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SENECA COUNTY  
ECONOMIC DEVELOPMENT CORPORATION  
AUDIT COMMITTEE  
MEETING MINUTES

Wednesday, March 17, 2021

12:45pm

Held via Livestream due to COVID-19

Attendance:

Members Present: Steve Brusso, Thomas Kime

Staff Present: Sarah Davis, Executive Director; Patricia Jones, Deputy Director and Kelly Kline, Office Manager

Others Attending: Menzo Case- Board Member and Robert E. Kernan, Jr., IDA CFO

Audit Firm Representatives: Thomas Zuber, CPA- Partner and John Rynkiewicz, Jr., CPA- Principal

Absent: Jeff Shipley

Chair Brusso called the meeting to order at 12:45 pm. A quorum of the Committee was present.

**Approval of the Audit Committee Minutes / September 17, 2020:**

The minutes of the Agency's Audit Committee Meeting of September 17, 2020 had been mailed to Committee members prior to the meeting. A motion was made by Mr. Brusso to approve the minutes, Seconded by Mr. Kime. Members Brusso and Kime voted "yea". Motion carried.

**Presentation of the 2020 IDA Audit and Management Letter:**

Mr. Zuber informed the committee that as a of results of the audit an unqualified opinion was issued relating to the financial position of the Agency on December 31, 2020. The firm did identify a Material Weakness or Significant Deficiencies in internal control in this year's audit relating to a deficit in the Unrestricted Net Assets balance of (\$811,583) in the Cemetery Fund due to the amount due to other funds (Operating Fund of the EDC).

The following schedules from the Financial Executive Summary were presented by the audit firm representative Mr. Rynkiewicz:

- Seneca County Economic Development Corporation- Combined Statement of Financial Position and Activities- From Page 1 of the Financial Executive Summary- December 31, 2020 and 2019.
  - Assets, Liabilities and Net assets:
    - Total Assets measured \$236,151 at 12/31/20 compared to \$340,397 at 12/31/19.
    - Total Liabilities measured \$139 at 12/31/20 compared to \$335 at 12/31/19.
    - Total Net Assets measured \$236,012 at 12/31/20 compared to \$340,062 at 12/31/19.
    - Total Liabilities and Net Assets measured \$236,151 at 12/31/20 compared to \$340,397 at 12/31/19.
  - Revenues, Expenses and Change in Net Assets:
    - Total Revenues measured \$23,632 at 12/31/20 compared to \$19,587 at 12/31/19.
    - Total Expenses measured \$127,682 at 12/31/20 compared to \$126,127 at 12/31/19.
    - Changes in Net Assets measured (\$104,050) at 12/31/20 compared to (\$106,540) at 12/31/19.
    - Net assets- End of Year measured \$340,062 at 12/31/20 compared to 340,062 at 12/31/19.

- Seneca County Economic Development Corporation- Summarized Balance Sheet- General Operations- From Page 2 of the Financial Executive Summary- December 31, 2020 and 2019.
  - Financial Highlights Reviewed:
    - Due from other funds – Cemetery: Total \$841,263.
  - Total Assets measured \$1,047,595 at 12/31/20 compared to \$1,069,376 at 12/31/19.
  - Total Net Assets measured \$1,047,595 at 12/31/20 compared to \$1,069,376 at 12/31/19.
- Seneca County Economic Development Corporation- Summarized Income Statement- General Operations- From Page 3 of the Financial Executive Summary- For Years Ended December 31, 2020 and 2019.
  - Financial Highlights Reviewed:
    - Revenues- Interest Income on bank deposits
    - Expenses- Management and general include consulting fees for CFO services,
  - Total Revenues measured \$175 at 12/31/20 compared to \$811 at 12/31/19.
  - Total Expenses measured \$21,956 at 12/31/20 compared to \$21,459 at 12/31/19.
  - Changes in Net Assets measured (\$21,781) at 12/31/20 compared to (\$20,648) at 12/31/19.
  - Net Assets- End of Year measured \$1,047,596 at 12/31/20 compared to \$1,069,376 at 12/31/19.
- Seneca County Economic Development Corporation- Summarized Balance Sheet- Cemetery- From Page 4 of the Financial Executive Summary- December 31, 2020 and 2019.
  - Financial Highlights Reviewed:
    - Due to Other Funds - from General Operating Fund.
    - Deficit unrestricted Net Assets.
    - Combined Net Assets:
      - Operating- \$1,047,595
      - Cemetery- (811,583)
      - Net Assets- \$ 236,012
  - Total Assets (Cash and Receivables) measured \$29,819 at 12/31/20 compared to \$22,284 at 12/31/19.
  - Total Liabilities (Accounts Payable and Due to Other Funds) measured \$841,402 at 12/31/20 compared to \$751,598 at 12/31/19.
  - Total Net Assets measured (\$811,583) at 12/31/20 compared to \$729,314 at 12/31/19.
  - Total Liabilities and Net Assets measured \$29,819 at 12/31/20 compared to \$22,284 at 12/31/19.
- Seneca County Economic Development Corporation- Summarized Income Statement- Cemetery- From Page 5 of the Financial Executive Summary- For Years Ended December 31, 2020 and 2019.
  - Financial Highlights Reviewed:
    - Expenditures:
      - Cemetery director services- William Yale.
      - Burial services – Burials and monuments for veterans and spouses.
      - Continues to incur an operating loss.
  - Burial Income measured \$19,412 at 12/31/20 compared to 13,046 at 12/31/19.
  - Total Revenues measured \$23,457 at 12/31/20 compared to \$18,776 at 12/31/19.
  - Total Expenses measured \$105,726 at 12/31/20 compared to \$104,668 at 12/31/19.
  - Change in Net Assets measured (\$82,269) at 12/31/20 compared to (\$85,892) at 12/31/19.

- Net Assets- End of Year measured (\$811,583) at 12/31/20 compared to (\$729,314) at 12/31/19.

Mr. Case question the wording of the language appearing on Page 19- Schedule of Findings and Responses referencing Current Year Finding:

(#2020-001) Deficit Net Assets, Mr. Rynkiewicz indicated that the item in question would be reviewed and appropriate changes would be made to the final version of the Audit Report.

A motion was made by Mr. Kime recommending approval of the 2020 Audit Report to the full EDC Board, and Seconded by Mr. Brusso noting that changes in the final version of the report were to be made. Members Brusso and Kime voted "yea". Motion carried.

A review was presented of the EDC / SVMC Long Term Financial Plan reflecting EDC- Worst Case- Known Revenues only Against Budgeted Expense for the period 2021 through 2024.

A short discussion then centered on the future of the EDC after the County takes over the operations of the Cemetery. It was noted that the EDC and IDA boards would need to study the options available in determining its future.

Adjournment:

A motion was made by Mr. Kime at 01:05 pm to adjourn the meeting. Seconded by Mr. Brusso. Motion carried.

Respectfully submitted,

Robert E. Kernan, Jr.  
SCEDC- CFO