

**ONTARIO COUNTY LOCAL DEVELOPMENT  
CORPORATION**

**ONTARIO COUNTY, NEW YORK**

**FINANCIAL STATEMENTS**

**For Years Ended December 31, 2019 and 2018**

**MENGEL METZGER BARR & CO. LLP**

RAYMOND F. WAGER, CPA, P.C. DIVISION

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## INDEPENDENT AUDITORS' REPORT

To the Board Members  
Ontario County Local Development Corporation  
Ontario County, New York

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Ontario County Local Development Corporation, Ontario County, New York (the Corporation) which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ontario County Local Development Corporation, Ontario County, New York as of December 31, 2019 and 2018, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The project reporting information is presented for purposes of additional analysis and is not a required part of the 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 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2020 on our consideration of Ontario County Local Development Corporation, Ontario County, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ontario County Local Development Corporation, Ontario County, New York's internal control over financial reporting and compliance.

*Mengel, Metzger, Barw & Co. LLP*

Rochester, New York

March 19, 2020

**ONTARIO COUNTY  
LOCAL DEVELOPMENT CORPORATION  
ONTARIO COUNTY, NEW YORK**

**Statement of Financial Position**

**December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS:</u></b>		
<b><u>Current Assets -</u></b>		
Cash and cash equivalents	\$ 246,544	\$ 256,685
<b>Total Current Assets</b>	<u>\$ 246,544</u>	<u>\$ 256,685</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 246,544</u></u>	<u><u>\$ 256,685</u></u>
 <b><u>NET ASSETS:</u></b>		
<b><u>Without Donor Restrictions -</u></b>		
Operating	\$ 46,544	\$ 56,685
Designated	200,000	200,000
<b>TOTAL NET ASSETS</b>	<u>\$ 246,544</u>	<u>\$ 256,685</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 246,544</u></u>	<u><u>\$ 256,685</u></u>

(The accompanying notes are an integral part of these financial statements)

**ONTARIO COUNTY  
LOCAL DEVELOPMENT CORPORATION  
ONTARIO COUNTY, NEW YORK**

**Statement of Activities**

**For the Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b><u>EXPENSES:</u></b>		
Program Services	\$ -	\$ 100,000
Supporting Services-Management and General	11,683	21,276
<b>TOTAL EXPENSES</b>	<u>\$ 11,683</u>	<u>\$ 121,276</u>
 <b>CHANGE IN NET ASSETS</b>	 \$ (11,683)	 \$ (121,276)
Interest income, other	1,542	95
<b>CHANGE IN NET ASSETS</b>	\$ (10,141)	\$ (121,181)
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>256,685</u>	<u>377,866</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 246,544</u>	<u>\$ 256,685</u>

(The accompanying notes are an integral part of these financial statements)

**ONTARIO COUNTY  
LOCAL DEVELOPMENT CORPORATION  
ONTARIO COUNTY, NEW YORK**

**Statement of Functional Expenses**

**For the Years Ended December 31, 2019 and 2018**

	<b>Supporting Services</b>	<b>Total</b>	
	<b>Management and general</b>	<b>2019</b>	<b>2018</b>
Advertising & public relations	\$ -	\$ -	\$ 3,846
Grants	-	-	100,000
Insurance	2,508	2,508	2,424
Legal costs	300	300	1,430
Ontario County services	4,800	4,800	9,600
Professional fees	4,075	4,075	3,976
	<b>\$ 11,683</b>	<b>\$ 11,683</b>	<b>\$ 121,276</b>

(The accompanying notes are an integral part of these financial statements)

**ONTARIO COUNTY  
LOCAL DEVELOPMENT CORPORATION  
ONTARIO COUNTY, NEW YORK**

**Statement of Cash Flows**

**For the Years Ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Cash payments contractual expenses	\$ (11,683)	\$ (23,290)
Cash payments grants	-	(100,000)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (11,683)</b>	<b>\$ (123,290)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Interest income	\$ 1,542	\$ 95
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>\$ 1,542</b>	<b>\$ 95</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (10,141)</b>	<b>\$ (123,195)</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<b>256,685</b>	<b>379,880</b>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b>\$ 246,544</b>	<b>\$ 256,685</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
<b>Change in Net Assets</b>	<b>\$ (11,683)</b>	<b>\$ (121,276)</b>
<b>Adjustments to Reconcile Change in Net Assets to Net cash Provided by (Used in) Operating Activities:</b>		
Increase/(decrease) in accounts payable	\$ -	\$ (2,014)
Total Adjustments	\$ -	\$ (2,014)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (11,683)</b>	<b>\$ (123,290)</b>

