

There will be a **Joint Meeting**

of the

**Seneca County IDA**

**Seneca County EDC**

Cancelled

**Seneca County FC**

as follows:

**Thursday**

**October 5, 2023**

**@**

**12:00 P.M.**

**Heroes Conference Room**

One DiPronio Drive

Waterloo NY 13165

The Meeting will also be livestreamed on IDA website at:

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

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LOCAL VALUES. FORWARD VISION.

SENECA COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY

Thursday October 5, 2023  
12:00 P.M.  
Heroes Conference Room  
One DiPronio Drive  
Waterloo, NY 13165

Agenda

1. Approval of Special IDA Meeting Minutes of August 29, 2023 V\_\_\_\_\_
2. Approval of IDA Meeting Minutes of September 7, 2023 V\_\_\_\_\_
3. Approval of IDA Financial Statements thru August 2023 V\_\_\_\_\_
4. Discussion | Approval of IDA Resolution No 2023-16 | Seneca Storage and Transloading PFRAP Grant application R\_\_\_\_\_
5. Approval of Engagement Letter/Mengel Metzger Barr, Raymond F. Wager, CPA, P.C. Division 2023 Audit R\_\_\_\_\_
6. Review of IDA Long-Term Forecast
7. Presentation and Approval of Proposed 2024 IDA Budget and Posting to PARIS R\_\_\_\_\_
8. Standing Item – Update / Seneca County Chamber of Commerce– Jeff Shipley
9. Standing Item – Update / Seneca County Board of Supervisors – Don Trout
10. 3<sup>rd</sup> Quarter IDA Report by Executive Director – Sarah Davis
11. Other Business
12. Executive Session
13. Adjournment



SENECA COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
SPECIAL MEETING MINUTES

Special Meeting  
8:00 AM, August 29, 2023  
2456 State Route 414  
Waterloo, NY 13165

**Attendance:**

Board Members Present:	Steven Brusso, Chair; Ralph Lott; Tom Murray; Bruce Murray; Jeff Shipley, Ernie Brownell
Board Members Absent:	Tom Kime and Ben Guthrie
Staff Attending:	Sarah Davis, Kelly Kline and David Hewitt
Others Attending:	Representatives from Cornell Cooperative Extension

**Call to Order:**

Chairman Brusso called the meeting to order at 8:00 a.m. A quorum of the Agency's members were present.

**Executive Session:**

Chairman Brusso requested a motion to enter into Executive Session under Public Officers Law, Article 7, Section 105, to discuss the proposed acquisition, sale or lease of real property, where publicity could substantially affect the value thereof. A motion was made by Mr. B. Murray at 8:00 am to enter into Executive Session. Seconded by Mr. Lott. Motion carried. A motion was made by Mr. B. Murray at 8:54 a.m. to come out of Executive Session. Seconded by Mr. Lott. Motion carried.

**Adjournment:**

A motion to adjourn the meeting was made by Mr. T. Murray. Seconded by Mr. Shipley. Motion carried. The meeting adjourned at 8:55a.m.

The next regular scheduled meeting will be held on **September 7, 2023, 12:00 Noon**, Heroes Conference Room, One DiPronio Dr, Waterloo NY 13165

Respectfully submitted,

Sarah R. Davis  
Executive Director



SENECA COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
MEETING MINUTES

Regular Meeting  
September 7, 2023  
12:00 Noon  
Heroes Conference Room  
One DiPronio Drive, Waterloo NY 13165

**Attendance:**

Board Members Present: Steven Brusso, Chair; Thomas Kime; Bruce Murray; Ernie Brownell; Ben Guthrie and Tom Murray (*arrived at 12:07*)  
Board Members Absent: Jeff Shipley and Ralph Lott  
Staff Attending: Sarah Davis, Kelly Kline and David Hewitt  
Others Attending: Robert Kernan, CFO; Rob Halpin, Legal; Camille Kaynor and Rob Panasci, North Seneca Solar

**Call to Order:**

Chairman Brusso called the meeting to order at 12:00 p.m. A quorum of the Agency's members were present.

**Approval of IDA Meeting Minutes of July 6, 2023:**

The minutes of the Agency's meeting of July 6, 2023 had been sent to Board members prior to the meeting. A motion was made by Mr. Guthrie to approve the minutes. Seconded by Mr. Bruce Murray. Motion carried.

**Approval of IDA Financial Statements thru June and July 2023:**

The June and July financial statements had been mailed to board members prior to the meeting. Mr. Kernan summarized the financial statements for the board. A motion was made by Mr. Guthrie to approve the financial statements. Seconded by Mr. Brownell. Motion carried.

