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SENECA COUNTY
ECONOMIC DEVELOPMENT CORPORATION
AUDIT COMMITTEE

MEETING MINUTES

March 16, 2020
9:20 am
Heroes Conference Room
Seneca County Office Building, 3rd Floor
Waterloo, NY

Attendance:

Members Present: Erica Paolicelli, Chair and Thomas Kime
Members Absent: Valerie Bassett
Others Attending: Patricia Jones, IDA Deputy Director; Kelly Kline, IDA Office Manager;
Robert Kernan, CFO; and Thomas Zuber and John Rynkiewicz,
Auditors

Call to Order:

Mrs. Paolicelli called the meeting to order at 9:20 am. A quorum of the Corporation's Audit Committee were present.

Approval of EDC Audit Committee Meeting Minutes December 5, 2019:

The EDC Audit Committee meeting minutes of December 5, 2019 had been mailed to committee members prior to the meeting. A motion was made by Mr. Kime to accept and approve the minutes. Seconded by Mrs. Paolicelli. Motion carried.

Presentation and recommend Approval to the EDC Board of 2019 EDC Audit and Management Letter:

A copy of the 2019 Annual EDC Audit and Management Letter had been forwarded to Committee members prior to the meeting. Mr. Zuber presented the Audit to Committee Members. Mr. Zuber informed the committee that as a result of the audit an unqualified opinion was issued relating to the financial position of the Corporation at December 31, 2019. The firm did identify the following material weakness: The Cemetery reported a deficit net assets balance of \$729,314 at December 31, 2019. Losses from operations for the years ending December 31, 2019 and 2018 were \$85,892 and \$70,201, respectively. Management's analysis of fundraising efforts has concluded that soliciting donations is unlikely to generate sufficient revenues to offset losses due to normal Cemetery operations. The EDC does currently have sufficient funds to continue to meet the cash flow needs of the Cemetery during the contract period. Management does not anticipate a contract renewal after June 30, 2021. Mr. Kernan has prepared the following summary of the findings of the audit:

The following schedules were presented and discussed by the audit firm representatives:

- Seneca County Economic Development Corporation- Combined Statement of Financial Position and Activities- From Page 3 and 4 of Audited Financial Statements- December 31, 2019 and 2018.
 - Total Assets measured \$340,397 at 12/31/19 down (\$109,786) from 12/31/18.
 - Total Liabilities measured \$335 at 12/31/19 down (\$14,363) from 12/31/18.
 - Total Net Assets measured \$340,062 at December 31, 2019 down (\$106,540) from 12/31/18.

- Total Liabilities and net assets measured \$340,397 at 12/31/19 down (\$109,786) from 12/31/18.
 - Total Revenues measured \$19,587 at 12/31/19 down (\$14,363) from 12/31/18.
 - Total Expenses measured \$126,127 at 12/31/19 up \$1,715 from 12/31/18.
 - Changes in Net Assets measured (\$126,127) at 12/31/19 up \$2,725 from 12/31/18.
 - Net assets- End of Year measured \$340,062 at 12/31/19 down (\$106,540) from 12/31/18.
- Seneca County Economic Development Corporation- Summarized Balance Sheet- General Operations- From Page 13 of Audited Financial Statements- December 31, 2019 and 2018.
 - Financial Highlights Reviewed:
 - Rail Storage Fees at Depo, ITT Gould Pump Loans and Amount Due from Other Fund- Cemetery.
 - Due from Other Fund measured \$761,263 at 12/31/19 up \$100,000 from 12/31/18.
 - Total Assets measured \$1,069,376 at 12/31/19 down (\$22,297) from 12/31/18.
 - Total Liabilities measured \$0 at 12/31/19 down (\$1,649) from 12/31/18.
 - Total Net Assets measured \$1,069,376 at 12/ 31 19 down (\$20,648) from 12/31/18.
- Seneca County Economic Development Corporation- Summarized Income Statement- General Operations- From Page 14 of Audited Financial Statements- For Years Ended December 31, 2019 and 2018.
 - Total Revenues measured \$811 at 12/31/19 down (\$1,443) from 12/31/18.
 - Total Expenses measured \$11,459 at 12/31/19 down (\$46) from 12/31/18.
 - Changes in Net Assets measured (\$20,648) at 12/21 19 up \$1,397 from 12/31/18.
 - Net Assets- End of Year measured \$1,069,376 at 12/31/19 down (\$20,648) from 12/31/18.
- Seneca County Economic Development Corporation- Summarized Balance Sheet- Cemetery- From Page 13 of Audited Financial Statements- December 31, 2019 and 2018.
 - Financial Highlights- Due to Other Funds and Deficit in Unrestricted Net Assets.
 - Total Assets (Cash and Receivables) measured \$22,284 at 12/31/19 up \$12,511 from 12/31/18.
 - Total Liabilities (Accounts Payable and Due to Other Funds) measured \$751,598 at 12/31/19 up \$98,403 from 12/31/18.
 - Total net Assets measured (\$729,314) at 12/31/19 down (\$85,892) from 12/31/18.
 - Total Liabilities and Net Assets measured \$21,284 at 12/31/19 up \$12,511 from 12/31/18.

- Seneca County Economic Development Corporation- Summarized Income Statement- Cemetery- From Page 14 of Audited Financial Statements- For Years Ended December 31, 2019 and 2018.
 - Financial Highlights- Cemetery continues to incur an operating loss.
 - Total Revenues measured \$18,886 at 12/31/19 down (\$12,920) from 12/31/18.
 - Total Expenses measured \$104,668 at 12/31/19 up \$1,771 from 12/31/18.
 - Change in Net Assets measured (\$85,892) at 12/31/19 down (\$15,691 from 12/31/18.
 - Net Assets- End of Year measured (\$729,314) at 12/31/18 down (\$85,892) from 12/31/18.

A motion was made by Mr. Kime to accept the 2019 EDC Audit and Management letter and recommend approval to the full EDC Board. Seconded by Mrs. Paolicelli. Members, Kime and Paolicelli voted “yea”. Ms. Bassett was absent. Motion carried.

Review of EDC Long Term Forecast:

Ms. Jones presented a long-term financial plan projecting out four years combining both the EDC and SVMC. In using only known revenues against budgeted expenses and with the cemetery being turned over to county on June 30, 2021 when the contract between the IDA and the county ends, the EDC would be viable through 2023. The future goal of the Cemetery is to be designated as a state cemetery. This forward-looking view is reviewed twice a year, with the budget in the fall and the audit in the spring. It is for informational purposes only.

Adjournment:

A motion to adjourn the meeting was made by Mr. Kime. Seconded by Mr. Kernan. Motion carried. The meeting adjourned at 9:52 am

Respectfully submitted,

Patricia Jones
Deputy Director