

**CITY OF GENEVA INDUSTRIAL DEVELOPMENT AGENCY  
AND AFFILIATES**

**REPORT TO THE BOARD OF DIRECTORS**

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**SEPTEMBER 30, 2019**

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Trust earned.



November 16, 2020

To the Board of Directors  
City of Geneva Industrial Development Agency and Affiliates  
PO Box 273  
Geneva, New York

To the Board of Directors:

We are pleased to present this report related to our audit of the combined financial statements of the City of Geneva Industrial Development Agency and Affiliates (the Agency) for the year ended September 30, 2019. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Agency's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Agency.

Very truly yours,

*Freed Maxick CPAs, P.C.*

Freed Maxick CPAs, P.C.

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## Required Communications

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Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

Area	Comments
<b>Our Responsibilities with Regard to the Financial Statement Audit</b>	Our responsibility under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States have been described to you in our arrangement letter dated October 15, 2020. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.
<b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b>	We have issued a separate communication, dated October 15, 2020 regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
<b>Accounting Policies and Practices</b>	<b>Preferability of Accounting Policies and Practices</b> Under generally accepted principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice. <b>Adoption of, or Change in, Accounting Policies</b> Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Agency. In the current year the Agency implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 95, <i>Postponement of the Effective Dates of Certain Authoritative Guidance</i> . <b>Significant or Unusual Transactions</b> We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. <b>Management's Judgments and Accounting Estimates</b> Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Significant Accounting Estimates." <b>Basis of Accounting</b> The financial statements were prepared on assumption that the entity will continue as a going concern.

## Required Communications (Continued)

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### **Audit Adjustments**

The audit adjustments proposed by us and recorded by the Agency are shown on the attached "Summary of Recorded Audit Adjustments".

### **Uncorrected Misstatements**

Uncorrected misstatement is summarized in the attached "Summary of Uncorrected Misstatements."

### **Disagreements with Management**

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

### **Consultations with Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

### **Significant Issues Discussed with Management**

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

### **Significant Difficulties Encountered in Performing the Audit**

During our audit we encountered difficulties in securing supporting documentation related to the operations of the GEDC, which is the basis for disclaiming our audit opinion.

### **Letter Communicating Material Weaknesses, Control Deficiencies and Noncompliance**

We have separately communicated material weaknesses, control deficiencies and noncompliance identified during our audit of the financial statements which is attached as Exhibit A.

### **Significant Written Communication Between Management and Our Firm**

A copy of the representation letter provided to us by management is attached as Exhibit B.

**City of Geneva Industrial Development Agency**  
**Summary of Significant Accounting Estimates**  
**Year Ended September 30, 2019**

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Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in the Agency's September 30, 2019 financial statements:

<b>Estimate</b>	<b>Accounting Policy</b>	<b>Management's Estimation Process</b>	<b>Basis of our conclusions on Reasonableness of Estimate</b>
<b>Depreciation of Property, Plant and Equipment</b>	Management depreciates property, plant and equipment over the estimated useful lives of the assets.	Useful lives are assigned based on management's judgment. Management was consistent in calculating depreciation based on the useful lives assigned to each respective asset.	The methods and lives used to estimate depreciation expense appear reasonable.

**City of Geneva Industrial Development Agency**  
**Summary of Recorded Audit Adjustments**  
**Year Ended September 30, 2019**

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Account No	Name	Debit	Credit
3000.1	Retained Earnings - IDA	128,518	
4999.1	CD-Lyons National	2,948	
1002.1	Miscellaneous - IDA		400
1101.2	Ternew Loan		3,705
1110.1	Industrial Park Investment		32,760
5001.1	City Support - IDA		18,000
5018.1	Misc - IDA		76,601

To record entries from prior year audits that have not been recorded by the IDA, and impact beginning equity for the 9/30/2019 fiscal year.

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1012.3	Cash - GEDC	15,813	
1320.3	Accounts Receivable - GEDC		64,563
1321.3	Allowance for Doubtful Accounts - GEDC	59,859	
1510.0	Accumulated Depreciation		125,373
1550.3	Building improvements - GEDC	20,160	
1550.3	Building improvements - GEDC	576,601	
2235.0	Notes Payable		77,677
2300.3	Accounts Payable - GEDC	26,043	
2310.3	Deferred Revenue - GEDC	1,523	
2350.3	Security deposits - GEDC		5,000
3000.3	Retained Earnings - GEDC		388,515
5018.3	Misc Exp - GEDC		9,910
5026.3	Repairs and maintenance - GEDC		2,538
5027.3	Administrative expense - GEDC		18,620
5128.3	Utilities - GEDC		7,803

To record necessary adjustments to correct beginning equity, to record beginning balance sheet activity not recorded by GEDC Management and to record balance sheet activity to actual, due to prior year audit adjustments not made by the bookkeeper

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5018.1	MISC - IDA	12,105	
1005.1	CD-Lyons National		12,105

To adjust the IDA certificate of deposit balance to actual per the bank confirmation as of 9/30/2019.

