

**SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION**

**SENECA COUNTY, NEW YORK**

**FINANCIAL STATEMENTS**

**For Years Ended December 31, 2018 and 2017**

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Certified Public Accountants

## TABLE OF CONTENTS

|                                                                | <u>PAGE</u> |
|----------------------------------------------------------------|-------------|
| Independent Auditors' Report                                   | 1 - 2       |
| <u>Statement 1</u> - Combined Statement of Financial Position  | 3           |
| <u>Statement 2</u> - Combined Statement of Activities          | 4           |
| <u>Statement 3</u> - Combined Statement of Functional Expenses | 5           |
| <u>Statement 4</u> - Combined Statement of Cash Flows          | 6           |
| Notes to Financial Statements                                  | 7 - 12      |

## SUPPLEMENTAL INFORMATION

|                                                                                                                                                                                                    |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Supplemental<br><u>Schedule 1</u> - Combining Statement of Financial Position                                                                                                                      | 13      |
| Supplemental<br><u>Schedule 2</u> - Combining Statement of Activities                                                                                                                              | 14      |
| Supplemental<br><u>Schedule 3</u> - Combining Statement of Functional Expenses                                                                                                                     | 15      |
| Supplemental<br><u>Schedule 4</u> - Combining Statement of Cash Flows                                                                                                                              | 16      |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters<br>Based on an Audit of Financial Statements Performed in Accordance with<br>Government Auditing Standards | 17 - 18 |
| Schedule of Findings and Responses                                                                                                                                                                 | 19      |

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Seneca County Economic Development Corporation

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Seneca County Economic Development Corporation, Seneca County, New York which comprise the combined statement of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements 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 Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Seneca County Economic Development Corporation as of December 31, 2018 and 2017, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental 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 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. 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 7, 2019 on our consideration of the 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 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 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 7, 2019



**SENECA COUNTY ECONOMIC DEVELOPMENT CORPORATION  
NEW YORK**

**Combined Statement of Financial Position**

**December 31, 2018 and 2017**

| <u>ASSETS:</u>                          | <u>2018</u>       | <u>2017</u>       |
|-----------------------------------------|-------------------|-------------------|
| <u>Current Assets -</u>                 |                   |                   |
| Cash and cash equivalents               | \$ 392,220        | \$ 412,996        |
| Accounts receivable                     | 553               | -                 |
| Loans receivable                        | 57,410            | 75,224            |
| <b>Total Current Assets</b>             | <b>\$ 450,183</b> | <b>\$ 488,220</b> |
| <u>Noncurrent Assets -</u>              |                   |                   |
| Loans receivable, net                   | \$ -              | \$ 57,410         |
| <b>Total Noncurrent Assets</b>          | <b>\$ -</b>       | <b>\$ 57,410</b>  |
| <b>TOTAL ASSETS</b>                     | <b>\$ 450,183</b> | <b>\$ 545,630</b> |
| <br><u>LIABILITIES:</u>                 |                   |                   |
| <u>Current Liabilities -</u>            |                   |                   |
| Accounts payable                        | \$ 3,581          | \$ 9,576          |
| <b>Total Current Liabilities</b>        | <b>\$ 3,581</b>   | <b>\$ 9,576</b>   |
| <b>TOTAL LIABILITIES</b>                | <b>\$ 3,581</b>   | <b>\$ 9,576</b>   |
| <br><u>NET ASSETS:</u>                  |                   |                   |
| <u>Without Donor Restrictions</u>       | \$ 446,602        | \$ 536,054        |
| <b>TOTAL NET ASSETS</b>                 | <b>\$ 446,602</b> | <b>\$ 536,054</b> |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$ 450,183</b> | <b>\$ 545,630</b> |

