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SENECA COUNTY  
ECONOMIC DEVELOPMENT CORPORATION

**Joint IDA / EDC / SCFC Audit Committee Meeting**

**Monday March 14, 2022  
At 2:00 pm**

**Held Via Zoom  
Livestreamed for the public at  
<https://www.senecacountyida.org/livestream>**

1. Approval of Audit Committee Meeting Minutes / September 14, 2021 R\_\_\_\_\_
2. \*Presentation and Recommend Approval to EDC Board of 2021 EDC Audit and Management Letter R\_\_\_\_\_
3. Review of EDC Long Term Forecast
4. Other Business
5. Adjournment

*\*Presentation of Audit by Thomas Zuber from the office of Mengel Metzger Barr and Co, LLP a division of Raymond F. Wager, CPA, P.C.*

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SENECA COUNTY  
ECONOMIC DEVELOPMENT CORPORATION  
AUDIT COMMITTEE  
MEETING MINUTES

Tuesday, September 14, 2021  
1:30 p.m.  
DHS Conference Room  
Held Via Livestream

**Attendance:**

**Members Present:** Steve Brusso, ED Chair, Thomas Kime (via phone) and Jeff Shipley  
**Staff Present:** Sarah Davis, Executive Director, Patricia Jones, and Kelly Kline  
**Other Attending:** Robert E. Kernan Jr., EDC CFO

**Call to Order:**

Chair Brusso called the meeting to order at 1:30 p.m. A quorum of the Committee was present.

**Approval of the EDC Audit Committee Meeting Minutes of March 17, 2021:**

The minutes of the EDC Audit Committee Meeting of March 17, 2021 had been mailed to Committee members prior to the meeting. A motion was made by Mr. Shipley to approve the minutes. Seconded by Mr. Kime. Motion carried.

**Approval of Engagement Letter / Mengel Metzger Barr & Co. LLP for the 2021 EDC Audit:**

A copy of the 2021 EDC Annual Audit Engagement Letter from the office of Mengel Metzger Barr & Co, LLP was provided to Committee members prior to the meeting. The proposed fee for services totals \$7,225 which includes the audit fee of \$5,155, Sampson Veterans Cemetery \$875 and Tax Return preparation \$1,195. A motion was made by Mr. Kime approving the 2021 Annual Engagement Letter. Seconded by Mr. Shipley. Motion carried.

**Recommend Approval of Proposed 2022 EDC Budget to EDC Board:**

Committee Members had been provided a copy of the Proposed 2022 EDC Budget prior to the meeting. In accordance with PAAA the budget is to be posted to PARIS by November 1, 2021 however committee members first need to recommend approval to the EDC Board. Ms. Davis provided the Committee an overview of the 2022 budget. The proposed budget reflected the following:

- Total Revenues measured 600,000
- Total Expenses measured 626,600
- Net Income or (Loss) measured (26,600)

After discussion, a motion was made by Mr. Kime recommending approval to the EDC Board of the 2022 EDC Budget. Seconded by Mr. Shipley. Motion carried.

**Adjournment:**

There being no further business a motion was made by Mr. Brusso at 1:50 p.m. to adjourn. Seconded by Mr. Kime. Motion carried.

Respectfully submitted.

Robert E. Kernan, Jr.  
SCEDC- CFO

# EDC AUDIT

**SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION**

**SENECA COUNTY, NEW YORK**

**AUDITED COMBINED FINANCIAL STATEMENTS  
SUPPLEMENTAL INFORMATION AND  
INDEPENDENT AUDITOR'S REPORTS**

**For Years Ended December 31, 2021 and 2020**

FINAL DRAFT

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Seneca County Economic Development Corporation

### Report on the Financial Statements

#### *Opinion*

We have audited the financial statements of Seneca County Economic Development Corporation, Seneca County, New York, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Seneca County Economic Development Corporation, Seneca County, New York's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Seneca County Economic Development Corporation as of December 31, 2021, and 2020, 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.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Seneca County Economic Development Corporation, Seneca County, New York, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matter-Discontinued Operations*

