

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

CANANDAIGUA, NEW YORK

AUDITED FINANCIAL STATEMENTS

**REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

AND

INDEPENDENT AUDITOR'S REPORTS

SEPTEMBER 30, 2018 AND 2017



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

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MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ontario County Four Seasons Local Development Corp.

We have audited the accompanying financial statements of Ontario County Four Seasons Local Development Corp., which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities and changes in net assets, 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 audits 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 entity'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 entity'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 Four Seasons Local Development Corp. as of September 30, 2018 and 2017, 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 Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2018 on our consideration of Ontario County Four Seasons Local Development Corp.'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 Four Seasons Local Development Corp.'s internal control over financial reporting and compliance.

Mengel, Metzger, Barz & Co. LLP

Canandaigua, New York
December 12, 2018

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT CORP.

STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	<u>September 30,</u>	
	<u>2018</u>	<u>2017</u>
<u>CURRENT ASSETS</u>		
Unrestricted cash and cash equivalents	\$ 895,496	\$ 770,199
Grants and contracts receivable	252,943	57,360
Prepaid expenses	<u>11,526</u>	<u>10,406</u>
TOTAL CURRENT ASSETS	1,159,965	837,965
 <u>PROPERTY AND EQUIPMENT, NET</u>	 330,944	 349,967
 <u>OTHER ASSETS</u>		
Restricted cash	<u>6,715</u>	<u>3,783</u>
TOTAL ASSETS	<u>\$ 1,497,624</u>	<u>\$ 1,191,715</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 23,197	\$ 7,953
Accrued expenses	14,964	20,594
Unearned revenue	<u>259,789</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	297,950	28,547
 <u>OTHER LIABILITIES</u>		
Cooperative regional programs	6,715	3,783
 <u>NET ASSETS</u>		
Unrestricted - Undesignated	728,790	681,094
Unrestricted - Board designated	<u>464,169</u>	<u>478,291</u>
TOTAL UNRESTRICTED NET ASSETS	<u>1,192,959</u>	<u>1,159,385</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,497,624</u>	<u>\$ 1,191,715</u>

The accompanying notes are an integral part of the financial statements.

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT CORP.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	<u>Year ended September 30,</u>	
	<u>2018</u>	<u>2017</u>
<u>SUPPORT AND REVENUE:</u>		
County contract	\$ 1,009,043	\$ 1,002,034
NYS matching fund grants	61,074	62,682
Program service fees	43,416	7,393
Donated services and merchandise	9,719	20,652
Other grants	-	21,000
Interest income	850	743
Other revenue	<u>138</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	1,124,240	1,114,504
 <u>EXPENSES</u>		
Program services	948,765	826,192
Administrative and general	<u>141,901</u>	<u>143,752</u>
TOTAL EXPENSES	<u>1,090,666</u>	<u>969,944</u>
CHANGE IN NET ASSETS	33,574	144,560
Net assets at beginning of year	<u>1,159,385</u>	<u>1,014,825</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,192,959</u>	<u>\$ 1,159,385</u>

The accompanying notes are an integral part of the financial statements.

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT CORP.

STATEMENTS OF FUNCTIONAL EXPENSES

	Year ended September 30, 2018			Year ended September 30, 2017		
	Program Services	Administrative and General	Total	Program Services	Administrative and General	Total
Salaries and wages	\$ 294,417	\$ 68,600	\$ 363,017	\$ 261,503	\$ 68,550	\$ 330,053
Taxes and benefits	66,934	15,404	82,338	67,539	17,659	85,198
Marketing:						
Advertising and branding	249,106	-	249,106	179,724	-	179,724
Brochures	33,699	-	33,699	94,296	-	94,296
Mailing	16,775	-	16,775	10,926	-	10,926
Travel, trade show and information center	16,432	1,420	17,852	16,593	943	17,536
Websites	56,451	-	56,451	39,342	-	39,342
Audio/visual production	18,921	-	18,921	11,643	-	11,643
Research	15,192	-	15,192	4,080	-	4,080
Public Relations	43,935	1,327	45,262	30,762	3,233	33,995
Brand development/strategic plan	22,988	-	22,988	11	-	11
Professional development	11,023	3,674	14,697	4,697	1,566	6,263
Professional services	2,159	21,136	23,295	2,152	19,377	21,529
Dues, fees and subscriptions	5,325	1,775	7,100	3,046	1,015	4,061
Non-cash donation expense	9,719	-	9,719	5,652	-	5,652
Insurance	5,681	1,894	7,575	6,373	2,125	8,498
Office expenses	6,845	2,282	9,127	4,003	1,335	5,338
Telephone and internet	8,478	2,826	11,304	8,605	2,868	11,473
Repairs and maintenance	18,619	6,207	24,826	30,831	10,278	41,109
Real estate taxes	4,913	1,638	6,551	5,434	1,811	7,245
Utilities	5,910	1,970	7,880	5,225	1,741	6,966
Depreciation	35,243	11,748	46,991	33,755	11,251	45,006
TOTAL EXPENSES	\$ 948,765	\$ 141,901	\$ 1,090,666	\$ 826,192	\$ 143,752	\$ 969,944