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

**SENECA COUNTY ECONOMIC DEVELOPMENT CORPORATION  
NEW YORK**

**Combined Statement of Activities  
For Years Ended December 31, 2018 and 2017**

|                                              | <u>2018</u>                               |                    | <u>2017</u>                               |                    |
|----------------------------------------------|-------------------------------------------|--------------------|-------------------------------------------|--------------------|
|                                              | <u>Without<br/>Donor<br/>Restrictions</u> | <u>Total</u>       | <u>Without<br/>Donor<br/>Restrictions</u> | <u>Total</u>       |
| <b><u>REVENUES AND OTHER SUPPORT:</u></b>    |                                           |                    |                                           |                    |
| Rent income                                  | \$ -                                      | \$ -               | \$ 73,096                                 | \$ 73,096          |
| Donations                                    | 16,059                                    | 16,059             | 9,505                                     | 9,505              |
| Burial income                                | 15,303                                    | 15,303             | 15,728                                    | 15,728             |
| Miscellaneous                                | 2,258                                     | 2,258              | 3,657                                     | 3,657              |
| Fundraising                                  | 330                                       | 330                | 280                                       | 280                |
| <b>TOTAL REVENUES AND<br/>OTHER SUPPORT</b>  | <b>\$ 33,950</b>                          | <b>\$ 33,950</b>   | <b>\$ 102,266</b>                         | <b>\$ 102,266</b>  |
| <b><u>EXPENSES:</u></b>                      |                                           |                    |                                           |                    |
| <b>Program Services-</b>                     | \$ 45,740                                 | \$ 45,740          | \$ 52,368                                 | \$ 52,368          |
| <b>Supporting Services-</b>                  |                                           |                    |                                           |                    |
| Management and general                       | \$ 76,460                                 | \$ 76,460          | \$ 71,622                                 | \$ 71,622          |
| Fund raising                                 | 1,202                                     | 1,202              | 395                                       | 395                |
| <b>Total Supporting Services</b>             | <b>\$ 77,662</b>                          | <b>\$ 77,662</b>   | <b>\$ 72,017</b>                          | <b>\$ 72,017</b>   |
| <b>TOTAL EXPENSES</b>                        | <b>\$ 123,402</b>                         | <b>\$ 123,402</b>  | <b>\$ 124,385</b>                         | <b>\$ 124,385</b>  |
| <b>EXCESS (DEFICIENCY) IN<br/>NET ASSETS</b> | <b>\$ (89,452)</b>                        | <b>\$ (89,452)</b> | <b>\$ (22,119)</b>                        | <b>\$ (22,119)</b> |
| <b>NET ASSETS - BEGINNING OF YEAR</b>        | <b>536,054</b>                            | <b>536,054</b>     | <b>558,173</b>                            | <b>558,173</b>     |
| <b>NET ASSETS - END OF YEAR</b>              | <b>\$ 446,602</b>                         | <b>\$ 446,602</b>  | <b>\$ 536,054</b>                         | <b>\$ 536,054</b>  |

**SENECA COUNTY ECONOMIC DEVELOPMENT CORPORATION  
NEW YORK**

**Combined Statement of Functional Expenses  
For Years Ended December 31, 2018 and 2017**

|                                     | <b>Program<br/>Services</b> | <b>Supporting Services</b>        |                    | <b>Total</b>      |                   |
|-------------------------------------|-----------------------------|-----------------------------------|--------------------|-------------------|-------------------|
|                                     |                             | <b>Management<br/>and General</b> | <b>Fundraising</b> | <b>2018</b>       | <b>2017</b>       |
| Annual dues/fees                    | \$ 350                      | \$ -                              | \$ -               | \$ 350            | \$ 335            |
| Burial service                      | 35,440                      | -                                 | -                  | 35,440            | 42,135            |
| Cemetery director services          | -                           | 45,300                            | -                  | 45,300            | 45,300            |
| Facilities and equipment            | -                           | 800                               | -                  | 800               | 1,029             |
| Insurance                           | 4,457                       | -                                 | -                  | 4,457             | 4,463             |
| Maintenance and repairs             | -                           | 11,403                            | -                  | 11,403            | 11,953            |
| Operations - printing and copying   | 169                         | -                                 | -                  | 169               | 498               |
| Operations - software programs      | 979                         | -                                 | -                  | 979               | 979               |
| Operations - supplies and equipment | 807                         | -                                 | -                  | 807               | 822               |
| Operations - telephone              | 1,354                       | -                                 | -                  | 1,354             | 1,240             |
| Operations - utilities              | 1,367                       | -                                 | -                  | 1,367             | 1,161             |
| Professional fees                   | -                           | 18,745                            | 1,202              | 19,947            | 13,695            |
| Special events supplies/rentals     | 817                         | -                                 | -                  | 817               | 735               |
| Travel and meetings                 | -                           | 212                               | -                  | 212               | 40                |
| <b>TOTAL</b>                        | <b>\$ 45,740</b>            | <b>\$ 76,460</b>                  | <b>\$ 1,202</b>    | <b>\$ 123,402</b> | <b>\$ 124,385</b> |