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2235.0	Notes Payable	4,223	
5129.3	Line of Credit Interest		4,223

To adjust loans payable ending balance and reclassify interest expense.

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1510.0	Accumulated Depreciation	141,890	
5022.3	Depreciation - GEDC		141,890

To record current year depreciation expense for items included in capital assets as of 9/30/2019.

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1005.1	CD-Lyons National	121	
4999.1	Miscellaneous - IDA		121

To record interest revenue that was incorrectly reclassified between cash accounts, rather than recognized on the income statement.

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**City of Geneva Industrial Development Agency**  
**Summary of Uncorrected Misstatements**  
**Year Ended September 30, 2019**

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<b>Description</b>	<b>Fund</b>	<b>Balance Sheet</b>		<b>Income Statement</b>		<b>Net Effect</b>
		<b>Debit</b>	<b>Credit</b>	<b>Debit</b>	<b>Credit</b>	<b>Dr(Cr)</b>
Accounts Receivable	Park Partnership	\$ 2,076				
Due to Other Governments	Park Partnership		\$ 1,771			
Rental Income	Park Partnership				\$ 305	\$ (305)
<i>To record rents revenue applicable to the current year and received after 9/30/2019.</i>						
<b>Overall net effect of uncorrected misstatements</b>				\$ -	\$ 305	\$ (305)

## **Recently Issued Accounting Standards**

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The GASB has issued several statements not yet implemented by the Agency. The Agency's management has not yet determined the effect these Statements will have on the Agency's financial statements. However, the Agency plans to implement all standards by the required dates. The Statement which might impact the Agency is as follows:

### **Summary of GASB Statement No. 83, *Certain Asset Retirement Obligations***

This Statement issued in November 2016 will be effective for the Agency beginning with its fiscal year ending September 30, 2020. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

### **Summary of GASB Statement No. 84, *Fiduciary Activities***

This Statement issued in January 2017 will be effective for the Agency beginning with its fiscal year ending September 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

### **Summary of GASB Statement No. 87, *Leases***

This Statement was issued in June 2017 and will be effective for the Agency beginning with its fiscal year ending September 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of GASB Statement No. 87 are effective for financial periods beginning after June 30, 2021. Earlier application is encouraged.

## **Recently Issued Accounting Standards (Continued)**

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### ***Summary of GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period***

This Statement issued in June 2018 will be effective for the Agency beginning with its fiscal year ending September 30, 2022. The primary objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of GASB Statement No. 89 are effective for financial periods beginning after December 15, 2019. Earlier application is encouraged.

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**EXHIBIT A - LETTER COMMUNICATING MATERIAL WEAKNESSES, CONTROL  
DEFICIENCIES AND NONCOMPLIANCE**

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## **Letter Communicating Material Weaknesses, Control Deficiencies and Noncompliance**

To the Board of Directors  
City of Geneva Industrial Development Agency and Affiliates  
Geneva, New York

In planning and performing our audit of the combined financial statements of City of Geneva Industrial Development Agency and Affiliates (the Agency) as of and for the year ended September 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing our 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 material weaknesses. Therefore, material weaknesses may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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. We consider the following deficiencies in the Agency's internal control to be material weaknesses:

### **MATERIAL WEAKNESSES**

#### **Financial Reporting and General Ledger Maintenance**

*Observation:* During the audit it was discovered that several material audit adjustments were needed to correct beginning equity and current year activity as result of prior year audit adjustments not being recorded by the Industrial Development Agency (IDA) and the Geneva Economic Development Corporation (GEDC). Through testing performed over the manual journal entries recorded by the IDA, management was unable to provide supporting documentation for a manual journal entry recorded as a material increase to expense. We were also unable to verify an independent review and approval of this manual journal entry occurred. Without sufficient documentation on file we were unable to determine if the journal entry was appropriate and reasonable. In addition, we were unable to verify the accuracy of the GEDC financial information reported for the following: cash balances, rent revenue, fixed assets and net investment in fixed assets.

