

**SENECA COUNTY
FUNDING CORPORATION**

(A Component Unit of Seneca County, New York)

FINANCIAL STATEMENTS

For Years Ended December 31, 2022 and 2021



BUSINESS
ADVISORS
AND CPAS

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BUSINESS
ADVISORS
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Independent Auditor's Report

To the Board Members of
Seneca County
Funding Corporation
A Component Unit of Seneca County, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Seneca County Funding Corporation, a component unit of Seneca County, New York, (The Corporation) as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Corporation's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 and 5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Seneca County Funding Corporation, a component unit of Seneca County, New York's financial statements. The accompanying supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying supplemental schedules as listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental schedules as listed in the table of contents are 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 21, 2023 on our consideration of the Seneca County Funding Corporation, a component unit of 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 the Seneca County Funding Corporation, a component unit of Seneca County, New York's internal control over financial reporting and compliance.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
March 21, 2023

**Seneca County
Funding Corporation
(A Component Unit of Seneca County, New York)**

Management's Discussion and Analysis (MD&A)

December 31, 2022

Introduction

Our discussion and analysis of the Seneca County Funding Corporation (Corporation), a component unit of Seneca County, New York's financial performance provides an overview of the Corporation's financial activities for the year ended December 31, 2022. It should be read in conjunction with the basic financial statements to enhance understanding of the Corporation's financial performance, which immediately follows this section.

Financial Highlights

Key financial highlights for year 2022 are as follows:

- ◆ The assets of the Corporation exceeded its liabilities at the close of the most recent year by \$50,280 (net position).

Overview of the Financial Statements

The statement of net position, the statement of revenues, expenses and changes in fund net position and statement of cash flows report information about the Corporation as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses would be accounted for regardless of when cash is received or paid.

These two statements report the Corporation's net position and changes in them. The Corporation's net position, the difference between assets and liabilities, are one way to measure the Corporation's financial health or financial position. Over time, increases or decreases in the Corporation's net position are one indicator of whether its financial health is improving or deteriorating.

Additionally, the statement of cash flows provides information about the Corporation's cash receipts, cash disbursements, and net changes in cash resulting from operating, financing and investing activities.

Government-Wide Financial Analysis

The Corporation was established in 2016 as a Funding Corporation.

As noted earlier, net position may serve over time as a useful indicator of the Corporation's financial position. In the case of the Corporation, net position at the close of the current year was \$50,280.

Net Position

	<u>2022</u>	<u>2021</u>
<u>ASSETS:</u>		
Cash	\$ 50,280	\$ 53,115
Total Assets	<u>\$ 50,280</u>	<u>\$ 53,115</u>
 <u>NET POSITION:</u>		
Unrestricted	\$ 50,280	\$ 53,115
Total Net Position	<u>\$ 50,280</u>	<u>\$ 53,115</u>

Changes in Net Position

	<u>2022</u>	<u>2021</u>
<u>OPERATING REVENUES:</u>		
Fees	\$ -	\$ -
Total Operating Revenues	<u>\$ -</u>	<u>\$ -</u>
 <u>OPERATING EXPENSES:</u>		
Professional Services	\$ 2,825	\$ 2,800
Other Expenses	10	-
Total Operating Expenses	<u>\$ 2,835</u>	<u>\$ 2,800</u>
NET OPERATING LOSS	\$ (2,835)	\$ (2,800)
NET POSITION - BEGINNING OF YEAR	<u>53,115</u>	<u>55,915</u>
NET POSITION - END OF YEAR	<u>\$ 50,280</u>	<u>\$ 53,115</u>

Future Factors

- The Organization positions Seneca County to support civic facilities projects that might arise in the future.

Requests for Information

This financial report is designed to provide a general overview of the Seneca County Funding Corporation, a component unit of Seneca County, New York's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: The Chair of the Board, Seneca County Funding Corporation, One DiPronio Drive, Waterloo, New York 13165.