(The accompanying notes are an integral part of these financial statements)



**ONTARIO COUNTY LOCAL  
DEVELOPMENT CORPORATION  
ONTARIO COUNTY, NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2019 and 2018**

**(Note 1)      Summary of Significant Accounting Policies:**

**A.      Organization**

The Ontario County Local Development Corporation, Ontario County, New York (the Corporation) was incorporated on April 12, 2010 under Section 402 of the Not-For-Profit Corporation Law. The mission of the Ontario County LDC is to conduct activities that will relieve and reduce unemployment; promote and provide for additional and maximum employment; better and maintain job opportunities; instructor train individuals to improve or develop their capabilities for such jobs; carry on scientific research for the purpose of aiding the County by attracting new industry in the County; and lessening the burdens of government and acting in the public interest. The Board shall consist of seven (7) Directors, all of whom, shall be appointed by the County and is reported as a related entity by the County.

**B.      Basis of Accounting**

The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States. Revenues are recognized when earned and expenses are recognized when incurred.

The Corporation reports information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions. In addition, the Corporation is required to present a Statement of Cash Flows. The Corporation reports only net assets without donor restrictions at December 31, 2019 and 2018.

**C.      Cash and Cash Equivalents**

For purposes of presenting the Statement of Cash Flows, the Corporation considers all highly liquid cash accounts and other temporary investments of three months or less as cash equivalents.

**D.      Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

( Note 1 ) ( Continued )

**E. Revenues**

The Corporation recognizes revenues from fees earned on tax-exempt bond issues when the financing closes. Amounts received prior to financing being closed are reported as unearned revenues in the statement of financial position. At December 31, 2019 and 2018 there are no amounts that have been received in advance.

**F. Income Taxes**

The Corporation is a not-for-profit corporation organized pursuant to Sections 402 and 1411 of the New York State Not-for-Profit Corporation law and is, therefore, exempt from income taxes. The Corporation is also exempt from Federal reporting requirements under Internal Revenue Procedure 95-48, 1995-2 C.B. 418 as a governmental unit or affiliate of a governmental unit described in the procedure.

(Note 2) **Change in Accounting Principle:**

**A. Revenue Recognition**

In May 2014, the Financial Accounting Standards Board (FASB) issued new guidance related to revenue recognition (ASC 606), which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The Core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. ASC 606 is effective for annual reporting periods beginning after December 15, 2018 and interim periods within fiscal years beginning after December 15, 2019. The Corporation adopted ASC 606 with a date of the initial application of January 1, 2019.

The Corporation applied ASC 606 using the cumulative effect method, which generally requires the recognition of the cumulative effect of initially applying the new guidance as an adjustment to the opening balance of net assets. There was no adjustment to the opening balance of net assets at January 1, 2019, as a result of this new accounting standard. In addition, the comparative information has not been adjusted and continues to be reported under existing revenue guidance. The Corporation does not expect the adoption of the new revenue standard to have a material impact on its net income on an ongoing basis.

**B. Contributions Received and Contributions Made**

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made". ASU 2018-08 assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. For most resource recipients, this standard is effective for annual reporting periods beginning after December 15, 2018. The Corporation adopted the provisions of ASU 2018-08 applicable to contributions received with a date of initial application of January 1, 2019 under a modified prospective basis. Accordingly, there is no effect on net assets.

**(Note 3) Cash and Cash Equivalents:**

Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. While the Corporation does not have a specific policy for custodial credit risk, New York State statutes govern the Corporation's investment policies, as discussed previously in these notes. Deposits at December 31, 2019 were fully covered by FDIC insurance. Deposits at December 31, 2018 were under collateralized in the amount of \$6,685.

