

November 3, 2015

James L. Coughlan
Dutchess County Comptroller
22 Market Street
Poughkeepsie, NY 12601

Northeast
Community
Council, Inc.

Board of Directors

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Christine Bates
Vice-Chair

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Sven Humphrey
Eleanor Nurzia
Mimi Ramos
William McGinn

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Supervisor
Town of North East

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Mayor
Village of Millerton

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Samuel Busselle
Susan Caulfield
Wendy Curtis
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Robert Kuhlback
Louise Lindenmeyr
Katherine Martucci
Rose Marie Morse
Joseph Rinaldi
Helen Scoville
Dan Sternberg
Bill Suter

Executive Director
Jenny Hansell

Dear Mr. Coughlan:

Thank you for the opportunity to respond to the Dutchess County Audit Report for Northeast Community Council for 2014. We are pleased that you found our finances and procedures in generally good order. I have shared your report with my finance committee.

In regard to your specific findings:

1. Internal Controls
 - a. "Board minutes did not have monthly financials attached." The financial reports are included in the folder of materials from each board meeting—they are just not stapled to the minutes. The auditor only requested the minutes so I did not provide her with the whole folder. In future we will staple them together.
 - b. "Duties were not properly segregated." In 2015 an administrative assistant was hired to enable us to further segregate duties.
 - c. "We noted periodic reviews by a finance committee did not appear to be completed for bank reconciliations." These reviews were completed but there was no method of keeping written records of this. We will implement a system of "attestation" as recommended.
2. Claims
 - a. You noted several double-claims amounting to a total of \$162.88 out of total contracts of \$483,231. These will be repaid, and we have a system in place (a second review prior to submitting the claim) to prevent this in the future.
3. Missing 1099-Misc – did not provide to our auditor
 - a. We had been advised by an accounting consultant that we were not required to provide one in this case and our reading of IRS regulations confirms this. However we will make sure to provide our auditing firm with a 1099 in the future.
4. Contracts not fully expended
 - a. There was a period of time in late 2014 when a staff person left unexpectedly and we did not replace her for about 10 weeks. During that time certain programs were not fully supervised and some activities did not take place, thus not all funds were spent. As a relatively small organization we don't always have the staff capacity to compensate in such situations. However we are working on cross training to ensure that in the future we will be able to meet all obligations even during unplanned transitions.

Sincerely,


Jenny Hansell
Executive Director