The accompanying notes are an integral part of the financial statements.

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT CORP.

STATEMENTS OF CASH FLOWS

	<u>Year ended September 30,</u>	
	<u>2018</u>	<u>2017</u>
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ 33,574	\$ 144,560
Adjustments to reconcile change in net assets to net cash provided from (used for) operating activities:		
Depreciation	46,991	45,006
Donated equipment	-	(15,000)
Loss on fixed asset disposals	125	704
Changes in certain assets and liabilities affecting operations:		
Grants and contracts receivable	(195,583)	(56,310)
Prepaid expenses	(1,120)	114
Accounts payable	15,244	5,096
Accrued expenses	(5,630)	(986)
Unearned revenue	<u>259,789</u>	<u>(247,443)</u>
NET CASH PROVIDED FROM (USED FOR) OPERATING ACTIVITIES	153,390	(124,259)
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of property and equipment	<u>(28,093)</u>	<u>(38,254)</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(28,093)</u>	<u>(38,254)</u>
NET INCREASE (DECREASE) IN CASH	125,297	(162,513)
Unrestricted cash and cash equivalents at beginning of year	<u>770,199</u>	<u>932,712</u>
UNRESTRICTED CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 895,496</u>	<u>\$ 770,199</u>
<u>NON-CASH OPERATING ACTIVITY</u>		
Donated services and merchandise	<u>\$ 9,719</u>	<u>\$ 5,652</u>
<u>NON-CASH OPERATING AND INVESTING ACTIVITY</u>		
Donated equipment	<u>\$ -</u>	<u>\$ 15,000</u>

The accompanying notes are an integral part of the financial statements.

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT CORP.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

NOTE A: THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization

Ontario County Four Seasons Local Development Corp. (the Organization) is a non-profit agency and was incorporated in June 1984 and organized under section 501(c)(3) of the Internal Revenue Code. The Organization is located in Canandaigua, New York and conducts business under the name "Finger Lakes Visitors Connection". Funding is primarily provided by Ontario County, located in the Finger Lakes Region of upstate New York. The Organization's purpose is to promote tourism in Ontario County.

Basis of accounting

The Organization maintains its books and records on the accrual basis of accounting.

Financial statement presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets: Represents all resources over which the Governing Board has discretionary control to use in carrying on the Organization's operations in accordance with the guidelines established for the Organization. The Board may designate portions of the unrestricted net assets for specific purposes, projects or investments. As of September 30, 2018 and 2017, \$464,169 and \$478,291 were restricted to use for emergency purposes and major repairs and maintenance to its capitalized property and equipment as further described in the Reserve Policy note.

Temporarily restricted net assets: Consists of all resources currently available for use but limited by donor-imposed restrictions that expire by the passage of time or can be fulfilled or otherwise removed by actions of the Organization. The Organization had no temporarily restricted net assets at September 30, 2018 and 2017.

Permanently restricted net assets: Represents the principal amount of gifts and bequests accepted with the donor-stipulation that the principal be maintained intact in perpetuity and that only the investment income earned may be expended for general purposes. The Organization had no permanently restricted net assets at September 30, 2018 and 2017.

Cash and cash equivalents

Cash and certain money market account balances are maintained at financial institutions located in upstate New York and are insured by the FDIC up to \$250,000 at each institution. The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. In the normal course of business, the cash account balances at any given time may exceed insured limits. However, the Organization has not experienced any losses in such accounts and does not believe it is exposed to significant risk in cash.

Grants and contracts receivable

Grants and contracts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts based on its assessment of the current status of individual receivables from grants, agencies, and others. Balances that are still outstanding after management has used reasonable collection efforts are written off against the allowance for doubtful accounts. There was no allowance for doubtful accounts at September 30, 2018 or 2017.

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT CORP.

