

**SARATOGA COUNTY PROSPERITY  
PARTNERSHIP, INC.**

**(A Component Unit of the County of  
Saratoga, New York)**

**FINANCIAL STATEMENT**

**DECEMBER 31, 2017 AND 2016**

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Saratoga County Prosperity Partnership, Inc. (a nonprofit organization), a component unit of the County of Saratoga, New York, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saratoga County Prosperity Partnership, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2018, on our consideration of Saratoga County Prosperity Partnership, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Saratoga County Prosperity Partnership, Inc.'s internal control over financial reporting and compliance.

## **Report on 2016 Financial Statements**

The financial statements of Saratoga County Prosperity Partnership, Inc. were audited by a previous auditor and in their report dated March 20, 2017, they expressed an unqualified opinion on those audited financial statements. In our opinion, the comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*WEST & COMPANY CPAs PC*

Saratoga Springs, New York  
February 26, 2018

**SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.**  
**(A Component Unit of the County of Saratoga, New York)**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2017 AND 2016**

<b>- ASSETS -</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 79,727	\$ 46,952
Accounts receivable	1,000	0
Prepaid expenses	6,465	11,000
	87,192	57,952
<b>PROPERTY AND EQUIPMENT:</b>		
Property and equipment	16,744	15,354
Less accumulated depreciation	(2,236)	(1,097)
	14,508	14,257
<b>Property and equipment - net</b>	<b>14,508</b>	<b>14,257</b>
<b>TOTAL ASSETS</b>	<b>\$ 101,700</b>	<b>\$ 72,209</b>
<b>- LIABILITIES AND NET ASSETS -</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 16,988	\$ 7,113
Accrued expenses	16,106	12,701
Due to Saratoga County	0	23,166
	33,094	42,980
<b>Total liabilities</b>	<b>33,094</b>	<b>42,980</b>
<b>NET ASSETS:</b>		
Unrestricted	68,606	29,229
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 101,700</b>	<b>\$ 72,209</b>

See accompanying notes and independent auditors' report.

**SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.**  
**(A Component Unit of the County of Saratoga, New York)**

**STATEMENTS OF ACTIVITIES**

**YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>REVENUES:</b>		
County contract revenue	\$ 775,000	\$ 754,834
Grant income	10,500	4,547
Event income	45,166	10,425
	830,666	769,806
<b>EXPENSES:</b>		
Contractual expenses:		
Legal	13,929	25,908
	13,929	25,908
General and operating expenses:		
Communications	0	4,831
Depreciation	1,139	1,097
Dues and memberships	2,933	17,580
Employee benefits	40,549	29,760
Insurance	3,207	6,838
Marketing	92,858	69,457
Miscellaneous	15,594	22,942
Office furniture	913	4,475
Office supplies	2,853	3,021
Payroll service	1,093	1,351
Payroll taxes	25,593	29,033
Program expenses	213,820	136,644
Rent	37,784	33,939
Salaries	321,169	324,646
Travel	12,835	20,651
Utilities	5,020	8,404
	777,360	714,669
<b>Total general and operating expenses</b>	<b>791,289</b>	<b>740,577</b>
Change in net assets	39,377	29,229
Net assets - beginning of year	29,229	0
Net assets - end of year	\$ 68,606	\$ 29,229

See accompanying notes and independent auditors' report.

**SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.**  
**(A Component Unit of the County of Saratoga, New York)**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2017 AND 2016**

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	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 39,377	\$ 29,229
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	1,139	1,097
(Increase) decrease in:		
Accounts receivable	(1,000)	0
Prepaid expenses	4,535	(1,393)
Increase (decrease) in:		
Accounts payable	9,875	7,113
Accrued expenses	3,405	987
Due to Saratoga County	(23,166)	(282,796)
	<hr/>	<hr/>
<b>Net cash provided (used) by operating activities</b>	34,165	(245,763)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(1,390)	(15,354)
	<hr/>	<hr/>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	32,775	(261,117)
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	46,952	308,069
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 79,727</u>	<u>\$ 46,952</u>

See accompanying notes and independent auditors' report.

**SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.**  
**(A Component Unit of the County of Saratoga, New York)**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Saratoga County Prosperity Partnership, Inc. (the Partnership), is a special purpose, bankruptcy-remote local development corporation organized under the Not-For-Profit Corporation Law of the State of New York. The Partnership is an instrumentality of, but separate and apart from, the County of Saratoga, New York (the County). Although legally separate from the County, the Partnership is a component unit of the County and, accordingly, is included in the County's financial statements as a discretely presented component unit.

