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**INDEPENDENT AUDITOR'S 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***

Board of Directors
Saratoga County
Industrial Development Agency
Saratoga, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Saratoga County Industrial Development Agency, as of and for the year ended December 31, 2016, and the related notes to the financial statements, and have issued our report thereon dated February 21, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Saratoga County Industrial Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Saratoga County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Saratoga County Industrial Development Agency'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Saratoga County Industrial Development Agency'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 and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify a deficiency in internal control that we consider to be a significant deficiency:

Outsourcing of Financial Statement Preparation Process to Your Auditors

Statement on Auditing Standards “Communicating Internal Control Related Matters Identified in an Audit” issued by the American Institute of Certified Public Accountants requires the reporting of a significant deficiency if the Organization does not employ an individual with the necessary qualifications to prepare a complete set of financial statements and related footnotes in accordance with generally accepted accounting principles. Saratoga County Industrial Development Agency does not employ such a person. Governance and management have been advised of this previously and have concluded that the cost to rectify this comment would exceed the benefit.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Saratoga County Industrial Development Agency’s financial statements are free from 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 Saratoga County Industrial Development Agency’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 Saratoga County Industrial Development Agency’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CUSACK & COMPANY, CPA’S LLC

Latham, New York
February 21, 2017

*SARATOGA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF CURRENT YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016*

See “Outsourcing of Financial Statements Preparation Process to Your Auditors” comment on page 13.

Prepared by _____

SARATOGA COUNTY IDA
Adjusting Journal Entries

2966

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Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
1	Adjusting	12/31/16					
		450	ACCOUNTS PAYABLE	37,646.81			
		220	ACCOUNTS RECEIVABLE		37,646.81		
		652	INTEREST SCWA	6,900.00			
		650	INTEREST NOTES RECEIVABL		6,900.00		
		690	MISCELLANEOUS	1,600.00			
		781	PUBLIC HEARING TRANSCRIP		1,600.00		
		950	PILOTS RECEIVED	14,023.48			
		951	PILOTS PAID		14,023.48		
		510	FUND BALANCE	1,165,546.58			
		520	DESIGNATED NET ASSETS LFI		1,165,546.58		
						0.00	
			RECLASS'				
2	Adjusting	12/31/16					
		771	LEGAL EXPENSE	800.00			
		450	ACCOUNTS PAYABLE		800.00		
		900	PROJECT COSTS	1,972.80			
		450	ACCOUNTS PAYABLE		1,972.80		
		900	PROJECT COSTS	7,600.00			
		450	ACCOUNTS PAYABLE		7,600.00		
						(10,372.80)	
			RECORD ACCOUNTS PAYABLE				
			TOTAL	<u>1,236,089.67</u>	<u>1,236,089.67</u>	<u>(10,372.80)</u>	