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

**SENECA COUNTY ECONOMIC DEVELOPMENT CORPORATION  
NEW YORK**

**Combined Statement of Cash Flows  
For Years Ended December 31, 2018 and 2017**

|                                                                                                                      | <u>2018</u>        | <u>2017</u>       |
|----------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>                                                                  |                    |                   |
| Increase (decrease) in net assets                                                                                    | \$ (89,452)        | \$ (22,119)       |
| <b><u>Adjustments to reconcile change in net assets to<br/>net cash provided (used) by operating activities:</u></b> |                    |                   |
| (Increase) decrease in operating assets -                                                                            |                    |                   |
| Accounts receivable                                                                                                  | (553)              | 14,542            |
| Increase (decrease) in operating liabilities -                                                                       |                    |                   |
| Accounts payable                                                                                                     | (5,995)            | 9,133             |
| <b>Net Cash Provided (Used) by<br/>Operating Activities</b>                                                          | <b>\$ (96,000)</b> | <b>\$ 1,556</b>   |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>                                                                  |                    |                   |
| <b><u>Adjustments to reconcile change in net assets to<br/>net cash provided (used) by investing activities:</u></b> |                    |                   |
| Principal payment received for programmatic loans                                                                    | \$ 75,224          | \$ 73,738         |
| <b>Net Cash Provided (Used) by<br/>Investing Activities</b>                                                          | <b>\$ 75,224</b>   | <b>\$ 73,738</b>  |
| <b>NET INCREASE (DECREASE) IN CASH<br/>AND CASH EQUIVALENTS</b>                                                      | \$ (20,776)        | \$ 75,294         |
| <b>BEGINNING CASH AND CASH EQUIVALENTS</b>                                                                           | 412,996            | 337,702           |
| <b>ENDING CASH AND CASH EQUIVALENTS</b>                                                                              | <b>\$ 392,220</b>  | <b>\$ 412,996</b> |

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



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

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2018 and 2017**

**(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 (SCEDC) was reincorporated as a nonprofit local development corporation on August 31, 2000. The purposes for which the SCEDC 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 SCEDC financial statements have been prepared on the accrual basis of accounting. The SCEDC 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 SCEDC is required to present a Statement of Cash Flows. The SCEDC reports only net assets without donor restrictions and net assets with donor restrictions at December 31, 2018.

**C.      Cash and Cash Equivalents**

The SCEDC financial statements have been prepared on the accrual basis of accounting. The SCEDC 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 SCEDC is required to present a Statement of Cash Flows. The SCEDC reports only net assets without donor restrictions and net assets with donor restrictions at December 31, 2018.

**D.      Income Taxes**

The SCEDC 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 financial statements. Accordingly, certain costs have been allocated among the program and supporting services benefited.

**F. Loans Receivable**

Loans receivable are stated at principal balances net of the amounts deemed by management to be uncollectible.

Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

**G. Use of Estimates**

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

**H. Revenues**

The SCEDC receives Federal and State grants from the County of Seneca and other granting authorities for various economic development programs in Seneca County. These grants are received by the Seneca County Economic Development Corporation, and then loaned to other organizations once the conditions of the grants are met.