*Mr. Tom Murray arrived at 12:07pm*

**Presentation by Savion Energy re: North Seneca Solar Project:**

Representatives from Savion Energy provided the board with an overview of their utility-scale solar project being proposed for the Towns of Junius and Waterloo. The project is expected to be in the range of 80-90 MW and is known as the North Seneca Solar Project. Ms. Davis advised board members that the company has not yet submitted an application to the IDA at this time. Ms. Kaynor provided the following introduction to the project. Savion is a utility-scale solar and battery energy project developer owned by Shell and they have projects in multiple states across the US. The proposed project in Seneca County has been in development for about a year, involving site acquisition and environmental studies. They plan to submit an IDA application for Financial Assistance by the end of the year, with construction anticipated to start in 2026 and completion in 2027. Currently, less than 60% of the proposed project site is currently used for agriculture due to wetlands and other issues. The proposed project will go through the new 94-c, renewable energy development program, which involves engagement with local officials and the community. The company plans to come back before the IDA board with an application requesting incentives for the project, which is a standard practice for renewable energy projects in NY. In regard to the visual aspects of the project, it was noted that the project must adhere to setback requirements from roads and residential structures. A vegetative management plan will also be submitted to mitigate visual impacts. There will be a public open house on September 20th for community members to learn more about the project. The goal is to provide transparency and engage with the community early in the project development process in order to address questions and concerns.

**Discussion | Approval of IDA Resolution No 2023-15 | Keystone Mills | Extension of Sales Tax Exemption:**

A copy of the proposed resolution was provided to Board members prior to the meeting. Keystone Mills, which was approved for incentives to construct an organic grain mill facility, has faced challenges since their initial approval, including delays due to construction timelines and issues with NYSEG capacities. They are requesting an extension for the deadline to use their sales tax exemption. The original completion date was expected in the summer of 2024, and they are now requesting an extension until December 2024. The Resolution was presented as follows:

**RESOLUTION OF THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING AN  
EXTENSION OF THE AGENT STATUS OF MERDOL REALTY, LLC AND KEYSTONE MILLS, LLC TO  
DECEMBER 31, 2024.**

A motion was made by Mr. Guthrie approving Resolution No 2023-15. Seconded by Mr. T. Murray. Members Brusso, Guthrie, Kime, B. Murray, T. Murray and Brownell voted "yea". Mr. Lott and Mr. Shipley were absent. Motion carried.

**Standing Item – Update / Seneca County Chamber of Commerce– Jeff Shipley:** Tabled

**Standing Item – Update / Seneca County Board of Supervisors – Ernie Brownell:**

Mr. Brownell noted that Kyle Lovell has been appointed as the new County Manager. It was suggested that staff sit down with Mr. Lovell to provide an overview of the IDA procedures and operations and to give a deeper understanding of the IDA's role, history, and decision-making processes.

**Other Business:**

**Willard Update:**

Ms. Davis advised board members that MRB will be unveiling the results from the first Willard public input session and draft master plan for the site on Monday, October 2<sup>nd</sup> from 4:30-7:30pm in the auditorium of South Seneca High School. A formal presentation will be held at 5pm. Public comments from this second session will be used to revise the master plan. MRB will present the final Highest & Best Use Study findings and final campus designs at a joint meeting between the IDA Board and the Seneca County Board of Supervisors the week before Thanksgiving.

**Discussion:**

The discussion touched on whether any entities had expressed interest in Willard. It was mentioned that some housing developers and interested parties had attended input sessions and expressed ideas. However, the state emphasized that they were not interested in circumventing community input in the redevelopment process.

The Chamber has solicited a proposal from a company to develop a public relations (PR) strategy for the Willard redevelopment project. There was a discussion about funding for this strategy and the need to prioritize certain aspects, such as creating a website with historical information and study results.

**Executive Session:**

Chairman Brusso requested a motion to enter into Executive Session for the proposed acquisition, sale or lease of real property, where publicity could substantially affect the value thereof. A motion was made by Mr. Kime at 1:02pm to enter into Executive Session. Seconded by Mr. T. Murray. Motion carried. A motion was made by Mr. Brownell at 2:09 p.m. to come out of Executive Session. Seconded by Mr. Guthrie. Motion carried.

**Adjournment:**

A motion to adjourn the meeting was made by Mr. T. Murray. Seconded by Mr. Guthrie. Motion carried. The meeting adjourned at 2:09 p.m. The next regular scheduled meeting will be held on **October 5, 2023, 12:00 Noon**, Heroes Conference Room, One DiPronio Dr, Waterloo NY 13165

Respectfully submitted,

Sarah R. Davis  
Executive Director

# IDA

## SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

### ENGAGEMENT LETTER

For Year Ended December 31, 2023



BUSINESS  
ADVISORS  
AND CPAS

August 11, 2023

Ms. Sarah Davis, Executive Director  
Seneca County Industrial Development Agency  
One DiPronio Drive  
Waterloo, New York 13165

Dear Ms. Davis:

You have requested that we audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Seneca County Industrial Development Agency (the Agency), as of December 31, 2023, and for the year then ended, and the related notes to the financial statements, which collectively comprise The Agency's basic financial statements as listed in the table of contents.