NOTES TO FINANCIAL STATEMENTS, Cont'd

SEPTEMBER 30, 2018 AND 2017

NOTE A: THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Property and equipment

Property and equipment, including major renewals and betterments, are recorded on the basis of cost if purchased or at fair value at the date of the gift, if donated.

The Organization's policy is to capitalize all expenditures for property and equipment with a cost over \$2,500. Routine maintenance and repairs are charged to operations as they are incurred. Expenditures that extend the useful life of the asset are capitalized. Upon sale or retirement, the related cost and accumulated depreciation are removed from the accounts and any related gain or loss is reflected in activities. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets.

Estimated useful lives of property and equipment are as follows:

Building and improvements	39 Years
Furniture and equipment	5 - 7 Years
Vehicle	5 Years
Website	3 Years

Reserve policy

The Organization has established procedures or set aside funds for emergency operating purposes as well as major repairs and maintenance to its capitalized property and equipment in accordance with the Organization's Reserve Policy. The Organization sets aside amounts determined by the Board in cash accounts classified as unrestricted and included in unrestricted cash and cash equivalents.

In accordance with the Reserve Policy, the amount designated for emergency purposes is \$352,823 and \$352,707 as of September 30, 2018 and 2017, respectively. The amount designated for major repairs and maintenance to its capitalized property and equipment is \$111,346 and \$125,584 as of September 30, 2018 and 2017, respectively.

Income tax exemption

The Organization is organized as a nonprofit corporation and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state regulations. The Organization files Form 990 tax returns in the U.S. federal jurisdiction and in New York State.

With few exceptions, as of September 30, 2018, the Organization is no longer subject to U.S. federal or state income tax examinations by tax authorities for years ended prior to September 30, 2015. The tax returns for years ended September 30, 2015 through September 30, 2018 are still subject to potential audit by the IRS and taxing authorities in New York State. Management of the Organization believes they have no material uncertain tax positions and, accordingly, they have not recognized any liability for unrecognized tax benefits.

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT CORP.

NOTES TO FINANCIAL STATEMENTS, Cont'd

SEPTEMBER 30, 2018 AND 2017

NOTE A: THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Revenue and support recognition

The Organization receives funding from Ontario County under an annually renewable contract. Revenues are requested quarterly under the terms of the contract in anticipation of expenses to be incurred. The contract amounted to \$1,010,017 and \$1,006,121 for the Ontario County period ending December 31, 2018 and 2017, respectively. Revenue recognized during the years ended September 30, 2018 and 2017 is \$1,009,043 and \$1,002,034, respectively. Deferred revenue amounted to \$259,789 as of September 30, 2018. Grants and contracts receivable amounted to \$252,943 and \$57,360 as of September 30, 2018 and 2017, respectively.

In-kind donations

The Organization receives various in-kind donations consisting of merchandise or gift certificates as promotional materials from various businesses during the year. These items are given to various tourists in conjunction with promoting the Finger Lakes area in Ontario County. Contributions of donated non-cash assets and services are recorded at their fair market values in the period received.

Advertising, branding and marketing

The Organization expenses all advertising related costs as they are incurred. Advertising costs for the years ended September 30, 2018 and 2017 amounted to approximately \$249,100 and \$179,700, respectively.

Functional allocation of expenses

The cost of providing program services of the Organization have been summarized on a functional basis in the accompanying statement of functional expenses. Certain costs have been allocated among the program and supporting services based on certain statistics and estimates made by the Organization's management.

Estimates

The preparation of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at September 30, 2018 and 2017 and the reported amounts of revenues and expenses for the years then ended. Actual results could differ from those estimates.

Subsequent events

The Organization has conducted an evaluation of potential subsequent events occurring after the statement of financial position date through December 12, 2018, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT CORP.

NOTES TO FINANCIAL STATEMENTS, Cont'd

SEPTEMBER 30, 2018 AND 2017

NOTE B: PROPERTY AND EQUIPMENT

The composition of property and equipment is as follows:

	September 30,	
	2018	2017
Land	\$ 14,000	\$ 14,000
Building and improvements	360,616	347,263
Furniture and equipment	91,295	84,690
Vehicle	35,707	35,707
Website development	58,450	58,450
	<u>560,068</u>	<u>540,110</u>
Less accumulated depreciation and amortization	229,124	190,143
	<u>\$ 330,944</u>	<u>\$ 349,967</u>

NOTE C: LINE OF CREDIT

The Organization has available a demand line of credit in the amount of \$75,000 as of September 30, 2018 and 2017 with interest at the prime rate (an effective rate of 5.25% at September 30, 2018). The line is secured by all business assets. There were no amounts outstanding on the line of credit at September 30, 2018 and 2017.