The Corporation receives interest on the loans given out to the various organizations

**(Note 2) Change in Accounting Principle:**

In August 2017 FASB issued Accounting Standards Update No. 2017-14 “*Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*”. The main provisions of ASU 2017-14 require a Not-For-Profit (NFP) to:

- A.** Present on the face of the statement of financial position amounts for two classes of net assets at the end of the period, rather than for the currently required three classes. That is, an NFP will report amounts for *net assets with donor restrictions and net assets without donor restrictions*, as well as the currently required amount for total net assets.
- B.** Present on the face of the statement of activities the amount of the change in each of the two classes of net assets (noted in item 1) rather than that of the currently required three classes. An NFP would continue to report the currently required amount of the change in total net assets for the period.
- C.** Provide enhanced disclosures about:

**(Note 1) (Continued)**

Amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources without donor-imposed restrictions as of the end of the period.

Composition of net assets with donor restrictions at the end of the period and how the restrictions affect the use of resources.

Qualitative information that communicates how a NFP manages its liquid resources available to meet cash needs for general expenditures within one year of the balance sheet date.

Quantitative information, and additional qualitative information, that communicates the availability of a NFP's financial assets at the balance sheet date to meet cash needs for general expenditures within one year of the balance sheet date. Availability of a financial asset may be affected by (1) its nature, (2) external limits imposed by donors, grantors, laws, and contracts with others, and (3) internal limits imposed by governing board decisions.

Amounts of expenses by both their natural classification and their functional classification. That analysis of expenses is to be provided in one location.

Method(s) used to allocate costs among program and support functions.

- D.** Use, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify any amounts from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption (thus eliminating the current option to release the donor-imposed restriction over the estimated useful life of the acquired asset).

The Corporation adopted the amendments during the year ended December 31, 2018. Certain balances as of December 31, 2018 have been reclassified to conform with the current year presentation.

**(Note 3) 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 Statement 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:

(Note 3) (Continued)

|                             | <u>2018</u>              | <u>2017</u>              |
|-----------------------------|--------------------------|--------------------------|
|                             | <u>Five Star Bank</u>    | <u>Five Star Bank</u>    |
| Cash                        | \$ 394,158               | \$ 413,025               |
| Less: FDIC Insurance        | (250,000)                | (250,000)                |
| <b>Under (Over) Insured</b> | <u><u>\$ 144,158</u></u> | <u><u>\$ 163,025</u></u> |

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, 2018:

|                                     | <u>2018</u>              |
|-------------------------------------|--------------------------|
| Cash and Cash equivalents           | \$ 392,220               |
| Accounts Receivable                 | 553                      |
| Current portion of loans receivable | 57,410                   |
| <b>Total</b>                        | <u><u>\$ 450,183</u></u> |

3. **Accounts Receivable**

The balance of accounts receivable is stated at net realizable value and at year end is comprised of a cremation burial of \$553.

4. **Interfund Receivables and Payables**

Interfund receivables and payables at December 31, 2018 were as follows:

|              | <u>Interfund<br/>Receivables</u> | <u>Interfund<br/>Payables</u> |
|--------------|----------------------------------|-------------------------------|
| Operating    | \$ 651,263                       | \$ -                          |
| Cemetery     | -                                | 651,263                       |
| <b>Total</b> | <u><u>\$ 651,263</u></u>         | <u><u>\$ 651,263</u></u>      |

5. **Capital Assets**

The following is a summary of capital assets for the SCEDC at December 31, 2018:

| <u>Type</u>                          | <u>Balance at<br/>12/31/2017</u> | <u>Additions</u>   | <u>Balance at<br/>12/31/2018</u> |
|--------------------------------------|----------------------------------|--------------------|----------------------------------|
| Equipment                            | \$ 10,329                        | \$ -               | \$ 10,329                        |
| Accumulated Depreciation - Equipment | (10,329)                         | -                  | (10,329)                         |
| <b>Total</b>                         | <u><u>\$ -</u></u>               | <u><u>\$ -</u></u> | <u><u>\$ -</u></u>               |