**(Note 4) Conduit Debt Obligations:**

The Corporation has issued Tax-Exempt and Taxable Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from the payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Corporation, Village, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2019, there was one series of Revenue Bonds outstanding with an aggregate principal amount payable of \$34,185,000.

**(Note 5) Net Assets:**

**A. Net Assets Without Donor Restrictions**

**Operating** – represents funds available for operations.

**Designated** – represents funds which have been designated for the Corporations joint-venture agreement with the Ontario County Industrial Development Agency (OCIDA).

**(Note 6) Master Agreement with Ontario County:**

The Corporation executed an agreement with Ontario County in which the County would provide office, parking, and storage space and managerial and administrative services. The County would also arrange to host and update a webpage for the Corporation on the same website used by the ED Department. In exchange for the services rendered by the County a \$4,800 retainer was paid to the County in 2019, and was payable in equal monthly installments of \$400 for 2019. A copy of the agreement can be obtained from the Ontario County Board of Supervisors office. In accordance with this agreement, the Corporation paid \$4,800 and \$9,600 to Ontario County for 2019 and 2018, respectively.

**(Note 7) Commitments and Contingencies:**

**A. Litigation**

The Corporation is not aware of any pending litigation as of the balance sheet date.

**(Note 8)      Functional Expenses**

The financial statements report certain categories of expenses that are attributable to the program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated on the basis of estimates of time and effort.

**(Note 9)      Subsequent Events:**

Events and transactions which have occurred between December 31, 2019 and March 19, 2020, the date of these financials, have been evaluated by the Corporation's management for the purpose of determining whether there were any events that might require disclosure in these financial statements. No such events or transactions were noted.

Annual Report for Ontario County Local Development Corporation

Fiscal Year Ending: 12/31/2019

Run Date: 03/19/2020  
Status: UNSUBMITTED  
Certified Date: N/A

**Bond Information**

<b>Name of Recipient of Bond Proceeds</b>	FF Thompson Hospital	<b>Bond Interest Rate</b>	3.29
<b>Address Line1</b>	350 Parrish St	<b>Last Year Bonds Expected to be Retired</b>	2040
<b>Address Line2</b>		<b>Amount of Bond Principal Retired during the Reporting Year</b>	1125000
<b>City</b>	CANANDAIGUA	<b>Amount of Bond Principal Retired Prior to Reporting Year</b>	570000
<b>State</b>	NY	<b>Current Amount of Bonds Outstanding</b>	\$34,185,000.00
<b>Postal Code</b>	14424	<b>Purpose of Project Requiring the Bond Issuance</b>	Commercial Property Construction/Acquisition/Revitalization/ Improvement
<b>Plus4</b>		<b>Was the Bond Issuance Expected to Result in New Jobs Being Created?</b>	No
<b>Province/Region</b>		<b>If yes, How Many Jobs Were Planned to be Created?</b>	
<b>Country</b>	United States	<b>If yes, How Many Jobs Have Been Created to Date?</b>	
<b>Amount of Bonds Issued</b>	\$35,880,000.00	<b>Have the Bonds Been Fully Retired?</b>	No
<b>Date Bonds Issued</b>	12/27/2017		

**Report on Internal Control Over Financial Reporting  
And on Compliance and Other Matters Based on an Audit  
of Financial Statements Performed in Accordance  
With Government Auditing Standards**

**Independent Auditors' Report**

To the Board Members  
Ontario County Local Development Corporation  
Ontario County, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Ontario County Local Development Corporation, Ontario County, New York (the Corporation), which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements and have issued our report thereon dated March 19, 2020.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting to determine the 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.

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 Corporation's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mengel, Metzger, Baw & Co. LLP*

Rochester, New York  
March 19, 2020

**ONTARIO COUNTY  
LOCAL DEVELOPMENT CORPORATION  
ONTARIO COUNTY, NEW YORK**

**SCHEDULE OF FINDINGS AND RESPONSES**

**For the Year Ended December 31, 2019**

**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

**II. Financial Statement Findings**

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