

**SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION**

**SENECA COUNTY, NEW YORK**

**COMBINED FINANCIAL STATEMENTS**

**For Years Ended December 31, 2019 and 2018**

**MENGEL METZGER BARR & CO. LLP**

RAYMOND F. WAGER, CPA, P.C. DIVISION

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# MENGEL METZGER BARR & CO. LLP

RAYMOND F. WAGER, CPA, P.C. DIVISION

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Seneca County Economic Development Corporation

### *Report on the Financial Statements*

We have audited the accompanying combined 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, 2019 and 2018, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

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

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined 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, 2019 and 2018, 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 combined financial statements as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined 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 12, 2020 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.

*Mengel, Metzger, Bar & Co. LLP*

Rochester, New York  
March 12, 2020

**SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION, NEW YORK**  
**COMBINED STATEMENT OF FINANCIAL POSITION**

**December 31, 2019 and 2018**

<u><b>ASSETS:</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
<u><b>Current Assets -</b></u>		
Cash and cash equivalents	\$ 339,291	\$ 392,220
Accounts receivable	1,106	553
Loans receivable	-	57,410
<b>Total Current Assets</b>	<b>\$ 340,397</b>	<b>\$ 450,183</b>
<b>TOTAL ASSETS</b>	<b>\$ 340,397</b>	<b>\$ 450,183</b>
 <u><b>LIABILITIES:</b></u>		
<u><b>Current Liabilities -</b></u>		
Accounts payable	\$ 335	\$ 3,581
<b>Total Current Liabilities</b>	<b>\$ 335</b>	<b>\$ 3,581</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 335</b>	<b>\$ 3,581</b>
 <u><b>NET ASSETS:</b></u>		
<u><b>Without Donor Restrictions</b></u>	\$ 340,062	\$ 446,602
<b>TOTAL NET ASSETS</b>	<b>\$ 340,062</b>	<b>\$ 446,602</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 340,397</b>	<b>\$ 450,183</b>

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

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

**COMBINED STATEMENT OF ACTIVITIES**

**For the Years Ended December 31, 2019 and 2018**

	2019		2018	
	Without Donor Restrictions	Total	Without Donor Restrictions	Total
<b><u>REVENUES AND OTHER SUPPORT:</u></b>				
Donations	\$ 5,665	\$ 5,665	\$ 16,059	\$ 16,059
Burial income	13,046	13,046	15,303	15,303
Miscellaneous	826	826	2,258	2,258
Fundraising	50	50	330	330
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>\$ 19,587</b>	<b>\$ 19,587</b>	<b>\$ 33,950</b>	<b>\$ 33,950</b>
<b><u>EXPENSES:</u></b>				
<b>Program Services-</b>	\$ 48,748	\$ 48,748	\$ 45,740	\$ 45,740
<b>Supporting Services-</b>				
Management and general	\$ 76,448	\$ 76,448	\$ 76,460	\$ 76,460
Fund raising	931	931	1,202	1,202
<b>Total Supporting Services</b>	<b>\$ 77,379</b>	<b>\$ 77,379</b>	<b>\$ 77,662</b>	<b>\$ 77,662</b>
<b>TOTAL EXPENSES</b>	<b>\$ 126,127</b>	<b>\$ 126,127</b>	<b>\$ 123,402</b>	<b>\$ 123,402</b>
<b>EXCESS (DEFICIENCY) IN NET ASSETS</b>	<b>\$ (106,540)</b>	<b>\$ (106,540)</b>	<b>\$ (89,452)</b>	<b>\$ (89,452)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	446,602	446,602	536,054	536,054
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 340,062</b>	<b>\$ 340,062</b>	<b>\$ 446,602</b>	<b>\$ 446,602</b>

