** We recommend that at year-end the Organization record any receivables associated with reimbursement grants where the expenses have already been incurred.

2. Time Sheets

**Comment:** In reviewing time sheets we noted that the in/out time did not match the resulting payment and, as a result, it appears the employee was underpaid by 1.5 hours. Upon discussion it was noted that this was probably due to inaccurate documentation of in/out time during the day.

**Recommendation:** We recommend that all employees record all in/out times on their time sheets to ensure that there is proper supporting documentation for amounts being paid.

3. Payroll

**Comment:** During testing of payroll we found an initial approval of salary by the board upon hiring an employee, there is no annual approval of salaries by either the board or management.

**Recommendation:** We recommend that the Organization provide each employee with an annual salary letter that is signed by the employee and management or that the board approve a detailed budget that has the salary for each position separately recorded.

\* \* \* \* \*

We appreciate the assistance and courtesies extended to us by your staff during our fieldwork. The Partnership was well prepared for our audit.

Please let us know if you would like to discuss our comments and recommendations.

Very truly yours,

*WEST & COMPANY CPAs PC*

WEST & COMPANY CPAs PC