

## **MANAGEMENT LETTER**

March 29, 2021

The Board of Directors  
Wheatfield Local Development Corporation

In planning and performing our audit of the financial statements of the Wheatfield Local Development Corporation (the Corporation), a nonprofit organization, as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing 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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 and includes the following:

### Segregation of duties

Because of the lack of staff at the Corporation, it is difficult to achieve an adequate segregation of duties. The risk that material errors, whether intentional or unintentional, may occur and go undetected is increased given the small staff size. We encourage the Board to remain committed to its involvement in the financial operations of the Corporation by thoroughly reviewing monthly financial data, requesting support for all payments when checks are signed, asking questions about unusual transactions, and reviewing monthly reconciliations for all major balance sheet accounts. In addition, we suggest the monthly bank statements be opened and reviewed by someone outside of the normal reconciliation process.

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We have discussed this comment with Corporation personnel and would be pleased to discuss it in further detail, perform any additional studies, or assist you in implementing the recommendation.

This communication is intended solely for the information and use of management and the Corporation's Board. It is not intended to be, and should not be, used by anyone other than these specified parties.

*Linden & McCormick, LLP*