The Partnership's mission is to publicize and promote the advantages of the County and the Region as a place where employers and entrepreneurs can successfully locate new and expanded operations. The Partnership, through its promotional program, shall attract and encourage prospective employers in a wide range of economic activity, including but not limited to manufacturing, agri-business, education, clean and renewable energy production and technology, business services, international trade, high-tech and broadband services and infrastructure, information technology, research, and tourism to locate to or expand within the County.

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Basis of Presentation**

The Partnership reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Partnership had no temporarily restricted or restricted net assets as of December 31, 2017.

**Cash and Cash Equivalents**

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less, or which are redeemable on demand. Fair value approximates carrying amounts.

**Accounts Receivable**

The Partnership does not maintain any allowance for estimated uncollectible accounts. It is management's opinion that all receivables are collectible.

**Income Taxes**

Saratoga County Prosperity Partnership, Inc., is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provisions for taxes in the accompanying financial statements. The Partnership has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code.



**SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.**  
**(A Component Unit of the County of Saratoga, New York)**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Uncertain Tax Positions**

The Partnership files information returns in its U.S. federal jurisdiction and New York State. The Partnership's returns for its years ended December 31, 2017 and 2016, are subject to U.S. federal and New York State examination.

The Partnership follows the provision of uncertain tax positions as addressed in FASB ASC 740. The Partnership has been granted tax exempt status as a nonprofit organization, which management believes would be accepted upon examination by the taxing authorities. Management has determined that it currently has no other uncertain tax positions to report for the year ended December 31, 2017.

**Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of management's estimates. Accordingly, actual results could differ from those estimates.

**Property and Equipment**

Property and equipment are recorded at cost when purchased. Property and equipment, with an original cost of \$1,000 or greater, are capitalized when purchased. Repairs and maintenance are expensed and betterments that extend the life or capacity of the asset are capitalized. Depreciation is recorded on the straight-line basis. The useful life used to depreciate assets are as follows:

Leasehold Improvements	10 years
Equipment	5 years
Furniture/Fixtures	7 years

**NOTE 2 – DUE (TO) FROM THE COUNTY OF SARATOGA**

The Partnership receives a contract each year from the County. All unused funds must be returned at the end of the year. In 2017 and 2016, the County appropriated \$775,000 and \$778,000, respectively, to the Partnership. The Partnership owed the County \$-0- and \$23,166 as of December 31, 2017 and 2016, respectively.

**NOTE 3 – RELATED PARTY TRANSACTIONS**

A board member who resigned in April, 2017 is president of the entity that owns the building the Partnership leases. The Partnership made lease payments totaling \$37,784 and \$33,939 during the years ended December 31, 2017 and 2016, respectively.

A board member is an officer of the financial institution that the Partnership utilizes.

A board member is the owner of the company that is the custodian of the Partnership's SIMPLE IRA Plan. The Partnership contributed \$18,541 and \$6,391 to the plan during the years ended December 31, 2017 and 2016, respectively.

**SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.**  
**(A Component Unit of the County of Saratoga, New York)**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

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**NOTE 4 – LEASE COMMITMENTS**

The Partnership rents office space in Malta, New York under a lease agreement ending January 31, 2020. The lease states that the Partnership will pay a base rent of \$2,162.33 per month with an additional amount based on operating costs to be calculated by the landlord annually through January 31, 2020.

Rent expense totaled \$37,784 and \$33,939 for the years ending December 31, 2017 and 2016, respectively.

**NOTE 5 – COUNTY CONTRACT REVENUE**

County contract revenue for the years ended December 31, 2017 and 2016 is comprised of the following:

	<b><u>2017</u></b>	<b><u>2016</u></b>
General Fund	\$ 277,523	\$ 283,069
Occupancy tax	<u>497,477</u>	<u>471,765</u>
<b>Total</b>	<b><u>\$ 775,000</u></b>	<b><u>\$ 754,834</u></b>

**NOTE 6 – SUBSEQUENT EVENTS**

The Partnership has evaluated subsequent events through the issuance date of the report. None were considered material to the issued financial statement.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saratoga County Prosperity Partnership, Inc., as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Saratoga County Prosperity Partnership, Inc.'s basic financial statements, and have issued our report thereon dated February 26, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Saratoga County Prosperity Partnership, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Saratoga County Prosperity Partnership, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Saratoga County Prosperity Partnership, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Saratoga County Prosperity Partnership, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*WEST & COMPANY CPAs PC*

Saratoga Springs, New York  
February 26, 2018