

Seneca County Funding Corporation
c/o Seneca County IDA
One DiPronio Drive
Waterloo, NY 13165

Phone (315) 539-1725
Fax (315) 539-4340

SENECA COUNTY FUNDING CORPORATION (SCFC)

Annual Meeting

Thursday, October 5, 2023

1:30 pm

(or immediately following EDC Mtg scheduled for 1pm)

Heroes Conference Room

One DiPronio Dr

Waterloo, NY 13165

Livestreamed for the public at

<https://www.senecacountyida.org/livestream>

Agenda

- | | |
|--|--------|
| 1. Approval of SCFC Meeting Minutes of March 23, 2023 | V_____ |
| 2. Discussion / Approval of Engagement Letter/Mengel Metzger Barr, Raymond F. Wager, CPA, P.C. Division / 2023 Audit | R_____ |
| 3. Presentation and Approval of 2024 SCFC Budget and Posting to Paris | R_____ |
| 4. Other Business | |
| 5. Consideration of Executive Session | |
| 6. Adjournment | |

SENECA COUNTY FUNDING CORPORATION

c/o Seneca County IDA

One DiPronio Drive

Waterloo, NY 13165

Phone (315) 539-1725

Fax (315) 539-4340

**Seneca County Funding Corporation (SCFC)
Meeting Minutes**

Thursday, March 23, 2023

2:10 pm

Heroes Conference Room

Attendance:

Members Present: Steve Brusso and Bruce Murray
Members Absent: Robert Kernan
Others Attending: Sarah Davis, Kelly Kline, Dave Hewitt, and Robert Halpin

Call to Order:

Chairman Brusso called the meeting to order at 2:10 P.M. A quorum of the Corporations members were present.

Approval of SCFC Meeting Minutes of February 2, 2023:

The minutes of the Corporation's regular meeting of February 2, 2023, had been sent to members prior to the meeting. A motion to approve the minutes was made by Mr. Brusso. Seconded by Mr. Brusso. Motion carried.

Approval of 2022 SCFC Audit, Management Letter and Posting to PARIS:

The 2022 SCFC Audit and Management Letter had been mailed to Corporation Members prior to the meeting. Ms. Davis noted that Auditors have issued a clean opinion with no material findings. The Audit Committee met on March 17, 2023 and is recommending approval by the full board. After discussion, a motion was made by Mr. Murray to approve the 2022 SCFC Audit and Management Letter, posting the same to PARIS. Seconded by Mr. Brusso. Motion carried.

Approval of ABO Measurement Report:

A copy of the SCFC Mission Statement and Measurement Report was provided to Corporation members prior to the meeting. In accordance with NYS Public Authorities Law, the SCFC Board adopted a mission statement along with performance measures. Board members acknowledged having read and understood the answers to the five questions in the final section of the document referred to as "Governance Certification." A motion was made by Mr. Murray approving the Measurement Report and posting to PARIS. Seconded by Mr. Brusso. Motion carried.

Adjournment:

A motion to adjourn the meeting was made by Mr. Murray and seconded by Mr. Brusso. Motion carried. The meeting adjourned at 2:15 P.M.

Respectfully submitted,

Sarah R. Davis
Executive Director

SCFC

**SENECA COUNTY
FUNDING CORPORATION**

ENGAGEMENT LETTER

For Year Ended December 31, 2023



BUSINESS
ADVISORS
AND CPAS

August 11, 2023

Mr. Sarah Davis, Executive Director
Seneca County Funding Corporation
One DiPronio Drive
Waterloo, New York 13165

Dear Ms. Davis:

You have requested that we audit the basic financial statements of Seneca County Funding Corporation, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit 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 auditing standards generally accepted in the United States of America (GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

Also, the document we submit to you will include the following additional information that will be subjected to the auditing procedures applied in our audit of the financial statements.

The Combining Statement of Financial Position – Unrestricted, Combining Statement of Activities – Unrestricted, and the Combining Statement of Cash Flows will be presented for purposes of additional analysis and is not a required part of the financial statements. Such information will be subjected to the auditing procedures applied in the audit 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. Our auditor's report will provide an opinion on the supplementary information in relation to the financial statements as a whole.