Material audit adjustments were recorded at the start of the audit as a result of prior year audit entries that were not made by the IDA and the GEDC. These entries materially impacted the activity reported by the IDA and the GEDC for the fiscal year ended September 30, 2019.

We were unable to verify cash balances reported by the GEDC were fairly stated as of September 30, 2019, as we were not provided GEDC bank statements or related reconciliations for this time period.

The GEDC was unable to provide us with all active rental agreements or a related rent roll for rent revenue collected during the current year, and therefore we were unable to verify the rent revenue reported was reasonable as of September 30, 2019.

Through review of the fixed asset activity reported by the GEDC, the GEDC management company was unable to provide us with the current year fixed asset additions and deletions activity. As a result, we are unable to verify that the fixed assets, and the net investment in fixed assets balances, are fairly stated for the year ended September 30, 2019.

Due to the lack of supporting documentation provided by the GEDC required to perform our audit over the cash balances, rent revenue and fixed assets for the year ended September 30, 2019, we are unable to ensure the validity of this information.

**Recommendation:** We recommend the GEDC implement a process to ensure all transactions are being properly reported in the accounting system and that all bank statements are reconciled to the general ledger monthly to ensure all activity has been captured. Additionally, we recommend that the IDA and GEDC make all audit adjustments to ensure accurate information is being reported to the Board. As manual journal entries are recorded, we recommend these are provided to the Board for an independent review and approval, and that all related documentation is maintained on file. We also recommend, that the Board perform timely fiscal monitoring over the GEDC to ensure the general ledger is being maintained and updated for activity as it occurs.

**Potential Effect:** This material weakness could result in an increased risk that accounting errors or fraud could occur and not be detected and financial reports could be misstated.

**Management Response:** The IDA has obtained a new management company to oversee and run the GEDC. The new agreement will take effect November 23, 2020 and will clear up all the accounting issues moving forward as they have an accounting system and have been prepared for the potential issues. I am certain that with a new GEDC management company, the accounting issues will be remedied and we will be all set moving forward.

## **Fiscal Oversight and Monitoring**

**Observation:** During our audit, we noted there was insufficient oversight over the financial accounting services performed by the management services company. The management service company initiated, recorded and monitored all cash activity with no oversight or monitoring from management or the Board. In addition, there was no review and approval of accounting transactions performed by an individual independent of processing the transactions.

**Recommendation:** We recommend the GEDC implement adequate internal controls over their financial accounting functions. Internal controls are designed to safeguard assets, identify and correct errors in a timely manner and help prevent loss from intentional or unintentional misappropriation of assets. Without these controls the GEDC is at a much greater risk of error or loss. We recommend that management evaluate the accounting system and the roles and responsibilities of personnel performing accounting functions and segregate as many of the accounting functions as possible. A system of internal controls includes oversight by individuals independent of those performing detailed accounting functions, and also monitoring of the financial activities by the Board. Bank reconciliations, journal entry reports and internal financial statements should be prepared monthly and reviewed and approved by management of the GEDC. Internal financial statements and budget to actual comparison reports should also be provided to the Board on a monthly basis.

**Potential Effect:** The absence of fiscal oversight and monitoring increases the risk that errors in financial reporting, noncompliance with grant agreements or misappropriation of assets could occur and not be detected and corrected in a timely manner. In addition, a lack of budgetary controls could result over-expenditure of available funds and reduction in net assets available for the future.

*Management Response:* The IDA board is requiring monthly reports from the GEDC management company as well as quarterly meetings with the executive committee and the GEDC managers. In addition to that, any purchase related to operations and/or maintenance at the GEDC facility that exceeds \$1,000 will be required to have approval from the IDA board as stated in the agreement between the two parties. The IDA board will be asking for a duties list as it relates to operations of the GEDC to review and approve that shows adequate separation of duties.

Following are descriptions of other identified deficiencies in internal control that we determined did not constitute significant deficiencies or material weaknesses:

## **CONTROL DEFICIENCIES**

### **Processing of Disbursements**

*Observation:* Through tests of controls over disbursements it was noted that the IDA did not perform a review and approval of vendor invoices prior to payment. In addition, we noted an instance where the IDA did not adhere to their procurement policy and bidding procedures. Bids were accepted for a project, however the bid accepted was not the lowest bid received. The IDA was unable to provide adequate documentation to support the reason why the lowest bid had not been accepted.

*Recommendation:* We recommend the IDA adhere to their procurement policy and bidding procedures. Under General Municipal Law entities are required to accept the lowest responsible bid or the best overall value. If the lowest bid is not accepted, the IDA should adequately document why the lowest bid was not accepted and retain such information in their purchasing records.