As discussed in Note 4 to the financial statements, the agreement to provide services to Seneca County for the Sampson Veterans Memorial Cemetery located in Romulus, New York expired on June 30, 2021, terminating the Corporation's obligations to manage and maintain the Cemetery. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Seneca County Economic Development Corporation, Seneca County, New York's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Seneca County Economic Development Corporation, Seneca County, New York's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Seneca County Economic Development Corporation, Seneca County, New York's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Seneca County Economic Development Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated March 11, 2022 on our consideration of Seneca County Economic Development Corporation, Seneca County, New York'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 solely 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 the effectiveness of 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 Seneca County Economic Development Corporation, Seneca County, New York's internal control over financial reporting and compliance.

Rochester, New York  
March 11, 2022

**SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION, NEW YORK**

**COMBINED STATEMENTS OF FINANCIAL POSITION**

**December 31, 2021 and 2020**

<b><u>ASSETS:</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
<b><u>Current Assets -</u></b>		
Cash and cash equivalents	\$ 163,367	\$ 236,151
<b>Total Current Assets</b>	<b>\$ 163,367</b>	<b>\$ 236,151</b>
<b>TOTAL ASSETS</b>	<b>\$ 163,367</b>	<b>\$ 236,151</b>
 <b><u>LIABILITIES:</u></b>		
<b><u>Current Liabilities -</u></b>		
Accounts payable	\$ -	\$ 139
<b>Total Current Liabilities</b>	<b>\$ -</b>	<b>\$ 139</b>
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ 139</b>
 <b><u>NET ASSETS:</u></b>		
<b><u>Without Donor Restrictions</u></b>	<b>\$ 163,367</b>	<b>\$ 236,012</b>
<b>TOTAL NET ASSETS</b>	<b>\$ 163,367</b>	<b>\$ 236,012</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 163,367</b>	<b>\$ 236,151</b>

(The accompanying notes are an integral part of these combined financial statements)



**SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION, NEW YORK**

**COMBINED STATEMENTS OF ACTIVITIES**

**For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>		<u>2020</u>	
	<u>Without Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>Total</u>
<b><u>REVENUES AND OTHER SUPPORT:</u></b>				
Interest income	\$ 95	\$ 95	\$ 175	\$ 175
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>\$ 95</b>	<b>\$ 95</b>	<b>\$ 175</b>	<b>\$ 175</b>
<b><u>EXPENSES:</u></b>				
Program Services-	\$ 4,471	\$ 4,471	\$ 4,481	\$ 4,481
<b>Total Program Services</b>	<b>\$ 4,471</b>	<b>\$ 4,471</b>	<b>\$ 4,481</b>	<b>\$ 4,481</b>
Supporting Services-				
Management and general	\$ 18,207	\$ 18,207	17,475	\$ 17,475
<b>Total Supporting Services</b>	<b>\$ 18,207</b>	<b>\$ 18,207</b>	<b>\$ 17,475</b>	<b>\$ 17,475</b>
<b>TOTAL EXPENSES</b>	<b>\$ 22,678</b>	<b>\$ 22,678</b>	<b>\$ 21,956</b>	<b>\$ 21,956</b>
<b><u>CHANGE IN NET ASSETS</u></b>				
<b>FROM CONTINUING OPERATIONS</b>	\$ (22,583)	\$ (22,583)	\$ (21,781)	\$ (21,781)
<b><u>CHANGE IN NET ASSETS</u></b>				
<b>FROM DISCONTINUED OPERATIONS</b>	(50,062)	(50,062)	(82,269)	(82,269)
<b><u>CHANGE IN NET ASSETS</u></b>	<b>\$ (72,645)</b>	<b>\$ (72,645)</b>	<b>\$ (104,050)</b>	<b>\$ (104,050)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	236,012	236,012	340,062	340,062
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 163,367</b>	<b>\$ 163,367</b>	<b>\$ 236,012</b>	<b>\$ 236,012</b>