(Note 3) (Continued)

6. **Loan Receivables**

The SCEDC has one outstanding notes receivable from the revolving loan program that has an interest rate of 2% and maturity date of 2019. All notes receivable are collateralized by assets of the respective companies. As of December 31<sup>st</sup> the SCEDC had the following:

|                                              | <b><u>2018</u></b> | <b><u>2017</u></b>      |
|----------------------------------------------|--------------------|-------------------------|
| Notes Receivable                             | \$ 57,410          | \$ 132,634              |
| <u>Less: Current Portion</u>                 | <u>(57,410)</u>    | <u>(75,224)</u>         |
| <b>Total Long-Term Notes Receivable, net</b> | <b><u>\$ -</u></b> | <b><u>\$ 57,410</u></b> |

An allowance for credit losses is established based upon a review of the repayment status of outstanding loans. As of December 31, 2018 management considers its loan balances to be collectible in full, and as such, no allowance has been estimated.

Principal maturities are as follows:

| <b><u>Year</u></b> | <b><u>Amount</u></b>    |
|--------------------|-------------------------|
| 2019               | \$ 57,410               |
| <b>Total</b>       | <b><u>\$ 57,410</u></b> |

(Note 4) **Related Party:**

Representation on the Board of Directors of the Corporation consists of five 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 5) **Sampson Veterans Memorial Cemetery:**

As of July 2011 the Corporation has been providing services to Seneca County for the Sampson Veterans Memorial Cemetery located in Romulus, New York. These services consist of the management and maintenance of the Cemetery on a day-to day basis. In addition, it is the Corporations' responsibility 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 are 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 will expire June 30, 2021.

(Note 6) **Net Assets:**

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

**(Note 6) (Continued)**

**B. Deficit Net Assets – Cemetery:**

The Cemetery Fund had a deficit in net assets of \$643,422 at December 31, 2018. Management anticipates that future income streams will allow the Corporation to meet its obligations under the contract with Seneca County.

**(Note 8) Commitment and Contingencies:**

**A. Litigation**

As of the date of this report management is not aware of any pending litigation.

**(Note 9) 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 10) Subsequent Events:**

Events and transactions which have occurred from January 1, 2019 through March 7, 2019, the date of these financials, have been evaluated by the SCEDC'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.

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

**Combining Statement of Financial Position**  
**December 31, 2018**

|                                            | <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>2018</u></b> |
| <b><u>Current Assets -</u></b>             |                          |                        |                            |                    |
| Cash and cash equivalents                  | \$ 383,000               | \$ 9,220               | \$ -                       | \$ 392,220         |
| Accounts receivable                        | -                        | 553                    | -                          | 553                |
| Due from other funds                       | 651,263                  | -                      | (651,263)                  | -                  |
| Loans receivable                           | 57,410                   | -                      | -                          | 57,410             |
| <b>Total Current Assets</b>                | <b>\$ 1,091,673</b>      | <b>\$ 9,773</b>        | <b>\$ (651,263)</b>        | <b>\$ 450,183</b>  |
| <b>TOTAL ASSETS</b>                        | <b>\$ 1,091,673</b>      | <b>\$ 9,773</b>        | <b>\$ (651,263)</b>        | <b>\$ 450,183</b>  |
| <br><b><u>LIABILITIES:</u></b>             |                          |                        |                            |                    |
| <b><u>Current Liabilities -</u></b>        |                          |                        |                            |                    |
| Accounts payable                           | \$ 1,649                 | \$ 1,932               | \$ -                       | \$ 3,581           |
| Due to other funds                         | -                        | 651,263                | (651,263)                  | -                  |
| <b>Total Current Liabilities</b>           | <b>\$ 1,649</b>          | <b>\$ 653,195</b>      | <b>\$ (651,263)</b>        | <b>\$ 3,581</b>    |
| <b>TOTAL LIABILITIES</b>                   | <b>\$ 1,649</b>          | <b>\$ 653,195</b>      | <b>\$ (651,263)</b>        | <b>\$ 3,581</b>    |
| <br><b><u>NET ASSETS:</u></b>              |                          |                        |                            |                    |
| <b><u>Without Donor Restrictions -</u></b> | <b>\$ 1,090,024</b>      | <b>\$ (643,422)</b>    | <b>\$ -</b>                | <b>\$ 446,602</b>  |
| <b>TOTAL NET ASSETS</b>                    | <b>\$ 1,090,024</b>      | <b>\$ (643,422)</b>    | <b>\$ -</b>                | <b>\$ 446,602</b>  |
| <b>TOTAL LIABILITIES</b>                   | <b>\$ 1,091,673</b>      | <b>\$ 9,773</b>        | <b>\$ (651,263)</b>        | <b>\$ 450,183</b>  |
| <b>AND NET ASSETS</b>                      | <b>\$ 1,091,673</b>      | <b>\$ 9,773</b>        | <b>\$ (651,263)</b>        | <b>\$ 450,183</b>  |