*Management Response:* The addition of the third-party accountant should drastically improve this. However, the IDA board is interested in more oversight of the GEDC management company. In the future, the IDA and GEDC will be following the same procedures that the City follows for procurement and bidding.

### **Bank Statement Review**

*Observation:* Through walkthroughs of internal controls for the IDA, there was no evidence that the bank statements are being reviewed by supervisory personnel or the Board.

*Recommendation:* We recommend the IDA implement adequate internal controls over their bank statement review process.

*Management Response:* Moving forward bank reconciliation will be presented at all board meetings as a part of the treasurer's report.

Following are descriptions of noncompliance findings:

## **NONCOMPLIANCE**

### **Documentation on Website**

*Observation:* Per our review of the Agency's website we noted that not all of the information required by the Authority Budget Office (ABO) was available on the Agency's website. Information not present consisted of, but was not limited to, current board minutes, updated policies, Agency by-laws and information on the Executive Management Team.

*Recommendation:* We recommend that the Agency upload board minutes as they are approved and perform an annual review of their website to verify all required information is current and available to the public, to ensure compliance with ABO requirements.

*Management Response:* We are currently in the process of updating all of the IDA's policies and procedures as well as revamping the IDA's portion of the website. This should all be updated and online very soon.

## **Independent Audit Report**

*Observation:* The IDA must submit a copy of the annual independent audit report, a management letter, and any other external examination of the books and accounts of the authority within 90 days after its fiscal yearend. This did not occur for the year ended September 30, 2018 as the audit report was unable to be issued timely.

*Recommendation:* We recommend the IDA ensure an independent audit and related audit report are able to be completed timely to ensure this requirement is met.

*Management Response:* With the addition of a new GEDC management company the IDA will strive to complete the audit on time and with accuracy, meeting all of the ABO requirements.

Following are descriptions of other matters:

### **OTHER MATTER**

#### **Capital Asset Policy**

*Observation:* During review of the capital assets it was noted that there is no capital asset policy developed for the GEDC, to document thresholds of capital asset additions, estimated useful lives and disposal procedures.

*Recommendation:* We recommend that the IDA develop a capital asset policy for use by the IDA, Park Partnership and GEDC, as applicable.

#### **Formal Collateral Agreement**

*Observation:* During our testing, we noted that the IDA does not have a formal collateral agreement with the financial institution that banking and investment business occurs with. Without a formal agreement in place the IDA is at a higher risk that financial institution balances will not be secured when they exceed FDIC insurance.

*Recommendation:* We recommend the IDA secure a formal agreement for the supply of collateral when balances exceed FDIC insurance limit.

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

*Freed Maxick CPAs, P.C.*

Batavia, New York  
November 16, 2020

**EXHIBIT B - SIGNIFICANT WRITTEN COMMUNICATIONS**  
**BETWEEN MANAGEMENT AND OUR FIRM**

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**CITY OF GENEVA INDUSTRIAL DEVELOPMENT AGENCY**  
**PO BOX 273**  
**GENEVA, NEW YORK 14456**

November 16, 2020

Freed Maxick CPAs, P.C.  
One Evans Street.  
Batavia, New York 14020

This representation letter is provided in connection with your audits of the basic financial statements of the City of Geneva Industrial Development Agency and Affiliates (the Agency) as of and for the years ended September 30, 2019 and 2018 for the purpose of expressing an opinion on whether the combined financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of the date of the auditor's report:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated October 15, 2020, for the preparation and fair presentation of the combined financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the combined financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related party transactions, including those with the City of Geneva, Ontario County Industrial Development Agency and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements, and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the combined financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We are included in a joint venture having as participants the following listed organizations, each of which retains an ongoing financial interest or an ongoing financial responsibility, as these terms are defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards.
  - a. Ontario County Industrial Development Agency, New York
  - b. City of Geneva, New York

9. The following have been properly recorded and/or disclosed in the combined financial statements:
  - a. Net positions.
  - b. Line of credit or similar arrangements.
  - c. Debt issue provisions.
  - d. All leases or material amounts of rental obligations under long-term leases.
  - e. All significant estimates and material concentrations known to management which are required to be disclosed.
10. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private that is not disclosed in the combined financial statement.
11. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
12. We have informed you of all uncorrected misstatements. As of and for the year ended September 30, 2019, we believe that the effects of the uncorrected misstatements aggregated by you and summarized in the attached Summary of Uncorrected Misstatements are immaterial, both individually and in the aggregate, to the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