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

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

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES**

**For the Years Ended December 31, 2019 and 2018**

	<u>Supporting Services</u>			<b>2019</b>	<u>Supporting Services</u>			<b>2018</b>
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>		<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	
Annual dues/fees	\$ 240	\$ -	\$ -	\$ 240	\$ 350	\$ -	\$ -	\$ 350
Burial service	38,337	-	-	38,337	35,440	-	-	35,440
Cemetery director services	-	45,300	-	45,300	-	45,300	-	45,300
Facilities and equipment	-	148	-	148	-	800	-	800
Insurance	4,866	-	-	4,866	4,457	-	-	4,457
Maintenance and repairs	-	12,442	-	12,442	-	11,403	-	11,403
Operations - printing and copying	-	-	-	-	169	-	-	169
Operations - software programs	444	-	-	444	979	-	-	979
Operations - supplies and equipment	845	-	-	845	807	-	-	807
Operations - telephone	1,185	-	-	1,185	1,354	-	-	1,354
Operations - utilities	1,620	-	-	1,620	1,367	-	-	1,367
Professional fees	-	18,375	931	19,306	-	18,745	1,202	19,947
Special events supplies/rentals	1,211	-	-	1,211	817	-	-	817
Travel and meetings	-	183	-	183	-	212	-	212
<b>TOTAL</b>	<b>\$ 48,748</b>	<b>\$ 76,448</b>	<b>\$ 931</b>	<b>\$ 126,127</b>	<b>\$ 45,740</b>	<b>\$ 76,460</b>	<b>\$ 1,202</b>	<b>\$ 123,402</b>

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

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

**COMBINED STATEMENT OF CASH FLOWS**

**For the Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Increase (decrease) in net assets	\$ (106,540)	\$ (89,452)
<b><u>Adjustments to reconcile change in net assets to 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	(3,246)	(5,995)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ (110,339)</u></b>	<b><u>\$ (96,000)</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
<b><u>Adjustments to reconcile change in net assets to net cash provided (used) by investing activities:</u></b>		
Principal payment received for programmatic loans	\$ 57,410	\$ 75,224
<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>\$ 57,410</u></b>	<b><u>\$ 75,224</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (52,929)</b>	<b>\$ (20,776)</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<b><u>392,220</u></b>	<b><u>412,996</u></b>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b><u><u>\$ 339,291</u></u></b>	<b><u><u>\$ 392,220</u></u></b>

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

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**December 31, 2019 and 2018**

**(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 combined 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, 2019.

**C.      Cash and Cash Equivalents**

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

**D.      Income Taxes**

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

**F. Use of Estimates**

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**G. Revenues**

The Corporation receives revenue from Federal and State grants from the County of Seneca and other granting authorities which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures, or issued loans, in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures, or in satisfaction of the terms of loan agreements, are reported as unearned revenues in the statement of financial position. At December 31, 2019 there are no amounts that have been received in advance, and amounts that have been received have been recognized in the accompanying financial statements because the conditions have been met.

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

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

Revenue from Exchange Transactions: The Corporation recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-19, Revenue from Contracts with Customers, as amended. ASU 2014-19 applies to exchange transactions with customers that are bonded by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Corporation records the following exchange transaction revenue in its combined statement of activities for the years ended December 31, 2019 and 2018:

**1. Cemetery Revenues**

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

(Note 1) (Continued)

Contract assets consist of accounts receivable and are as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Contract Assets:</u>			
Accounts Receivable	\$ 1,106	\$ 553	\$ -
<b>Total Contract Assets</b>	<b><u>\$ 1,106</u></b>	<b><u>\$ 553</u></b>	<b><u>\$ -</u></b>

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

A. **Revenue Recognition**

In May 2014, the Financial Accounting Standards Board (FASB) issued new guidance related to revenue recognition (ASC 606), which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The Core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. ASC 606 is effective for annual reporting periods beginning after December 15, 2018 and interim periods within fiscal years beginning after December 15, 2019. The Corporation adopted ASC 606 with a date of the initial application of January 1, 2019.