(The accompanying notes are an integral part of these combined financial statements)

SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION, NEW YORK

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2021 and 2020

	<u>Supporting Services</u>			2021	<u>Supporting Services</u>			2020
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Annual dues/fees	\$ 210	\$ -	\$ -	\$ 210	\$ 357	\$ -	\$ -	\$ 357
Burial service	23,513	-	-	23,513	37,330	-	-	37,330
Cemetery director services	-	22,650	-	22,650	-	45,300	-	45,300
Facilities and equipment	-	92	-	92	-	370	-	370
Insurance	4,396	-	-	4,396	5,213	-	-	5,213
Maintenance and repairs	-	6,919	-	6,919	-	11,601	-	11,601
Operations - printing and copying	125	-	-	125	325	-	-	325
Operations - software programs	-	-	-	-	480	-	-	480
Operations - supplies and equipment	566	-	-	566	1,080	-	-	1,080
Operations - telephone	384	-	-	384	918	-	-	918
Operations - utilities	1,097	-	-	1,097	2,578	-	-	2,578
Professional fees	-	19,282	630	19,912	-	18,550	3,395	21,945
Special events supplies/rentals	655	-	-	655	150	-	-	150
Travel and meetings	-	-	-	-	-	35	-	35
<b>TOTAL</b>	<b>\$ 30,946</b>	<b>\$ 48,943</b>	<b>\$ 630</b>	<b>\$ 80,519</b>	<b>\$ 48,431</b>	<b>\$ 75,856</b>	<b>\$ 3,395</b>	<b>\$ 127,682</b>

(The accompanying notes are an integral part of these combined financial statements)

**SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION, NEW YORK**

**COMBINED STATEMENTS OF CASH FLOWS**

**For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
(Decrease) in net assets	\$ (72,645)	\$ (104,050)
<b><u>Adjustments to reconcile change in net assets to net cash (used) by operating activities:</u></b>		
(Increase) decrease in operating assets -		
Accounts receivable	-	1,106
Increase (decrease) in operating liabilities -		
Accounts payable	(139)	(196)
<b>Net Cash (Used) by Operating Activities</b>	<u>\$ (72,784)</u>	<u>\$ (103,140)</u>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	\$ (72,784)	\$ (103,140)
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>236,151</u>	<u>339,291</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u><u>\$ 163,367</u></u>	<u><u>\$ 236,151</u></u>

(The accompanying notes are an integral part of these combined financial statements)

**SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION, NEW YORK**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**December 31, 2021 and 2020**

**(Note 1)      Summary of Significant Accounting Policies:**

The financial statements have been prepared on the accrual basis of accounting. Revenues are recognized when earned. Expenditures are recognized when materials or services are received.

**A.      Organization**

The Seneca County Economic Development Corporation, Seneca County, New York (the Corporation) was reincorporated as a nonprofit local development corporation on August 31, 2000. The purposes for which the Corporation is to be formed and operated, are exclusively for charitable purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code, to relieve and reduce unemployment, to better and maintain job opportunities, promote and provide for additional employment, to help increase the tax base of Seneca County through the attraction of private sector investment, lessen the burdens of government and otherwise act in the public interest.

**B.      Basis of Presentation**

The Corporation combined financial statements have been prepared on the accrual basis of accounting. The Corporation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Corporation is required to present a Statement of Cash Flows. The Corporation reports only net assets without donor restrictions at December 31, 2021 and 2020.

**C.      Cash and Cash Equivalents**

Cash and cash equivalents are carried at cost plus accrued interest, which approximates fair value. For purposes of presenting the statement of cash flows, the Corporation considers all highly liquid short-term investments with maturities of three months or less from the date of purchase to be cash or cash equivalents.

**D.      Income Taxes**

The Corporation is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code. Under Accounting Standards Codification (ASC) Section 740, the tax status of tax-exempt entities is an uncertain tax position since events could potentially occur that jeopardize tax-exempt status. Management is not aware of any events that could jeopardize the Corporation's tax-exempt status. Therefore, no liability or provision for income tax has been reflected in the financial statements. The Corporation has received a determination letter from the IRS.