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

**Combining Statement of Activities - Without Donor Restrictions**

**For Year Ended December 31, 2018**

|                                             | <b>General</b>           |                        | <b>Total</b>       |
|---------------------------------------------|--------------------------|------------------------|--------------------|
|                                             | <b><u>Operations</u></b> | <b><u>Cemetery</u></b> | <b><u>2018</u></b> |
| <b><u>REVENUES AND OTHER SUPPORT:</u></b>   |                          |                        |                    |
| Donations                                   | \$ -                     | \$ 16,059              | \$ 16,059          |
| Burial income                               | -                        | 15,303                 | 15,303             |
| Miscellaneous                               | 2,254                    | 4                      | 2,258              |
| Fundraising                                 | -                        | 330                    | 330                |
|                                             | <hr/>                    | <hr/>                  | <hr/>              |
| <b>TOTAL REVENUES AND<br/>OTHER SUPPORT</b> | <b>\$ 2,254</b>          | <b>\$ 31,696</b>       | <b>\$ 33,950</b>   |
|                                             | <hr/>                    | <hr/>                  | <hr/>              |
| <b><u>EXPENSES:</u></b>                     |                          |                        |                    |
| <b><u>Program Services -</u></b>            | <b>\$ 3,760</b>          | <b>\$ 41,980</b>       | <b>\$ 45,740</b>   |
|                                             | <hr/>                    | <hr/>                  | <hr/>              |
| <b><u>Supporting Services -</u></b>         |                          |                        |                    |
| Management and general                      | \$ 17,745                | \$ 58,715              | \$ 76,460          |
| Fundraising                                 | -                        | 1,202                  | 1,202              |
|                                             | <hr/>                    | <hr/>                  | <hr/>              |
| <b>Total Supporting Services</b>            | <b>\$ 17,745</b>         | <b>\$ 59,917</b>       | <b>\$ 77,662</b>   |
|                                             | <hr/>                    | <hr/>                  | <hr/>              |
| <b>TOTAL EXPENSES</b>                       | <b>\$ 21,505</b>         | <b>\$ 101,897</b>      | <b>\$ 123,402</b>  |
|                                             | <hr/>                    | <hr/>                  | <hr/>              |
| <b>EXCESS (DEFICIENCY)</b>                  | <b>\$ (19,251)</b>       | <b>\$ (70,201)</b>     | <b>\$ (89,452)</b> |
|                                             | <hr/>                    | <hr/>                  | <hr/>              |
| <b>NET ASSETS - BEGINNING OF YEAR</b>       | <b>1,109,275</b>         | <b>(573,221)</b>       | <b>536,054</b>     |
|                                             | <hr/>                    | <hr/>                  | <hr/>              |
| <b>NET ASSETS - END OF YEAR</b>             | <b>\$ 1,090,024</b>      | <b>\$ (643,422)</b>    | <b>\$ 446,602</b>  |
|                                             | <hr/> <hr/>              | <hr/> <hr/>            | <hr/> <hr/>        |



