

**ONTARIO COUNTY LOCAL DEVELOPMENT
CORPORATION**

ONTARIO COUNTY, NEW YORK

**AUDITED FINANCIAL STATEMENTS
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITOR'S REPORTS**

For Years Ended December 31, 2020 and 2019



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1 – 2
<u>Statement 1</u> - Statements of Financial Position	3
<u>Statement 2</u> - Statements of Activities	4
<u>Statement 3</u> - Statements of Functional Expenses	5
<u>Statement 4</u> - Statements of Cash Flows	6
Notes to Financial Statements	7 – 9
<u>Supplemental Schedule 1</u> - Project Reporting Information	10
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	11 – 12
Schedule of Findings and Responses	13

INDEPENDENT AUDITOR'S 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 statements of financial position as of December 31, 2020 and 2019, 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 audits. We conducted our audits 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, 2020 and 2019, and the changes in its net assets 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 audits were 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 audits 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 29, 2021 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 29, 2021

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

Statements of Financial Position

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS:</u>		
<u>Current Assets -</u>		
Cash and cash equivalents	\$ 232,466	\$ 246,544
Total Current Assets	<u>\$ 232,466</u>	<u>\$ 246,544</u>
TOTAL ASSETS	<u><u>\$ 232,466</u></u>	<u><u>\$ 246,544</u></u>
<u>NET ASSETS:</u>		
<u>Without Donor Restrictions -</u>		
Operating	\$ 32,466	\$ 46,544
Designated	200,000	200,000
TOTAL NET ASSETS	<u><u>\$ 232,466</u></u>	<u><u>\$ 246,544</u></u>

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

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

Statements of Activities

For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>EXPENSES:</u>		
Program Services	\$ 10,000	\$ -
Supporting Services-Management and General	6,779	11,683
TOTAL EXPENSES	<u>\$ 16,779</u>	<u>\$ 11,683</u>
 CHANGE IN NET ASSETS BEFORE OTHER INCOME	 \$ (16,779)	 \$ (11,683)
Interest income, other	2,701	1,542
 CHANGE IN NET ASSETS	 \$ (14,078)	 \$ (10,141)
 NET ASSETS - BEGINNING OF YEAR	 <u>246,544</u>	 <u>256,685</u>
 NET ASSETS - END OF YEAR	 <u><u>\$ 232,466</u></u>	 <u><u>\$ 246,544</u></u>

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

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

Statements of Functional Expenses

For the Years Ended December 31, 2020 and 2019

	Program Services	Supporting Services Management and general	2020	Supporting Services Management and general	2019
Grants	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ -
Insurance	-	2,579	2,579	2,508	2,508
Legal costs	-	-	-	300	300
Ontario County services	-	-	-	4,800	4,800
Professional fees	-	4,200	4,200	4,075	4,075
	<u>\$ 10,000</u>	<u>\$ 6,779</u>	<u>\$ 16,779</u>	<u>\$ 11,683</u>	<u>\$ 11,683</u>

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

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

Statements of Cash Flows

For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Cash payments contractual expenses	\$ (6,779)	\$ (11,683)
Cash payments grants	(10,000)	-
Net Cash (Used) by Operating Activities	<u>\$ (16,779)</u>	<u>\$ (11,683)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest income	\$ 2,701	\$ 1,542
Net Cash Provided by Investing Activities	<u>\$ 2,701</u>	<u>\$ 1,542</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (14,078)	\$ (10,141)
BEGINNING CASH AND CASH EQUIVALENTS	<u>246,544</u>	<u>256,685</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 232,466</u></u>	<u><u>\$ 246,544</u></u>

(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, 2020 and 2019

(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, 2020 and 2019.

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, 2020 and 2019 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) **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, 2020 and 2019 were fully covered by FDIC insurance.

(Note 3) **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, 2020 and 2019, there was one series of Revenue Bonds outstanding with an aggregate principal amount payable of \$33,025,000 and \$34,185,000, respectively.

(Note 4) **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 5) Master Agreement with Ontario County:

During 2019, 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. 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 to Ontario County in 2019. During 2020 the Corporation did not enter into a master agreement and no fees were charged to the Corporation by Ontario County.

(Note 6) Commitments and Contingencies:

A. Litigation

The Corporation is not aware of any pending litigation as of the statement of financial position date.

(Note 7) 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 8) Subsequent Events:

Events and transactions which have occurred between December 31, 2020 and March 29, 2021, the date of these financial statements, 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.

(Note 9) Accounting Impact of COVID-19 Outbreak

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Corporation's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Corporation is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for 2021.

Annual Report for Ontario County Local Development Corporation

Fiscal Year Ending: 12/31/2020



Bond Information

Name of Recipient of Bond Proceeds	FF Thompson Hospital	Bond Interest Rate	3.29
Address Line1	350 Parrish St	Last Year Bonds Expected to be Retired	2040
Address Line2		Amount of Bond Principal Retired during the Reporting Year	1160000
City	CANANDAIGUA	Amount of Bond Principal Retired Prior to Reporting Year	1695000
State	NY	Current Amount of Bonds Outstanding	\$33,025,000.00
Postal Code	14424	Purpose of Project Requiring the Bond Issuance	Commercial Property Construction/Acquisition/Revitalization/Improvement
Plus4		Was the Bond Issuance Expected to Result in New Jobs Being Created?	No
Province/Region		If yes, How Many Jobs Were Planned to be Created?	
Country	United States	If yes, How Many Jobs Have Been Created to Date?	
Amount of Bonds Issued	\$35,880,000.00	Have the Bonds Been Fully Retired?	No
Date Bonds Issued	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 Auditor's 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 statements of financial position as of December 31, 2020 and 2019, 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 29, 2021.

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, Barw & Co. LLP

Rochester, New York
March 29, 2021

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

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2020

I. Summary of the Auditor's 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.