

**ONTARIO COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
ONTARIO COUNTY, NEW YORK
SINGLE AUDIT REPORT
For Year Ended December 31, 2013**

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 3
Schedule of Expenditures of Federal Awards	4
Notes to Schedule of Expenditures of Federal Awards	5
Schedule of Findings and Questioned Costs	6

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Certified Public Accountants

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**Report on Compliance For Each Major Federal Program;
Report on Internal Control Over Compliance;
and Report on the Schedule of Expenditures of
Federal Awards Required by OMB Circular A-133**

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited the Ontario County Industrial Development Agency, Ontario County, New York's (OCIDA) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of OCIDA's major federal programs for the year ended December 31, 2013. The OCIDA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the OCIDA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the OCIDA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the OCIDA's compliance.

Opinion on Each Major Federal Program

In our opinion, the OCIDA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

The management of the OCIDA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the OCIDA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Ontario County Industrial Development Agency, New York's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the OCIDA as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the OCIDA's basic financial statements. We issued our report thereon dated March 5, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Raymond F. Wager, CPA, PC". The signature is written in a cursive style.

March 5, 2014

ONTARIO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Expenditures</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>			
<u>Direct -</u>			
Airport Improvements	20.106	3-36-0093-28-11	\$ 28,500 *
Airport Improvements	20.106	3-36-0093-30-12	4,358,486 *
Airport Improvements	20.106	3-36-0093-31-13	18,892 *
Airport Improvements	20.106	3-36-0093-32-13	6,179 *
Airport Improvements	20.106	3-36-0093-33-13	<u>12,264 *</u>
Total U.S. Department of Transportation			<u>\$ 4,424,321</u>
Total Expenditures of Federal Awards			<u><u>\$ 4,424,321</u></u>

ONTARIO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

ONTARIO COUNTY, NEW YORK

Notes to Schedule of Expenditures of Federal Awards

December 31, 2013

1. General:

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the OCIDA. The Agency is an entity as defined in Note 1 to the Agency's basic financial statements. Federal awards received directly from federal agencies, as well as, federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Accounting:

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in the federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger, which is the source of the basic financial statements.

3. Matching Costs:

Matching costs, i.e., the Agency's share of certain program costs, are not included in the reported expenditures.

ONTARIO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Ontario County, New York

Schedule of Findings and Questioned Costs

December 31, 2013

I. Summary of the Auditors' Results

Financial Statements

- | | |
|---|-------------|
| a) Type of auditor's report issued | Unmodified. |
| b) Internal control over financial reporting | |
| 1. Material weaknesses identified | No. |
| 2. Significant deficiency(ies) identified | No. |
| c) Noncompliance material to financial statements noted | No. |

Federal Awards

- | | |
|--|---|
| a) Internal control over major programs | |
| 1. Material weaknesses identified | No. |
| 2. Significant deficiency(ies) identified | No. |
| b) Type of auditor's report issued on compliance for major programs | Unmodified. |
| c) Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 | No. |
| d) Identification of major programs | |
| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
| #20.106 | Airport Improvements |
| e) Dollar threshold used to distinguish between Type A and Type B programs | \$300,000 |
| f) Auditee qualifies as low-risk auditee | Yes. |

II. Financial Statement Findings

There were no current year findings and there were no prior year findings.

III. Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs and there were no prior year findings or questioned costs.