(Note 1) (Continued)

**E. Allocation of Expenses**

The costs of providing the various programs and supporting services have been summarized on the functional basis in the combined financial statements. Accordingly, certain costs have been allocated among the program and supporting services benefited.

**F. Use of Estimates**

The preparation of combined 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 the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**G. Revenues**

The Corporation receives revenue from Federal and State grants from the County of Seneca and other granting authorities which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures, or issued loans, in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures, or in satisfaction of the terms of loan agreements, are reported as unearned revenues in the statement of financial position. At December 31, 2021 and 2020 there are no amounts that have been received in advance, and amounts that have been received have been recognized in the accompanying financial statements because the conditions have been met.

The Corporation recognizes interest revenue on its revolving loans monthly as earned.

Contributions to the Cemetery are recognized when the cash is received.

Revenue from Exchange Transactions: The Corporation recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-19, Revenue from Contracts with Customers, as amended. ASU 2014-19 applies to exchange transactions with customers that are bonded by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Corporation records the following exchange transaction revenue in its combined statements of activities for the years ended December 31, 2021 and 2020:

**1. Cemetery Revenues**

Substantially all revenue recognized by the Cemetery consists of fees for burials, endowed urns, cremations, and sales of lots and monument foundations, where the performance obligation is the delivery of the product or service. Revenue is recognized when it satisfies a performance obligation by transferring control over a product or service to a customer. All revenue is recognized at a point in time.

(Note 1) (Continued)

Contract assets consist of accounts receivable and are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Contract Assets:</u>			
Accounts Receivable	\$ -	\$ -	\$ 1,106
<b>Total Contract Assets</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,106</u></u>

**H. New Accounting Pronouncement - Leases**

In February 2016, the FASB issued a new standard related to leases to increase transparency and comparability among entities by requiring the recognition of right-of-use (“ROU”) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases under current U.S. GAAP. For nonpublic entities, the guidance in this new standard is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Corporation is currently evaluating the provisions of this standard to determine the impact the new standard will have on the Corporation’s financial position or results of operations.

**I. Reclassifications**

Certain prior year amounts have been reclassified to conform with the current year’s presentation.

(Note 2) **Detail Notes on All Funds and Account Groups:**

**A. Assets**

**1. Cash and Investments**

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity. The Statements of Cash Flows uses the indirect method of reporting cash flows.

Deposits at year-end were not entirely covered by federal depository insurance. The deposits and investments consisted of:

**Deposits** - All deposits are carried at cost and with FDIC insurance coverage as follows:

	<u>2021</u>	<u>2020</u>
	<u>Five Star Bank</u>	<u>Five Star Bank</u>
Cash and Cash Equivalents	\$ 163,367	\$ 236,151
Less: FDIC Insurance	(163,367)	(236,151)
<b>Under (Over) Insured</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(Note 2) (Continued)

2. **Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31:

	<u>2021</u>	<u>2020</u>
Cash and Cash equivalents	\$ 163,367	\$ 236,151
<b>Total</b>	<b><u>\$ 163,367</u></b>	<b><u>\$ 236,151</u></b>

3. **Accounts Receivable**

The balance of accounts receivable is stated at net realizable value.

4. **Interfund Receivables and Payables**

Interfund receivables and payables at December 31, 2021 and 2020 were as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Operating	\$ -	\$ -	\$ 841,263	\$ -
Cemetery	-	-	-	841,263
<b>Total</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 841,263</u></b>	<b><u>\$ 841,263</u></b>

5. **Capital Assets**

The following is a summary of capital assets for the Corporation at December 31, 2021:

<u>Type</u>	<u>Balance at 12/31/2020</u>	<u>Additions</u>	<u>Balance at 12/31/2021</u>
Equipment	\$ 10,329	\$ -	\$ 10,329
Accumulated Depreciation - Equipment	(10,329)	-	(10,329)
<b>Total</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

(Note 3) **Related Party:**

Representation on the Board of Directors of the Corporation consists of four board members, all of which are Seneca County Industrial Development Agency, Inc. (SCIDA) board members.