SENECA COUNTY FUNDING CORPORATION
(A Component Unit of Seneca County, New York)

STATEMENTS OF NET POSITION

December 31, 2022 and 2021

<u>ASSETS:</u>	<u>2022</u>	<u>2021</u>
<u>Current Assets -</u>		
Cash and cash equivalents	\$ 50,280	\$ 53,115
TOTAL ASSETS	\$ 50,280	\$ 53,115
<u>NET POSITION:</u>		
Unrestricted	\$ 50,280	\$ 53,115
TOTAL NET POSITION	\$ 50,280	\$ 53,115

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

**SENECA COUNTY FUNDING CORPORATION
(A Component Unit of Seneca County, New York)**

**STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION**

For Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>OPERATING REVENUES:</u>		
Fees	\$ -	\$ -
TOTAL OPERATING REVENUES	\$ -	\$ -
<u>OPERATING EXPENSES:</u>		
Professional Services	\$ 2,825	\$ 2,800
Other	10	-
TOTAL OPERATING EXPENSES	\$ 2,835	\$ 2,800
OPERATING (LOSS)	\$ (2,835)	\$ (2,800)
NET POSITION - BEGINNING OF YEAR	53,115	55,915
NET POSITION - END OF YEAR	\$ 50,280	\$ 53,115

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

SENECA COUNTY FUNDING CORPORATION
(A Component Unit of Seneca County, New York)

STATEMENTS OF CASH FLOWS

For Years Ended December 31, 2022 and 2021

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2022</u>	<u>2021</u>
Payments to Suppliers	\$ (2,835)	\$ (2,800)
NET CASH (USED) BY OPERATING ACTIVITIES	<u>\$ (2,835)</u>	<u>\$ (2,800)</u>
NET (DECREASE) IN CASH	\$ (2,835)	\$ (2,800)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>53,115</u>	<u>55,915</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 50,280</u>	<u>\$ 53,115</u>
OPERATING (LOSS)	<u>\$ (2,835)</u>	<u>\$ (2,800)</u>
NET CASH (USED) BY OPERATING ACTIVITIES	<u>\$ (2,835)</u>	<u>\$ (2,800)</u>

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

SENECA COUNTY FUNDING CORPORATION
(A Component Unit of Seneca County, New York)

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

I. Summary of Significant Accounting Policies:

The financial statements of the Seneca County Funding Corporation, a component Unit of Seneca County, New York (The Corporation) have been prepared in conformity with generally accepted accounting principles (GAAP) that provides for proprietary fund accounting for Local Development Corporations. Seneca County is the sole member of the Corporation.

A. Organization

The Seneca County Funding Corporation, a component unit of Seneca County, New York (the Corporation) was incorporated on February 19, 2016 under Section 1411 of the Not-For-Profit Corporation Law. The mission of the Seneca County Funding Corporation is to assist local economic development efforts by serving in a conduit financing capacity enabling the issuance of taxable and non-taxable debt to benefit the growth, expansion, on-going operations and continued viability of non-profit and for-profit business enterprises in Seneca County thereby helping to maintain a sustainable long-term economy. The Board consists of three (3) Directors, all of whom shall be appointed by the County and is reported as a related entity by the County.

B. Basis of Accounting

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board as applied to proprietary funds on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Management must make estimates and assumptions that affect the reported amount of 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. Financial instruments, including borrowings, are all carried at amounts that approximate fair value.

The government-wide financial statements are the same as the fund financial statements for proprietary funds, so no additional schedules were necessary. The first of these government-wide statements is the Statement of Net Position. This is the Corporation-wide statement of net position presenting information that includes all of the Corporation's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation as a whole is improving or deteriorating. Evaluation of the overall health of the Corporation would extend to other nonfinancial factors, such as diversification of the tenants base or the condition of Corporation infrastructure, in addition to the financial information provided in this report.

(I.) (Continued)

The second government-wide statement is the Statement of Revenues, Expenses, and Changes in Fund Net Position which reports how the Corporation's net position changed during the current year. All current-year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of this statement is to show the financial reliance of the Corporation's distinct activities or functions on revenues provided by the Corporation's lessees and grantors.

D. Income Taxes

The Corporation is a not-for-profit public benefit corporation and is exempt from income taxes under the Internal Revenue Code. The Corporation is exempt from Federal reporting requirements under Internal Revenue Service Revenue Procedures 95-48, 1992 C.C 418 as a governmental unit or affiliate of a governmental unit as described in the procedure.

