

**ONTARIO COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

ONTARIO COUNTY, NEW YORK

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

For Year Ended December 31, 2022



BUSINESS
ADVISORS
AND CPAS



BUSINESS
ADVISORS
AND CPAS

March 24, 2023

To the Board of Directors
Ontario County Economic
Development Corporation
Ontario County, New York

In planning and performing our audit of the financial statements of the Ontario County Economic Development Corporation, Ontario County, New York as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Ontario County Economic Development Corporation, Ontario County, New York's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 24, 2023 on the financial statements of the Corporation. 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 Corporation's written responses to the deficiencies identified in our audit have not been subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Current Year Deficiency in Internal Control:

Deferred Notes –

Our examination revealed two instances where deferred notes were forgiven without proper documentation. One loan was forgiven, however, management could not provide us with documentation that the company had met the loan covenant. A second loan was forgiven, however, this required the Board to waive certain covenants. While the discussion related to this loan was documented in the meeting minutes, the Board’s decision to waive the covenants and forgive the loan was not.

We recommend the Economic Development Corporation maintain supporting documentation to substantiate when loans are forgiven.

Corporation’s Response –

While there was no formal document written memorializing the completion of training from the Company as outlined in the agreement, there were certification documents obtained to extend the deferred loan out a year when labor was hard to hire during the COVID crisis. The extension was for one year and all criteria was met then.

With respect to the second deferred note, we feel the November minutes indicate that all milestones of the deferred note were met and that the Board agreed to “forgive the note now in advance of the effective date”. We do agree that better detail concerning the date of note completion could have been used to more clearly identified.

Prior Year Recommendation:

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

1. We noted all bank reconciliations were prepared and reviewed on a more timely basis.

This communication is intended solely for the information and use of management, the Board of Directors, 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 24, 2023