Auditor Responsibilities

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and Government Auditing Standards of the Comptroller General of the United States of America and/or state or regulatory audit requirements. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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 the entity's internal control. However we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Seneca County Funding Corporation's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and Government Auditing Standards of the Comptroller General of the United States of America and/or state or regulatory audit requirements.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Seneca County Funding Corporation's compliance with certain provisions of laws, regulations, contracts, and grants that could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit, and accordingly, we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. 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 error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit;
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;
- d. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by us;
- e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- f. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
- g. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;
- h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- i. For informing us of any known or suspected fraud affecting the entity involving management, employees with a significant role in internal control and others where fraud could have a material effect on the financials; and
- j. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Non-attest Services

With respect to any non-attest services we perform, we agree to perform the following:

- Propose adjusting or correcting journal entries to be reviewed and approved by Seneca County Funding Corporation's management.
- We will advise you about appropriate accounting principles and their application and will assist the Seneca County Funding Corporation in preparing the financial statements and related footnote disclosures for the year ended December 31, 2023, based on information in the trial balance and other information that comes to our attention during the course of our engagement.

We will not assume management responsibilities on behalf of Seneca County Funding Corporation. However, we will provide advice and recommendations to assist management of Seneca County Funding Corporation in performing its responsibilities.

Seneca County Funding Corporation's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the non-attest services are as follows:

- We will perform the services in accordance with applicable professional standards,
- The non-attest services are limited to services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise Seneca County Funding Corporation with regard to tax positions taken in the preparation of the information return, but Seneca County Funding Corporation must make all decisions with regard to those matters.

These non-attest services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards.

Our work in connection with the preparation of the information returns does not include any procedures designed to discover defalcations or other fraud, should any exist. You have the final responsibility for the information returns. Therefore, you should review them carefully before you sign and file them.

Your information returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such governmental tax examination, we will be available upon request to represent you.

You acknowledge receipt and understanding of the attached Tax Services Addendum. Further, we will be available during the year to consult with you on the tax effects of any proposed transactions or contemplated changes in business policies.

Reporting

We will issue a written report upon completion of our audit of Seneca County Funding Corporation's basic financial statements. Our report will be addressed to the Board of Seneca County Funding Corporation. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of the circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing of internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

At the conclusion of the audit, we will provide copies of our reports to you; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered in the city in which our office providing the relevant services is located or in the county where our offices are headquartered, at our discretion, conducted by a mediator appointed by and pursuant to the Rules of the American Arbitration Association. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceedings shall be shared equally by the participating parties.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the date cause of action occurs or three years from completion of the engagement, whichever comes first, notwithstanding any statutory provision to the contrary.

In the event we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent such obligation is or may be a direct or indirect result of your intentional or knowing misrepresentation or provision to us of inaccurate, incomplete, or misleading information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

We will maintain various physical, electronic, policy, and procedural safeguards to guard your information and personal data. We may communicate with you or your personnel and/or store data through e-mail, facsimile, third-party vendor secured portals or cloud environments, or other electronic means. Electronic data that is confidential may be transmitted and/or stored using these methods, and you authorize us to do so. Notwithstanding the security measures and safeguards employed by us and/or our third-party vendors, you accept that we have no control over the unauthorized interception or breach of communication and/or data. All confidential, proprietary, and personally-identifiable information should be transmitted through secure means which we have available. Information transmitted to you through our secure CCH Axxess Portal may be removed within a reasonable period of time after conclusion of the engagement. As such, you should download the files provided for your records.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Mr. Michael DeBadts is the engagement partner for the audit services specified in this letter. Engagement partner responsibilities include supervising Mengel, Metzger, Barr & Co. LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered at the completion of the engagement and are payable upon presentation. We estimate that our fee will not exceed \$2,400 for the audit and \$700 for the audit work related to Supplemental Schedules (PARIS).

In the event you request us to object to or respond to, or we receive and respond to, a validly issued third party subpoena, court order, government regulatory inquiry, or other similar request or legal process against the Company or its management for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements, you agree to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs (including outside lawyer fees) that we incur.

The audit documentation for this engagement is the property of Mengel, Metzger, Barr & Co. LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulatory agencies pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Mengel, Metzger, Barr & Co. LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulatory agencies. The regulatory agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

In accordance with the requirements of Government Auditing Standards, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

This Agreement sets forth the entire agreement between the parties with respect to the subject matter herein, superseding all prior agreements, negotiations, or understandings, whether oral or written, with respect to the subject matter herein. This Agreement may not be changed, modified, or waived in whole or part except by an instrument in writing signed by both parties.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

MENGEL, METZGER, BARR & CO. LLP



Michael J. DeBadts, CPA
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Seneca County Funding Corporation by:

Signature: _____

Title: _____