

**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, 2020



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

March 29, 2021

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, 2020, 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.

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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated March 29, 2021 on the financial statements of the Agency. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

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:

Cash –

Bank reconciliations were prepared timely throughout the year but were not reviewed by an independent person until December.

Although we acknowledge that there was some difficulty in completing the process due to restrictions resulting from the COVID-19 pandemic, we recommend every effort continue to be made to prepare and review monthly bank reconciliations on a timely basis.

Management's Response –

Effective 2020, we are mailing the bank reconciliations and audit trail reports monthly to the Treasure for review. They will stay in the Treasure's possession until such a time presents itself for a safe return to the office.

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 (\$184,566) at December 31, 2020 which is a decrease of \$214,546 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 –

Last years planned additions slated to take place in 2020 were delayed due to unforeseen circumstances. Those expansions, potential acquisitions, and investments will net the airport fund additional net revenue reducing the funds cash flow deficit. Management continues to very closely monitor the operations of the airport and developing cash positive projects to improve its overall financial activity.

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

Prior Year Recommendation:

We are pleased to report the following prior year recommendation has been implemented to our satisfaction:

1. The Agency now has custodial agreements with all of its banks as required by its investment policy. Deposits in all banks were properly collateralized at December 31, 2020.

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.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
March 29, 2021