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To the Board of Directors
Griffiss Utility Services Corporation and Subsidiary

In planning and performing our audit of the financial statements of Griffiss Utility Services Corporation and Subsidiary as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered Griffiss Utility Services Corporation and Subsidiary'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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. However, as discussed below, in prior years we identified certain deficiencies in internal control that we considered to be significant deficiencies.

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 Organization'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. We consider the matters as noted on the following page deficiencies in Griffiss Utility Services Corporation and Subsidiary's internal control.

This communication is intended solely for the information and use of management, the Board of Directors of Griffiss Utility Services Corporation, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

D'Arcangelo + Co., LLP

March 26, 2018

Utica, New York

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY
CURRENT YEAR FINDINGS AND RECOMMENDATIONS

For the Year Ended December 31, 2017

There were no new findings or recommendations noted during the current year audit. Please refer to the status of prior year findings and recommendations.

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

For the Year Ended December 31, 2017

Significant Deficiencies

2015-001 Bank Reconciliations

During our audit, we noted a number of reconciling items, including deposits in transits and other adjustments on several bank account reconciliations that were never investigated. Reconciling items should be researched promptly so that corrective action may be taken, where necessary, to clear them.

We recommend bank accounts be reconciled and all differences between book and bank balances investigated on a timely basis by appropriate accounting personnel so that errors and adjustments can be identified and corrected.

Status: Not noted during the current year audit. Bank reconciliations were timely and reconciling items appeared reasonable.

2015-002 Journal Entries

During the audit, there were significant journal entries discovered by the audit process that needed to be posted to the books. Account balances that are not reconciled could lead to misstatements of the financial statements.

We recommend that management establish effective review and reconciliation policies and procedures as a customary part of the accounting process.

Status: Not noted again during the current year audit. Effective review and reconciliation procedures are now in place.

2014-001 Internal Controls and Segregation of Duties

We noted that there was a certain lack of review and reconciliation in many areas of the accounting function.

The following internal controls were not always implemented consistently during the year:

- i) There was no documented review of bank reconciliations after initial preparation.

Status: Bank reconciliations are now being reviewed and reconciling items are investigated and corrected in a timely manner.

- ii) There was no documented management review of the payroll journal, payroll changes, and other reports after each pay period.

In addition, there is limited segregation of duties on payroll. Payroll is processed, journal entries are prepared and posted, and bank reconciliations are completed by the same employee.

Status: Due to a transition of staff during the year, payroll reports were being reviewed by the CFO for a portion of 2017. For the other portion of the year the CFO was preparing payroll with no formal second review performed. Although there are some entity level controls in place a recommendation was made and a new control was implemented. Payroll registers will now be emailed to the Executive Director as well as the CFO to strengthen the controls over payroll.

- iii) Journal entries are not being reviewed by someone other than the processor.

Status: The CFO, who is independent of the process, now reviews all journal entries.

Accounting tasks such as monthly reconciliations, cross-checks, and reviews play a key role in proving the accuracy of accounting data and financial information that comprise interim and year-end financial statements

2014-002 Capital Project Identification

During our tests of additions for fixed assets, we noted that capital projects are not always tracked on a summary basis and updated periodically as to status and total expenditures. Invoices are given a tag number to identify which project they belong to, however, we learned that several project expenditures were never coded into the project tag number. This makes it difficult to properly identify expenditures that should be capitalized as additions to fixed assets during the year.

We strongly recommend that procedures be implemented to control coding of project expenditures during the cash disbursement process. In addition, overall summaries of expenditures and status of projects should be completed at periodic intervals.

Status: Not noted during the current year audit. Coding of project expenditures is now tracked and reported.