**SENECA COUNTY ECONOMIC DEVELOPMENT CORPORATION  
NEW YORK**

**Combining Statement of Functional Expenses  
For Year Ended December 31, 2018**

|                   | General Operations  |                           |             | Total<br>2018    |
|-------------------|---------------------|---------------------------|-------------|------------------|
|                   | Program<br>Services | Supporting Services       |             |                  |
|                   |                     | Management<br>and General | Fundraising |                  |
| Annual dues/fees  | \$ 125              | \$ -                      | \$ -        | \$ 125           |
| Insurance         | 3,635               | -                         | -           | 3,635            |
| Professional fees | -                   | 17,745                    | -           | 17,745           |
| <b>TOTAL</b>      | <b>\$ 3,760</b>     | <b>\$ 17,745</b>          | <b>\$ -</b> | <b>\$ 21,505</b> |

|                                     | Cemetery            |                           |                 | Total<br>2018     |
|-------------------------------------|---------------------|---------------------------|-----------------|-------------------|
|                                     | Program<br>Services | Supporting Services       |                 |                   |
|                                     |                     | Management<br>and General | Fundraising     |                   |
| Annual dues/fees                    | \$ 225              | \$ -                      | \$ -            | \$ 225            |
| Burial service                      | 35,440              | -                         | -               | 35,440            |
| Cemetery director services          | -                   | 45,300                    | -               | 45,300            |
| Facilities and equipment            | -                   | 800                       | -               | 800               |
| Insurance                           | 822                 | -                         | -               | 822               |
| Maintenance and repairs             | -                   | 11,403                    | -               | 11,403            |
| Operations - printing and copying   | 169                 | -                         | -               | 169               |
| Operations - software programs      | 979                 | -                         | -               | 979               |
| Operations - supplies and equipment | 807                 | -                         | -               | 807               |
| Operations - telephone              | 1,354               | -                         | -               | 1,354             |
| Operations - utilities              | 1,367               | -                         | -               | 1,367             |
| Professional fees                   | -                   | 1,000                     | 1,202           | 2,202             |
| Special events supplies/rentals     | 817                 | -                         | -               | 817               |
| Travel and meetings                 | -                   | 212                       | -               | 212               |
| <b>TOTAL</b>                        | <b>\$ 41,980</b>    | <b>\$ 58,715</b>          | <b>\$ 1,202</b> | <b>\$ 101,897</b> |

