

**ONTARIO COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
A Component Unit of Ontario County, New York**

**COMMUNICATING INTERNAL CONTROL
RELATED MATTERS IDENTIFIED IN AN AUDIT**

For Year Ended December 31, 2018

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

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Certified Public Accountants

March 15, 2019

To the Board Members
Ontario County Industrial Development Agency
Ontario County, New York

In planning and performing our audit of the financial statements of the Ontario County Industrial Development Agency, Ontario County, New York (the Agency) as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Ontario County Industrial Development Agency, Ontario County, New York'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Agency's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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. 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.

The Agency's responses to the deficiencies identified in our audit have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**To the Board Members
Ontario County Industrial Development Agency
Ontario County, New York**

Current Year Deficiency in Internal Control:

Disbursements–

During our examination of disbursements, we identified two purchases for which only two vendor quotes were obtained rather than the three quotes required by the Agency’s purchasing policy.

We recommend every effort continue to be made to obtain the required number of quotes as specified in the Agency’s purchasing policy. When fewer quotes are obtained, the reason should be documented and reviewed as part of the CFO or Director’s recommendation to the Board for approval.

Management’s Response –

The IDA will revise its payment procedures to include all required written quotes to be attached to the invoice before making payment and presenting to the Board for ratification. Exceptions to this procedure remain the same including Preferred Source Procurement as defined by Section 162(4) of Public Finance Law, sole source products and services, and emergency purchases as defined in the Policy and Procedure manual.

Other Item:

The following item is not considered to be a deficiency in internal control, however, we consider it an other item which we would like to communicate to you as follows:

Financial Overview of the Airport Fund –

Current liabilities exceed current assets resulting in an unrestricted net position deficit balance of (\$2,203,278) at December 31, 2018 which is a decrease of \$254,548 from the prior year. The primary reasons for this decrease are related to administrative expenses exceeding operating revenues and other capital assets purchased with local dollars.

We recommend the Agency continue to closely monitor the equity position of the Airport Fund and make decisions to improve its overall financial stability.

Management’s Response –

Some significant strides were made at the airport this year. An airport manager was hired in 2018 who will play a vital role in the development and day-to-day maintenance of the airport and the current FBO is doing a great job servicing aircraft utilizing this key asset. And as discussed in the OCIDA’s MD&A, the agency has secured a very potential airport tenant interested in building a sizable corporate hangar. Because of this, the OCIDA now is working with NYSDOT to amend the grant to fund connecting the necessary utility infrastructure to the undeveloped area of the airport.

**To the Board Members
Ontario County Industrial Development Agency
Ontario County, New York**

Prior Year Recommendations:

We are pleased to report the following prior year recommendations have been implemented to our satisfaction:

1. The Board authorized management to write off all uncollectible receivables resulting from agreements with Canandaigua Air Center, LLC (CAC) and from fuel sales at the airport.
2. Bank reconciliations appear to have been prepared and reviewed timely during the year under examination.

This communication is intended solely for the information and use of management, the Executive Board, audit committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

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We wish to express our appreciation to all client personnel for the courtesies extended to us during the course of our examination.



Rochester, New York
March 15, 2019