NOTE D: CONCENTRATION

The Organization receives a substantial amount of its support from state and local governments. A significant reduction in the level of this support, if it were to occur, may have an effect on the Organization's programs and activities. State and local government grants require fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill these conditions may result in the return of these funds to the grantors.

NOTE E: SHARED PROJECTS AND COOPERATIVE REGIONAL FUNDING

In its assigned function, the Organization acts jointly with other tourist promotion groups, such as the local Chambers of Commerce and the Finger Lakes Tourism Promotion Agencies Council. Thus, expenditures are incurred for marketing activities, matching grants and cooperative projects, some of which are reimbursed from cooperating agencies. There were no reimbursements received in 2018 or 2017.

The Organization acted as regional administrator for these funds through June 2014. At that time the funds relating to the regional programs were transferred to a new non-profit entity established to manage these funds. The Organization continues to administer small joint promotional activities with surrounding counties. As administrator, the Organization holds bank accounts under the name of the organization and expenses are paid as incurred. The accounts are restricted for the purpose of the shared costs.

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT CORP.

NOTES TO FINANCIAL STATEMENTS, Cont'd

SEPTEMBER 30, 2018 AND 2017

NOTE E: SHARED PROJECTS AND COOPERATIVE REGIONAL FUNDING, Cont'd

The balance of the restricted bank accounts are \$6,715 and \$3,783 as of September 30, 2018 and 2017, respectively.

Only the shared portion of expenses belonging to the Organization are reported as expenses on the Statement of Activities.

NOTE F: NEW YORK STATE TOURISM MATCHING FUNDS PROGRAM

The Organization applied for and received grants from the New York State Department of Economic Development. The grants amounted to \$68,359 for 2018 and \$62,682 for 2017. There was \$7,285 of deferred revenue related to the grant at September 30, 2018. There was no deferred revenue related to the grant at September 30, 2017. Revenue recognized during the years ended September 30, 2018 and 2017 is \$61,074 and \$62,682, respectively.

The grants are required to be matched by local funds in order to be received. The program is designed to promote tourism on a cooperative basis. Matching funds were provided by Ontario County and various private sectors and other local organizations. The state requires that 100% of the grant be used for approved marketing program activities.

NOTE G: RETIREMENT PLANS

The Organization sponsored a SEP (Simplified Employee Pension) plan that covered all employees who had worked for a minimum of three years for the Organization. Effective during April 2015, the Organization reduced the minimum requirement to one year of service to be eligible for the SEP plan. The Organization contributed up to 5% of an employee's salary if matched by the employee contribution to their 403(b). The Organization contributed \$8,027 to the SEP plan in 2017.

The Organization also sponsored a 403(b) plan which was funded solely through employee deferrals.

Effective May 1, 2017, the Board of Directors replaced the Organization's SEP and 403(b) plans with a defined contribution 401(k) plan for eligible participants. The Plan allows eligible participants to make voluntary contributions of compensation subject to Internal Revenue Code limitations. The Organization contributes up to 5% of an employee's salary if matched by the employee contribution to their 401(k). The Organization contributed \$14,133 and \$5,824 to the 401(k) plan for the years ended September 30, 2018 and 2017, respectively.

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT CORP.

NOTES TO FINANCIAL STATEMENTS, Cont'd

SEPTEMBER 30, 2018 AND 2017

NOTE H: COMMITMENTS

The Organization has entered into a website consulting, content management solutions and customer relationship management agreement at a quarterly cost of \$10,500 through May 2019.

The future minimum payments on this agreement are as follows:

<u>Year ending September 30,</u>	<u>Amount</u>
2019	<u>\$ 28,000</u>

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT CORP.

REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

INDEPENDENT AUDITOR'S 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

Board of Directors
Ontario County Four Seasons Local Development Corp.

We have audited, 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, the financial statements of Ontario County Four Seasons Local Development Corp. which comprise the statement of financial position as of September 30, 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 12, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ontario County Four Seasons Local Development Corp.'s internal control over financial reporting (internal control) 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 Ontario County Four Seasons Local Development Corp.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Ontario County Four Seasons Local Development Corp.'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 *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 over financial reporting 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 financial reporting 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 Ontario County Four Seasons Local Development Corp.'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mengel, Metzger, Baw & Co. LLP

Canandaigua, New York
December 12, 2018