

ONTARIO COUNTY ECONOMIC DEVELOPMENT CORPORATION

NEW YORK

SINGLE AUDIT REPORT

For Year Ended December 31, 2010

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**Report on Compliance With Requirements Applicable to Each Major
Program and on Internal Control Over Compliance in Accordance
With OMB Circular A-133 and Unqualified Opinion on
Compliance; No Material Weaknesses or Significant
Deficiencies in Internal Control Over Compliance Identified**

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

Compliance

We have audited the compliance of the Ontario County Economic Development Corporation, New York with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2010. The Ontario County Economic Development Corporation, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Ontario County Economic Development Corporation, New York's management. Our responsibility is to express an opinion on the Ontario County Economic Development Corporation, New York's compliance based on our audit.

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 Ontario County Economic Development Corporation, New York'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. Our audit does not provide a legal determination of the Ontario County Economic Development Corporation, New York's compliance with those requirements.

In our opinion, the Ontario County Economic Development Corporation, New York complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

The management of Ontario County Economic Development Corporation, New York is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Ontario County Economic Development Corporation, New York's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance. Accordingly, we do not express an opinion on the effectiveness of the Ontario County Economic Development Corporation, 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the Ontario County Economic Development Corporation, New York as of and for the year ended December 31, 2010, and have issued our report thereon dated March 2, 2011. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Ontario County Economic Development Corporation, New York's 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the finance committee, management, the Board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



March 18, 2011

**ONTARIO COUNTY ECONOMIC DEVELOPMENT CORPORATION
NEW YORK**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

<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 HOUSING AND URBAN DEVELOPMENT:</u>			
<u>Indirect:</u>			
<u>Passed Through the Town of Naples -</u>			
Community development block grant	14.228	772ED71710	\$ 250,000 *
<u>Passed Through Ontario County -</u>			
Community development block grant	14.228	N/A	<u>2,499,103</u> *
Total U.S. Department of Housing and Urban Development			<u>\$ 2,749,103</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 <u><u>\$ 2,749,103</u></u>

* Major Programs

ONTARIO COUNTY ECONOMIC DEVELOPMENT CORPORATION, NEW YORK

Notes to Schedule of Expenditures of Federal Awards

December 31, 2010

1. General:

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the Ontario County Economic Development Corporation, New York. The Corporation is an entity as defined in Note 1 to the 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.

ONTARIO COUNTY ECONOMIC DEVELOPMENT CORPORATION, NEW YORK

Schedule of Findings and Questioned Costs

December 31, 2010

I. Summary of the Auditors' Results

Financial Statements

- | | |
|---|-------------|
| a) Type of auditor's report issued | Unqualified |
| 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 | Unqualified |
| 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> |
| CFDA # 14.228 | Community Development Block Grant |
| e) Dollar threshold used to distinguish between Type A and Type B programs | \$300,000 |
| f) Auditee qualifies as low-risk auditee | No |

II. Financial Statement Findings

There were no current year findings.

III. Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.