

SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.
(A Component Unit of the County of Saratoga)
Statement of Activities
Year ended December 31, 2015

Unrestricted revenue - net grant revenue	<u>\$ 518,025</u>
Unrestricted expenses:	
Contractual expenses:	
Consulting	12,769
Legal	<u>13,166</u>
Total contractual expenses	<u>25,935</u>
General operating expenses:	
Insurance	1,550
Office supplies	12,189
Dues and memberships	43,163
Rent	30,233
Communications	14,163
Salaries	136,638
Payroll service	966
Payroll taxes	13,761
Marketing	167,869
Employee benefits	12,902
Office furniture	3,000
Miscellaneous	<u>55,656</u>
Total general and operating expenses	<u>492,090</u>
Total unrestricted expenses	<u>518,025</u>
Change in unrestricted net assets	-
Unrestricted net assets at beginning of year	<u>-</u>
Unrestricted net assets at end of year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.
(A Component Unit of the County of Saratoga)
Statement of Cash Flows
Year ended December 31, 2015

Cash flows from operating activities:	
Change in unrestricted net assets	\$ -
Adjustments to reconcile change in unrestricted net assets to cash used in operating activities:	
Changes in:	
Prepaid expenses	(9,607)
Accrued payroll	11,714
Due to Saratoga County	<u>(75,616)</u>
Net cash used in operating activities	(73,509)
Cash and equivalents at beginning of year	<u>381,578</u>
Cash and equivalents at end of year	<u><u>\$ 308,069</u></u>

See accompanying notes to financial statements.

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

Notes to Financial Statements

December 31, 2015

(1) Organization

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.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Partnership has prepared its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(b) 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 has only unrestricted net assets as of December 31, 2015.

(c) Cash and Cash Equivalents

The Partnership considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.
(A Component Unit of the County of Saratoga, New York)
Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(d) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America require the Partnership's management to make estimates and assumptions in determining the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(e) Subsequent Events

The Partnership has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(f) Tax Status

The Partnership is exempt from income tax under Section 501(c)(3) of the Internal Revenue code (the Code), therefore, no provision for income taxes is reflected in the 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. The Partnership presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Partnership has taken no uncertain tax positions that require adjustment to its financial statements. U.S. Forms 990 filed by the Partnership are subject to examination by taxing authorities.

(3) Transactions with the County of Saratoga

The Partnership receives a grant each year from the County. All unused funds must be returned at the end of the year. In 2015, the County appropriated \$800,000 to the Partnership. The Partnership owes back a total of \$305,962, whereas \$281,975 is related to the 2015 grant award, and \$23,987 due to the 2014 grant award.

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

The Board of Directors
Saratoga County Prosperity Partnership, Inc.:

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 Saratoga County Prosperity Partnership, Inc. (the Partnership), a component unit of the County of Saratoga, New York, which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 21, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Partnership'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of the Partnership'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 Partnership'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 the Partnership'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 Partnership'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 Partnership's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 21, 2016

REPORT TO THE BOARD

March 21, 2016

The Board of Directors
Saratoga County Prosperity Partnership, Inc.

Dear Board Members:

We have audited the financial statements of Saratoga County Prosperity Partnership, Inc. (the Partnership) as of and for the year ended December 31, 2015, and have issued our report thereon dated March 21, 2016. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 9, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Partnership are described in note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the Partnership during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

For the year ended December 31, 2015, we evaluated the key factors and assumptions used by management in determining accounting estimates and were reasonable in relation to the financial statements taken as a whole.

Significant Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosure affecting the financial statements is the disclosure of the transaction with the County of Saratoga in note 3 to the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no material uncorrected misstatements detected as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Partnership's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Partnership's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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This information is intended solely for the use of the Board of Supervisors and management of Saratoga County Prosperity Partnership, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

EFPR Group, CPAs, PLLC

EFPR GROUP, CPAs, PLLC