The Corporation applied ASC 606 using the cumulative effect method, which generally requires the recognition of the cumulative effect of initially applying the new guidance as an adjustment to the opening balance of net assets. There was no adjustment to the opening balance of net assets at January 1, 2019, as a result of this new accounting standard. In addition, the comparative information has not been adjusted and continues to be reported under existing revenue guidance. The Corporation does not expect the adoption of the new revenue standard to have a material impact on its net income on an ongoing basis.

B. **Contributions Received and Contributions Made**

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made". ASU 2018-08 assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. For most resource recipients, this standard is effective for annual reporting periods beginning after December 15, 2018. The Corporation adopted the provisions of ASU 2018-08 applicable to contributions received with a date of initial application of January 1, 2019 under a modified prospective basis. Accordingly, there is no effect on net assets.

(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:

	<b><u>2019</u></b>	<b><u>2018</u></b>
	<b><u>Five Star Bank</u></b>	<b><u>Five Star Bank</u></b>
Cash	\$ 342,753	\$ 394,158
Less: FDIC Insurance	(250,000)	(250,000)
<b>Under (Over) Insured</b>	<b><u>\$ 92,753</u></b>	<b><u>\$ 144,158</u></b>

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, 2019 and 2018:

	<b><u>2019</u></b>	<b><u>2018</u></b>
Cash and Cash equivalents	\$ 339,291	\$ 392,220
Accounts Receivable	1,106	553
Current portion of loans receivable	-	57,410
<b>Total</b>	<b><u>\$ 340,397</u></b>	<b><u>\$ 450,183</u></b>

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 \$1,106.

4. **Interfund Receivables and Payables**

Interfund receivables and payables at December 31, 2019 were as follows:

	<b><u>Interfund</u></b>	<b><u>Interfund</u></b>
	<b><u>Receivables</u></b>	<b><u>Payables</u></b>
Operating	\$ 751,263	\$ -
Cemetery	-	751,263
<b>Total</b>	<b><u>\$ 751,263</u></b>	<b><u>\$ 751,263</u></b>

(Note 3) (Continued)

5. **Capital Assets**

The following is a summary of capital assets for the SCEDC at December 31, 2019:

<u>Type</u>	<u>Balance at</u> <u>12/31/2018</u>	<u>Additions</u>	<u>Balance at</u> <u>12/31/2019</u>
Equipment	\$ 10,329	\$ -	\$ 10,329
Accumulated Depreciation - Equipment	(10,329)	-	(10,329)
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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:

	<u>2019</u>	<u>2018</u>
Notes Receivable	\$ -	\$ 57,410
<u>Less: Current Portion</u>	<u>-</u>	<u>(57,410)</u>
<b>Total Long-Term Notes Receivable, net</b>	<b>\$ -</b>	<b>\$ -</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 \$729,314 at December 31, 2019. Management anticipates that future income streams will allow the Corporation to meet its obligations under the contract with Seneca County.

**(Note 7) Commitment and Contingencies:**

**A. Litigation**

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

**(Note 8) 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 9) Subsequent Events:**

Events and transactions which have occurred from January 1, 2020 through March 12, 2020, 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, 2019