#### **Information Provided**

13. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the combined financial statements such as records, documentation, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. Unrestricted access to persons within the Agency from whom you determined it necessary to obtain audit evidence; and
  - d. Minutes of the meetings of the governing board and committees of board members, or summaries of actions of recent meetings for which minutes have not yet been prepared.
14. All transactions have been recorded in the accounting records and are reflected in the combined financial statements.
15. We have disclosed to you the results of our assessment of risk that the combined financial statements may be materially misstated as a result of fraud.
16. We have no knowledge of allegations of fraud or suspected fraud, affecting the Agency's financial statements involving:
  - a. Management.
  - b. Employees who have significant roles in the internal control.
  - c. Others where the fraud could have a material effect on the combined financial statements.

17. We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's combined financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
18. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations.
19. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the combined financial statements; and we have not consulted legal counsel concerning litigation or claims.
20. We have disclosed to you the identity of the Agency's related parties and all the related-party relationships and transactions of which we are aware.
21. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Agency's ability to record, process, summarize and report financial data.
22. We have informed you of all communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
23. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

#### **Supplementary Information**

24. With respect to supplemental information presented in relation to the combined financial statements as a whole:
  - a. We acknowledge our responsibility for the presentation of such information.
  - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information.
  - e. When supplementary information is not presented with the audited combined financial statements, we will make the audited combined financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

#### **Compliance Considerations**

In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm that management:

1. Is responsible for the preparation and fair presentation of the combined financial statements in accordance with the applicable financial reporting framework.
2. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
3. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

4. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of combined financial statement amounts.
5. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the combined financial statements.
6. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.
7. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
8. Has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that the auditor reports.
9. Has a process to track the status of audit findings and recommendations.
10. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
11. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.
12. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating an Adam Blowers, Chief Financial Officer, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

City of Geneva Industrial Development Agency



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Signature



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Title

**City of Geneva Industrial Development Agency**  
**Summary of Uncorrected Misstatements**  
**Year Ended September 30, 2019**

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<b>Description</b>	<b>Fund</b>	<b>Balance Sheet</b>		<b>Income Statement</b>		<b>Net Effect</b>
		<b>Debit</b>	<b>Credit</b>	<b>Debit</b>	<b>Credit</b>	<b>Dr(Cr)</b>
Accounts Receivable	Park Partnership	\$ 2,076				
Due to Other Governments	Park Partnership		\$ 1,771			
Rental Income	Park Partnership				\$ 305	\$ (305)
<i>To record rents revenue applicable to the current year and received after 9/30/2019.</i>						
<b>Overall net effect of uncorrected misstatements</b>				\$ -	\$ 305	\$ (305)

**CITY OF GENEVA INDUSTRIAL DEVELOPMENT AGENCY  
PO BOX 273  
GENEVA, NEW YORK 14456**

November 16, 2020

Freed Maxick CPAs, P.C.  
One Evans Street  
Batavia, New York 14020

In connection with your examination of City of Geneva Industrial Development Agency and Affiliates (the Agency), compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") during the period of October 1, 2018 through September 30, 2019 in accordance with standards established by the American Institute of Certified Public Accountants, we confirm to the best of our knowledge and belief, the following representations made to you during the course of your engagement:

1. We are responsible for the Agency's compliance with the Investment Guidelines.
2. We are responsible for establishing and maintaining effective internal control over the Agency's compliance with the Investment Guidelines.
3. We have performed an evaluation of the Agency's compliance with the Investment Guidelines. Based on our evaluation, the Agency has complied with the Investment Guidelines during the period of October 1, 2018 through September 30, 2019 based on the criteria referred to under the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law.
4. There has been no known noncompliance with the Investment Guidelines during the period of October 1, 2018 through September 30, 2019 or through the date of this letter.
5. There are no known communications from regulatory agencies, internal auditors, or other practitioners concerning the Agency's possible noncompliance with the Investment Guidelines received by us during the period of October 1, 2018 through September 30, 2019, or through the date of this letter.
6. We have made available to you all documentation related to the Agency's compliance with the Investment Guidelines.
7. There has been no knowledge of fraud or suspected fraud affecting the entity involving:
  - a. Management,
  - b. Employees who have significant roles in the internal control, or
  - c. Others where fraud could have a material effect on the Agency's compliance with the Investment Guidelines.
8. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
9. We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency received in communications from employees, former employees, analysts, regulators, short sellers, or others.
10. We have responded fully to all inquiries made to us by you during your engagement.

11. During the course of your engagement you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

City of Geneva Industrial Development Agency

  
Signature

  
Title