**SENECA COUNTY ECONOMIC DEVELOPMENT CORPORATION  
NEW YORK**

**Combining Statement of Cash Flows  
For Year Ended December 31, 2018**

|                                                                 | <b>General</b>     |                    | <b>Total</b>       |
|-----------------------------------------------------------------|--------------------|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                    | <b>Operations</b>  | <b>Cemetery</b>    | <b>2018</b>        |
| Increase (decrease) in net assets                               | \$ (19,251)        | \$ (70,201)        | \$ (89,452)        |
| <b><u>Adjustments to reconcile change in net assets to</u></b>  |                    |                    |                    |
| <b><u>net cash provided (used) by operating activities:</u></b> |                    |                    |                    |
| (Increase) decrease in operating assets -                       |                    |                    |                    |
| Accounts receivable                                             | -                  | (553)              | (553)              |
| Increase (decrease) in operating liabilities -                  |                    |                    |                    |
| Accounts payable                                                | (2,026)            | (3,969)            | (5,995)            |
|                                                                 | <b>\$ (21,277)</b> | <b>\$ (74,723)</b> | <b>\$ (96,000)</b> |
| <b>Net Cash Provided (Used) by</b>                              |                    |                    |                    |
| <b>Operating Activities</b>                                     | <b>\$ (21,277)</b> | <b>\$ (74,723)</b> | <b>\$ (96,000)</b> |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>             |                    |                    |                    |
| <b><u>Adjustments to reconcile change in net assets to</u></b>  |                    |                    |                    |
| <b><u>net cash provided (used) by investing activities:</u></b> |                    |                    |                    |
| Principal payment received for programmatic loans               | \$ 75,224          | \$ -               | \$ 75,224          |
|                                                                 | <b>\$ 75,224</b>   | <b>\$ -</b>        | <b>\$ 75,224</b>   |
| <b>Net Cash Provided (Used) by</b>                              |                    |                    |                    |
| <b>Investing Activities</b>                                     | <b>\$ 75,224</b>   | <b>\$ -</b>        | <b>\$ 75,224</b>   |
| <b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>             |                    |                    |                    |
| <b><u>Adjustments to reconcile change in net assets to</u></b>  |                    |                    |                    |
| <b><u>net cash provided (used) by financing activities:</u></b> |                    |                    |                    |
| Payments from EDC to Cemetery to cover deficit                  | \$ (65,000)        | \$ 65,000          | \$ -               |
|                                                                 | <b>\$ (65,000)</b> | <b>\$ 65,000</b>   | <b>\$ -</b>        |
| <b>Net Cash Provided (Used) by</b>                              |                    |                    |                    |
| <b>Financing Activities</b>                                     | <b>\$ (65,000)</b> | <b>\$ 65,000</b>   | <b>\$ -</b>        |
| <b>NET INCREASE (DECREASE) IN CASH</b>                          |                    |                    |                    |
| <b>AND CASH EQUIVALENTS</b>                                     | \$ (11,053)        | \$ (9,723)         | \$ (20,776)        |
| <b>BEGINNING CASH AND CASH EQUIVALENTS</b>                      | 394,053            | 18,943             | 412,996            |
| <b>ENDING CASH AND CASH EQUIVALENTS</b>                         | <b>\$ 383,000</b>  | <b>\$ 9,220</b>    | <b>\$ 392,220</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 financial statements of the Seneca County Economic Development Corporation, Seneca County, New York (the Corporation), which comprise the combined statement of financial position as of December 31, 2018 and 2017, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Seneca County Economic Development Corporation, Seneca County, New York's financial statements, and have issued our report thereon dated March 7, 2019.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the 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 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.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses - #2018-001 to be a material weakness.

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.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Seneca County Economic Development Corporation, Seneca County, New York's 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 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*.

### ***Corporation's Response to Findings***

The Seneca County Economic Development Corporation, Seneca County, New York's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Seneca County Economic Development Corporation, Seneca County, New York's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***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 7, 2019

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

**SCHEDULE OF FINDINGS AND RESPONSES**

**For the Year Ended December 31, 2018**

**I. Summary of the Auditors' Results**

**Financial Statements**

|                                                         |            |
|---------------------------------------------------------|------------|
| a) Type of auditor's report issued                      | Unmodified |
| b) Internal control over financial reporting            |            |
| 1. Material weaknesses identified                       | Yes        |
| 2. Significant deficiency(ies) identified               | No         |
| c) Noncompliance material to financial statements noted | No         |

**II. Financial Statement Findings**

**Current Year Finding:**

**(#2018-001) Deficit Net Assets –**

Criteria – Sufficient funds are necessary to continue to meet the cash flow needs of the Cemetery.

Condition – The Cemetery reported a deficit in net assets balance of \$643,422 at December 31, 2018 and losses from operations for the years ended December 31, 2018 and 2017 were \$70,201 and \$81,834, respectively.

Effect – This situation could affect the Corporation's ability to provide the cash flow necessary to continue Cemetery operations for an extended period.

Recommendations – Management must find new sources of revenue or identify ways of reducing expenses if Cemetery operations are going to continue for an extended period.

Corporation's Response – Management anticipates that this deficit will be reduced by future income streams and does not anticipate being unable to meet its obligations under its contract with Seneca County.

**Prior Year Finding:**

**(#2017-001) Deficit Net Assets –**

This finding is noted above as item (#2018-001).