E. Assets and Net Position

1. Net Position

a. Government-Wide Statements

Net position is categorized as follows:

1. **Net Investment in Capital Assets** - Capital assets purchased with available funds and grants. The Corporation had no net investment in capital assets as of December 31, 2022 or 2021.
2. **Restricted** - Consists of net position restricted by enabling legislation or imposed by creditors. The Corporation had no restricted net assets as of December 31, 2022 or 2021.
3. **Unrestricted Net Position** - Represents monies available for the future operations of the Corporation.

F. Recently Issued Accounting Pronouncements

GASB has issued Statement 94 *Public-Private and Public-Public Partnerships and Available Payment Arrangements*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement 96 *Subscription Based Information Technology*, which will be effective for reporting periods beginning after December June 15, 2022.

GASB has issued Statement 97 *Certain Component Unit Criteria and Accounting and Financial Report for Internal Revenue Code Section 457 Deferred Compensation Plans*, which will be effective for reporting periods beginning after December 15, 2021.

(I.) (Continued)

GASB has issued Statement 99 *Omnibus 2022-Leases, PPP, and SPITAS*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement 99 *Omnibus 2022-Financial Guarantees, etc.*, which will be effective for reporting periods beginning after June 15, 2023.

GASB has issued Statement 100 *Accounting Changes*, which will be effective for reporting periods beginning after June 15, 2023.

GASB has issued Statement 101, *Compensated Absences*, which will be effective for reporting periods beginning after December 15, 2023.

The Corporation is currently studying these statements and plans on adoption as required.

G. Revenue

Fees are assessed by the Corporation based on projects induced by the Corporation.

II. Cash and Cash Equivalents:

For purposes of the Statements of Cash Flows, the Corporation considers all highly liquid cash accounts and other temporary investments of three months or less as cash equivalents.

Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. While the Corporation does not have a specific policy for custodial credit risk, New York State statutes govern the Corporation's investment policies, as discussed previously in these notes. All deposits are covered by FDIC insurance for 2022 and 2021.

III. Conduit Debt Obligations:

The Corporation has issued Tax-Exempt and Taxable Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from the payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Corporation, Village, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2022 and 2021, there was one series of Revenue Bonds outstanding with an aggregate principal amount payable of \$6,257,777 and \$7,424,086, respectively.

IV. Litigation:

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

Annual Report for Seneca County Funding Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/20/2023

Status: UNSUBMITTED

Certified Date: N/A

Bond Information

Name of Recipient of Bond Proceeds	New York Chiropractic College	Bond Interest Rate	2.51
Address Line1	2360 State Route 89	Last Year Bonds Expected to be Retired	2027
Address Line2		Amount of Bond Principal Retired during the Reporting Year	1166309
City	SENECA FALLS	Amount of Bond Principal Retired Prior to Reporting Year	6491095
State	NY	Current Amount of Bonds Outstanding	\$6,257,777.00
Postal Code	13148	Purpose of Project Requiring the Bond Issuance	Commercial Property Construction/Acquisition/Revitalization/ Improvement
Plus4		Was the Bond Issuance Expected to Result in New Jobs Being Created?	No
Province/Region		If yes, How Many Jobs Were Planned to be Created?	
Country	United States	If yes, How Many Jobs Have Been Created to Date?	
Amount of Bonds Issued	\$13,915,181.00	Have the Bonds Been Fully Retired?	No
Date Bonds Issued	6/2/2016		



BUSINESS
ADVISORS
AND CPAS

**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 Members of
Seneca County
Funding Corporation
A Component Unit of Seneca County, New York

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 Funding Corporation (Corporation), a component unit of Seneca County, New York, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Seneca County Funding Corporation (Corporation), a component unit of Seneca County, New York's financial statements, and have issued our report thereon dated March 21, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Seneca County Funding Corporation (Corporation), a component unit of Seneca County, New York's internal control over financial reporting as a basis for designing 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 Funding Corporation (Corporation), a component unit of Seneca County, New York's internal control. Accordingly, we do not express an opinion on the effectiveness Seneca County Funding Corporation (Corporation), a component unit of Seneca County, New York's internal control.

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. 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Seneca County Funding Corporation (Corporation), a component unit of 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 financial statements. 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*.

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 21, 2023

**SENECA COUNTY FUNDING CORPORATION
(A Component Unit of Seneca County, New York)**

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2022

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	No
2. Significant deficiency(ies) identified	No
c) Noncompliance material to financial statements noted	No

II. Financial Statement Findings

There were no current year findings and there were no prior year findings.