The Seneca County IDA performs the bookkeeping function for the Corporation.

(Note 4) **Discontinued Operations:**

As of July 2011, the Corporation began providing services to Seneca County for the Sampson Veterans Memorial Cemetery located in Romulus, New York. These services consisted of the management and maintenance of the Cemetery on a day-to day basis. In addition, the Corporation was responsible for hiring and maintaining staff or independent contractors or agents while complying with all State and Federal Laws. All expenses for management and maintenance of the Cemetery were the responsibility of the Corporation and funded either through contributions, donations, grants, in-kind services, income generated through operations and any other source available to the Corporation. The agreement expired on June 30, 2021, terminating the Corporation's obligations to manage and maintain the Cemetery. As of December 31, 2021, there were no outstanding receivables or payables related to Cemetery operations.

The results of operations for the years ended December 31, 2021 and 2020 related to the Cemetery have been included in discontinued operations in the accompanying statements of activities. The operating results for the discontinued operations are as follows:

	<b><u>Year ended December 31,</u></b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
<b><u>REVENUES</u></b>		
Donations	\$ 1,680	\$ 4,030
Burial income	6,094	19,412
Interest income	5	15
<b>TOTAL REVENUES</b>	<b><u>\$ 7,779</u></b>	<b><u>\$ 23,457</u></b>
<b><u>EXPENSES:</u></b>		
<b><u>Program Services -</u></b>	\$ 26,475	\$ 43,950
<b><u>Supporting Services -</u></b>		
Management and general	30,736	58,381
Fundraising	630	3,395
<b>Total Supporting Services</b>	<b><u>\$ 31,366</u></b>	<b><u>\$ 61,776</u></b>
<b>TOTAL EXPENSES</b>	<b><u>\$ 57,841</u></b>	<b><u>\$ 105,726</u></b>
<b><u>CHANGE IN NET ASSETS</u></b>		
<b>FROM DISCONTINUED OPERATIONS</b>	<b><u>\$ (50,062)</u></b>	<b><u>\$ (82,269)</u></b>

(Note 5) **Net Assets:**

- A. **Net Assets Without Donor Restrictions** – represents funds available for operations.

(Note 6) **Commitment and Contingencies:**

- A. **Litigation**

Management is not aware of any pending or threatening litigation as of the balance sheet date.



**(Note 7)      Functional Expenses:**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

**(Note 8)      Subsequent Events:**

Events and transactions which have occurred from January 1, 2022 through March 11, 2022, the date of these financials, have been evaluated by the Corporation's management for the purpose of determining whether there were any events that might require disclosure in these financial statements. No such events or transactions were noted.

**(Note 9)      COVID-19:**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Corporation's financial condition, liquidity, budgetary projections and future results of operation. Management is actively monitoring the global situation on its financial condition, liquidity, budgetary projections, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Corporation is not able to estimate the effects of the COVID-19 outbreak on its budgetary projections, results of operations, financial condition, or liquidity for year 2022.

SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION, NEW YORK

COMBINING STATEMENT OF FINANCIAL POSITION

December 31, 2021

	<b>General</b>			<b>Total</b>
<b><u>ASSETS:</u></b>	<b><u>Operations</u></b>	<b><u>Cemetery</u></b>	<b><u>Eliminations</u></b>	<b><u>2021</u></b>
<b><u>Current Assets -</u></b>				
Cash and cash equivalents	\$ 163,367	\$ -	\$ -	\$ 163,367
<b>Total Current Assets</b>	<b>\$ 163,367</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 163,367</b>
<b>TOTAL ASSETS</b>	<b>\$ 163,367</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 163,367</b>
<b><u>NET ASSETS:</u></b>				
<b><u>Without Donor Restrictions -</u></b>	<b>\$ 163,367</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 163,367</b>
<b>TOTAL NET ASSETS</b>	<b>\$ 163,367</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 163,367</b>