	<u>General</u>			<u>Total</u>
<u>ASSETS:</u>	<u>Operations</u>	<u>Cemetery</u>	<u>Eliminations</u>	<u>2019</u>
<u>Current Assets -</u>				
Cash and cash equivalents	\$ 318,113	\$ 21,178	\$ -	\$ 339,291
Accounts receivable	-	1,106	-	1,106
Due from other funds	<u>751,263</u>	<u>-</u>	<u>(751,263)</u>	<u>-</u>
<b>Total Current Assets</b>	<u>\$ 1,069,376</u>	<u>\$ 22,284</u>	<u>\$ (751,263)</u>	<u>\$ 340,397</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 1,069,376</b></u>	<u><b>\$ 22,284</b></u>	<u><b>\$ (751,263)</b></u>	<u><b>\$ 340,397</b></u>
 <u>LIABILITIES:</u>				
<u>Current Liabilities -</u>				
Accounts payable	\$ -	\$ 335	\$ -	\$ 335
Due to other funds	<u>-</u>	<u>751,263</u>	<u>(751,263)</u>	<u>-</u>
<b>Total Current Liabilities</b>	<u>\$ -</u>	<u>\$ 751,598</u>	<u>\$ (751,263)</u>	<u>\$ 335</u>
<b>TOTAL LIABILITIES</b>	<u><b>\$ -</b></u>	<u><b>\$ 751,598</b></u>	<u><b>\$ (751,263)</b></u>	<u><b>\$ 335</b></u>
 <u>NET ASSETS:</u>				
<u>Without Donor Restrictions -</u>	<u>\$ 1,069,376</u>	<u>\$ (729,314)</u>	<u>\$ -</u>	<u>\$ 340,062</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 1,069,376</u>	<u>\$ (729,314)</u>	<u>\$ -</u>	<u>\$ 340,062</u>
<b>TOTAL LIABILITIES</b>				
<b>AND NET ASSETS</b>	<u><b>\$ 1,069,376</b></u>	<u><b>\$ 22,284</b></u>	<u><b>\$ (751,263)</b></u>	<u><b>\$ 340,397</b></u>

(See Independent Auditors' Report)

SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION, NEW YORK

COMBINING STATEMENT OF ACTIVITIES – WITHOUT DONOR RESTRICTIONS

For the Year Ended December 31, 2019

	<u>General Operations</u>	<u>Cemetery</u>	<u>Total 2019</u>
<b><u>REVENUES AND OTHER SUPPORT:</u></b>			
Donations	\$ -	\$ 5,665	\$ 5,665
Burial income	-	13,046	13,046
Miscellaneous	811	15	826
Fundraising	-	50	50
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>\$ 811</b>	<b>\$ 18,776</b>	<b>\$ 19,587</b>
 <b><u>EXPENSES:</u></b>			
<b><u>Program Services -</u></b>	<b>\$ 4,134</b>	<b>\$ 44,614</b>	<b>\$ 48,748</b>
<b><u>Supporting Services -</u></b>			
Management and general	\$ 17,325	\$ 59,123	\$ 76,448
Fundraising	-	931	931
<b>Total Supporting Services</b>	<b>\$ 17,325</b>	<b>\$ 60,054</b>	<b>\$ 77,379</b>
<b>TOTAL EXPENSES</b>	<b>\$ 21,459</b>	<b>\$ 104,668</b>	<b>\$ 126,127</b>
<b>EXCESS (DEFICIENCY)</b>	<b>\$ (20,648)</b>	<b>\$ (85,892)</b>	<b>\$ (106,540)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>1,090,024</b>	<b>(643,422)</b>	<b>446,602</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,069,376</b>	<b>\$ (729,314)</b>	<b>\$ 340,062</b>

(See Independent Auditors' Report)

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

**COMBINING STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2019**

	<b>General Operations</b>			<b>Total 2019</b>
	<b>Program Services</b>	<b>Supporting Services</b>		
		<b>Management and General</b>	<b>Fundraising</b>	
Annual dues/fees	\$ 125	\$ -	\$ -	\$ 125
Insurance	4,009	-	-	4,009
Professional fees	-	17,325	-	17,325
<b>TOTAL</b>	<b>\$ 4,134</b>	<b>\$ 17,325</b>	<b>\$ -</b>	<b>\$ 21,459</b>

