

**ONTARIO COUNTY FOUR SEASONS LOCAL  
DEVELOPMENT CORP.**

**ADVISORY COMMENT LETTER**

**SEPTEMBER 30, 2018**



**MENGEL METZGER BARR & CO. LLP**

Certified Public Accountants

December 12, 2018

Board of Directors  
Ontario County Four Seasons Local Development Corp.

In planning and performing our audit of the financial statements of Ontario County Four Seasons Local Development Corp. as of and for the year ended September 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered Ontario County Four Seasons Local Development Corp.'s internal control over financial reporting (internal control) as a basis for designing auditing 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

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

We have updated the status of the following comment and recommendation that was communicated to management in our letter dated December 6, 2017 in conjunction with the audit of the financial statements for the year ended September 30, 2017.

We do not consider the following to be a significant deficiency or material weakness for the year ended September 30, 2018.

**Material Auditor Adjustment**

During our 2017 audit, we noted a material adjustment was required to properly record revenue under the Ontario County contract. Based on discussions with management, a clerical error occurred when preparing the year-end revenue reconciliation and the error was not detected through the Organization’s internal review procedures. In addition, a change in the timing of payments received under this contract during 2017 also contributed to the issue.

**Recommendation**

We recommend improving the revenue recognition and related internal review procedures to ensure errors are detected and corrected on a timely basis.

**Management’s response**

Management agrees with this finding and is currently in the process of developing and implementing improved review procedures to ensure revenue is properly recognized when earned. In addition, revenue will now be reconciled on a quarterly basis and any necessary adjustments made at that time.

**Status at September 30, 2018**

During our 2018 audit, we noted no such findings. We also noted that revenue is now reconciled on a quarterly basis. In addition, the Organization worked with Ontario County to include a payment schedule in the 2018 contract to ensure the timing of the payments received does not cause an issue with the revenue recognition process.

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We would like to express our appreciation for the courtesies extended to us by management and their staff. It is an honor and privilege to serve the Organization. Should you have any questions or comments, please contact Jackie Lee or Ray Jacobi.

This communication is intended solely for the information and use of Management, Audit Committee Members and Board Members and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Mengel, Metzger, Barr & Co. LLP*

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