In addition, we will audit the Agency's compliance over major federal award programs for the period ended December 31, 2023. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the Agency's major federal award programs. The objectives of our audit of the financial statements 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) *and in accordance with Government Auditing Standards*, 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.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the Agency complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and Government Auditing Standards, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis.

Supplementary information other than RSI will accompany The Agency's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

#### **Schedule of Expenditures of Federal Awards**

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

#### **Data Collection Form**

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.



## **Audit of the Financial Statements**

We will conduct our audits in accordance GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements 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). As part of an audit of financial statements in accordance with GAAS and, in accordance with *Government Auditing Standards*, 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 Agency'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 The Agency'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 or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

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

We will issue a written report upon completion of our audit of The Agency's basic financial statements. Our report will be addressed to the governing body of The Agency. 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 these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over 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 over financial reporting 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.

### **Audit of Major Program Compliance**

Our audit of The Agency's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on the audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and, if applicable, in accordance with Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Agency's major programs, and performing such other procedures as we considers necessary in the circumstances. The purpose of those procedures will be to express an opinion on the Agency's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the Agency's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the Agency's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

### **Management's 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:

- For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- 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;
- For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
- For maintaining records that adequately identify the source and application of funds for federally funded activities;
- For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
- For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the Agency is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
- For identifying and ensuring that the Agency complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
- For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
- For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
- For taking prompt action when instances of noncompliance are identified;
- For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
- For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
- For submitting the reporting package and data collection form to the appropriate parties;
- For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
- To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit;
  - c. Unrestricted access to persons within the Agency from whom we determine it necessary to obtain audit evidence;

- 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(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
- For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- For informing us of any known or suspected fraud affecting the Agency involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
- For the accuracy and completeness of all information provided;
- For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
- For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

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

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us 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.

### ***Nonattest Services***

With respect to any nonattest services we perform:

- We will assist in preparing the financial statements of The Agency in conformity with U.S. generally accepted accounting principles based on information provided by and approved by you.

We will not assume management responsibilities on behalf of The Agency. However, we will provide advice and recommendations to assist management of The Agency in performing its responsibilities.

The Agency'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 nonattest services are as follows:

- This engagement is limited to applicable professional 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 *The Agency* with regard to tax positions taken in the preparation of the tax return, but *The Agency* must make all decisions with regard to those matters.

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

#### Other Matters

Our fees to complete the above services for the Seneca County Industrial Development Agency for December 31, 2023 (year end) will be computed at our regular per diem rates, plus travel and other out-of-pocket costs as follows:

Regular Audit in accordance with GASB #34	\$ 11,950
Single Audit	<u>2,075</u>
<b>Total</b>	<b><u>\$ 14,025</u></b>

There will be an additional charge associated with meeting with your Finance and/or Audit Committee of the Board that will be billed at \$275.

Mr. Michael DeBadts is the engagement partner for the audit services specified in this letter. His 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.

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

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.

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 Access 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.



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.

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 agent and federal agencies and the U.S. Government Accountability Office 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 these agencies and regulators. The regulators and 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.

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.

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.

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.

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.

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

At the conclusion of our audit engagement, we will communicate to management the following significant findings from the audit:

- Our view about the qualitative aspects of the Agency's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;

- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

We do not charge for any phone consultation throughout the year. If you require accounting assistance which necessitates travel to your location, we will charge an hourly rate and mileage. Our current hourly rates will be as follows:

Partner	\$ 345	Director	\$ 250	Senior Manager	\$ 235
Manager	\$ 205	Senior	\$ 195	In-Charge & Staff	\$ 100-160

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' compliance over major federal award programs 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 DeBadts, CPA, Partner

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#### RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the Seneca County Industrial Development Agency by:

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



CERTIFIED PUBLIC ACCOUNTANTS  
CHATTANOOGA | MEMPHIS

## Report on the Firm's System of Quality Control

September 17, 2021

To The Partners of Mengel, Metzger, Barr & Co., LLP and the National Peer Review Committee of the AICPA.

We have reviewed the system of quality control for the accounting and auditing practice of Mengel, Metzger, Barr & Co., LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards). A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System review as described in the standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Mengel, Metzger, Barr & Co., LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency* or *fail*. Mengel, Metzger, Barr & Co., LLP has received a peer review rating of *pass*.

*Henderson Hutcherson*  
*& McCullough, PLLC*

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AN INDEPENDENT MEMBER OF THE BDO ALLIANCE USA