	<b>Cemetery</b>			<b>Total 2019</b>
	<b>Program Services</b>	<b>Supporting Services</b>		
		<b>Management and General</b>	<b>Fundraising</b>	
Annual dues/fees	\$ 115	\$ -	\$ -	\$ 115
Burial service	38,337	-	-	38,337
Cemetery director services	-	45,300	-	45,300
Facilities and equipment	-	148	-	148
Insurance	857	-	-	857
Maintenance and repairs	-	12,442	-	12,442
Operations - software programs	444	-	-	444
Operations - supplies and equipment	845	-	-	845
Operations - telephone	1,185	-	-	1,185
Operations - utilities	1,620	-	-	1,620
Professional fees	-	1,050	931	1,981
Special events supplies/rentals	1,211	-	-	1,211
Travel and meetings	-	183	-	183
<b>TOTAL</b>	<b>\$ 44,614</b>	<b>\$ 59,123</b>	<b>\$ 931</b>	<b>\$ 104,668</b>

(See Independent Auditors' Report)

SENECA COUNTY ECONOMIC  
DEVELOPMENT CORPORATION, NEW YORK

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2019

	<b>General</b>		<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<b>Operations</b>	<b>Cemetery</b>	<b>2019</b>
Increase (decrease) in net assets	\$ (20,648)	\$ (85,892)	\$ (106,540)
<b><u>Adjustments to reconcile change in net assets to 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	(1,649)	(1,597)	(3,246)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (22,297)</b>	<b>\$ (88,042)</b>	<b>\$ (110,339)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>			
<b><u>Adjustments to reconcile change in net assets to net cash provided (used) by investing activities:</u></b>			
Principal payment received for programmatic loans	\$ 57,410	\$ -	\$ 57,410
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>\$ 57,410</b>	<b>\$ -</b>	<b>\$ 57,410</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>			
<b><u>Adjustments to reconcile change in net assets to net cash provided (used) by financing activities:</u></b>			
Payments from EDC to Cemetery to cover deficit	\$ (100,000)	\$ 100,000	\$ -
<b>Net Cash Provided (Used) by Financing Activities</b>	<b>\$ (100,000)</b>	<b>\$ 100,000</b>	<b>\$ -</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	\$ (64,887)	\$ 11,958	\$ (52,929)
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	383,000	9,220	392,220
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b>\$ 318,113</b>	<b>\$ 21,178</b>	<b>\$ 339,291</b>

(See Independent Auditors' Report)

**Report on Internal Control Over Financial Reporting  
And on Compliance and Other Matters Based on an Audit  
of Financial Statements Performed in Accordance  
With Government Auditing Standards**

**Independent Auditors' Report**

To the Board of Directors  
Seneca County Economic Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of the Seneca County Economic Development Corporation, Seneca County, New York (the Corporation), which comprise the combined statement of financial position as of December 31, 2019 and 2018, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements, which collectively comprise the Seneca County Economic Development Corporation, Seneca County, New York's combined financial statements, and have issued our report thereon dated March 12, 2020.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the combined financial statements, we considered the Seneca County Economic Development Corporation, Seneca County, New York's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Seneca County Economic Development Corporation, Seneca County, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Seneca County Economic Development Corporation, Seneca County, New York's internal control.

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 - #2019-001 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 combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of combined financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***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 combined 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.

*Mengel, Metzger, Barw & Co. LLP*

Rochester, New York  
March 12, 2020

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

**SCHEDULE OF FINDINGS AND RESPONSES**

**For the Year Ended December 31, 2019**

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

**Combined 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. Combined Financial Statement Findings**

**Current Year Finding:**

**(#2019-001) 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 \$729,314 at December 31, 2019 and losses from operations for the years ended December 31, 2019 and 2018 were \$85,892 and \$70,201, respectively.

Cause – Revenues generated by the Cemetery have not been sufficient to cover operating expenses resulting in a deficit net assets at December 31, 2019.

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

Context – Because of the deficits incurred the Cemetery may be unable to meet future obligations under its contract with Seneca County.

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:**

**(#2018-001) Deficit Net Assets –**

This finding is noted above as item (#2019-001).