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SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION, NEW YORK

COMBINING STATEMENT OF ACTIVITIES – WITHOUT DONOR RESTRICTIONS

For the Year Ended December 31, 2021

	<u>General Operations</u>	<u>Cemetery</u>	<u>Total 2021</u>
<b><u>REVENUES AND OTHER SUPPORT:</u></b>			
Interest income	\$ 95	\$ -	\$ 95
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>\$ 95</b>	<b>\$ -</b>	<b>\$ 95</b>
<b><u>EXPENSES:</u></b>			
<b><u>Program Services -</u></b>	\$ 4,471	\$ -	\$ 4,471
<b>Total Program Services</b>	\$ 4,471	\$ -	\$ 4,471
<b><u>Supporting Services -</u></b>			
Management and general	\$ 18,207	\$ -	\$ 18,207
<b>Total Supporting Services</b>	\$ 18,207	\$ -	\$ 18,207
<b>TOTAL EXPENSES</b>	<b>\$ 22,678</b>	<b>\$ -</b>	<b>\$ 22,678</b>
<b><u>CHANGE IN NET ASSETS</u></b>			
<b>FROM CONTINUING OPERATIONS</b>	\$ (22,583)	\$ -	\$ (22,583)
<b>FORGIVENESS OF INTERFUND RECEIVABLES AND PAYABLES</b>	(861,645)	861,645	-
<b><u>CHANGE IN NET ASSETS</u></b>			
<b>FROM DISCONTINUED OPERATIONS</b>	-	(50,062)	(50,062)
<b><u>CHANGE IN NET ASSETS</u></b>	<b>\$ (884,228)</b>	<b>\$ 811,583</b>	<b>\$ (72,645)</b>
<b>NET ASSETS (DEFICIT) - BEGINNING OF YEAR</b>	1,047,595	(811,583)	236,012
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 163,367</b>	<b>\$ -</b>	<b>\$ 163,367</b>

SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION, NEW YORK

COMBINING STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

	General Operations			Total 2021
	Program Services	Supporting Services		
		Management and General	Fundraising	
Annual dues/fees	\$ 75	\$ -	\$ -	\$ 75
Insurance	4,396	-	-	4,396
Professional fees	-	18,207	-	18,207
<b>TOTAL</b>	<b>\$ 4,471</b>	<b>\$ 18,207</b>	<b>\$ -</b>	<b>\$ 22,678</b>

  

	Cemetery			Total 2021
	Program Services	Supporting Services		
		Management and General	Fundraising	
Annual dues/fees	\$ 135	\$ -	\$ -	\$ 135
Burial service	23,513	-	-	23,513
Cemetery director services	-	22,650	-	22,650
Facilities and equipment	-	92	-	92
Maintenance and repairs	-	6,919	-	6,919
Operations - printing and copying	125	-	-	125
Operations - supplies and equipment	566	-	-	566
Operations - telephone	384	-	-	384
Operations - utilities	1,097	-	-	1,097
Professional fees	-	1,075	630	1,705
Special events supplies/rentals	655	-	-	655
<b>TOTAL</b>	<b>\$ 26,475</b>	<b>\$ 30,736</b>	<b>\$ 630</b>	<b>\$ 57,841</b>

SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION, NEW YORK

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2021

	General		Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>Operations</u>	<u>Cemetery</u>	<u>2021</u>
(Decrease) increase in net assets	\$ (884,228)	\$ 811,583	\$ (72,645)
<u>Adjustments to reconcile change in net assets to net cash (used) by operating activities:</u>			
Funding of Cemetery deficits; forgiveness of interfund balances	861,645	(861,645)	-
Increase (decrease) in operating liabilities - Accounts payable	-	(139)	(139)
<b>Net Cash (Used) by Operating Activities</b>	<b><u>\$ (22,583)</u></b>	<b><u>\$ (50,201)</u></b>	<b><u>\$ (72,784)</u></b>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>			
<u>Adjustments to reconcile change in net assets to net cash provided (used) by financing activities:</u>			
Payments from EDC to Cemetery to cover deficit	\$ (25,000)	\$ 25,000	\$ -
Transfer of funds from discontinued operations	4,618	(4,618)	-
<b>Net Cash Provided (Used) by Financing Activities</b>	<b><u>\$ (20,382)</u></b>	<b><u>\$ 20,382</u></b>	<b><u>\$ -</u></b>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (42,965)</b>	<b>\$ (29,819)</b>	<b>\$ (72,784)</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<b><u>206,332</u></b>	<b><u>29,819</u></b>	<b><u>236,151</u></b>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b><u><u>\$ 163,367</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ 163,367</u></u></b>

**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***

**Independent Auditors' Report**

To the Board of Directors  
Seneca County Economic Development Corporation

We have audited, in accordance with the 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 combined financial statements of the Seneca County Economic Development Corporation, Seneca County, New York (the Corporation), as of and for the years ended December 31, 2021 and 2020, and the related notes to the combined financial statements, which collectively comprise the Seneca County Economic Development Corporation, Seneca County, New York's combined financial statements, and have issued our report thereon dated March 11, 2022.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the combined financial statements, we considered the Seneca County Economic Development Corporation, Seneca County, New York's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Seneca County Economic Development Corporation, Seneca County, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Seneca County Economic Development Corporation, Seneca County, New York'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 Corporation'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 the Seneca County Economic Development Corporation, Seneca County, New York’s combined 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 combined 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 Corporation’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 Corporation’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rochester, New York  
March 11, 2022

FINAL DRAFT

**SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION**  
Seneca County, New York

**SCHEDULE OF FINDINGS AND RESPONSES**

**For the Year Ended December 31, 2021**

**I. Summary of the Auditor's Results**

**Combined Financial Statements**

a) Type of auditor's report issued	Unmodified
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

**II. Combined Financial Statement Finding**

**Current Year Finding:**

There is no current year finding.

**Prior Year Finding (Corrective Action Taken):**

**(#2020-001)      Deficit Net Assets –**

The Corporation is no longer funding the operations of the Sampson Veterans Memorial Cemetery.

FINAL DRAFT



**SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION**

**SENECA COUNTY, NEW YORK**

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

**For Year Ended December 31, 2021**

\_\_\_\_\_, 2022

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

In planning and performing our audit of the combined financial statements of the Seneca County Economic Development Corporation, New York as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Seneca County Economic Development Corporation, 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 combined 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.

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 over financial reporting, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected on a timely basis.

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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Prior Year Recommendation:**

The following prior year recommendation has been implemented to our satisfaction:

1. The Corporation no longer manages the Sampson Veterans Memorial Cemetery.

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.

Rochester, New York  
\_\_\_\_\_, 2022

EDC / SVMC Long Term Financial Plan  
March 2022

<b>EDC / WORST CASE - KNOWN REVENUES ONLY AGAINST BUDGETED EXPENSES</b>					
	Cash on Hand as of <u>1/1/2022</u>	<b>Budget 2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Operating Revenues</b>					
Loans Receivable (Grants)		600,000	0	0	0
Other Operating Revenues		0	0	0	0
<b>Total Operating Revenues</b>		<b>600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating Expenditures</b>					
Prof. Fees   EDC		21,725	22,377	23,048	23,739
Loans Expense (Grants)		600,000	0	0	0
Other Operating Expenditures   EDC		4,875	5,021	5,172	5,327
<b>Total Operating Expenditures</b>		<b>626,600</b>	<b>27,398</b>	<b>28,220</b>	<b>29,067</b>
<b>Cash Increase (Decrease)</b>		<b>-26,600</b>	<b>-27,398</b>	<b>-28,220</b>	<b>-29,067</b>
<b>Operating Cash Available</b>	<i>163,368</i>	<b>136,768</b>	<b>109,370</b>	<b>81,150</b>	<b>52,083</b>