

**Steuben County Economic Development Council
7234 Route 54 North
PO Box 393
Bath, NY 14810
September 22, 2022 Regular Meeting Notice**

The Steuben County Economic Development Council will hold a Regular Business Meeting immediately following the Steuben County IDA Regular Business Meeting on September 22, 2022.

Mark Alger
Chair

STEUBEN AREA ECONOMIC
DEVELOPMENT CORPORATION
AGENDA
REGULAR MEETING
September 22, 2022

- | | |
|---|---------|
| I. Call to Order | Alger |
| II. Treasurer's Report | Russo |
| a) August 2022 Financials | |
| b) Auditing Services Proposal Received
Kristie M. Beach, CPA, PLLC | Russo |
| III. Secretary's Report | Strobel |
| a) April 28, 2022 Minutes | |
| IV. New Business | |
| a) 2023 Proposed Budget | Johnson |
| b) 2023 EDC Proposed Budget – PARIS Format | Johnson |
| V. Adjournment | Alger |

Steuben Area Economic Development Corporation
Profit & Loss Budget Performance
 August 2022

	Aug 22	Budget	Jan - Aug 22	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
2140 · Administrative Income	0.00	0.00	0.00	4,600.00	7,600.00
7010 · Interest Income	147.65	15.00	147.65	140.00	200.00
Total Income	147.65	15.00	147.65	4,740.00	7,800.00
Expense					
6035 · Administrative Expense	0.00	0.00	1,500.00	1,500.00	1,500.00
6180 · Insurance					
6185 · Liability Insurance	0.00	0.00	401.00	0.00	0.00
Total 6180 · Insurance	0.00	0.00	401.00	0.00	0.00
6270 · Professional Fees					
6650 · Accounting	0.00	0.00	975.00	2,000.00	2,000.00
6270 · Professional Fees - Other	0.00	0.00	0.00	0.00	0.00
Total 6270 · Professional Fees	0.00	0.00	975.00	2,000.00	2,000.00
6670 · Program Expense	0.00	0.00	3,600.00	3,600.00	3,600.00
6850 · Website	0.00	0.00	250.00	2,000.00	2,000.00
6900 · Marketing	0.00	0.00	100.00	2,000.00	2,000.00
Total Expense	0.00	0.00	6,826.00	11,100.00	11,100.00
Net Ordinary Income	147.65	15.00	-6,678.35	-6,360.00	-3,300.00
Net Income	147.65	15.00	-6,678.35	-6,360.00	-3,300.00

Steuben Area Economic Development Corporation
Balance Sheet
As of August 31, 2022

Aug 31, 22

ASSETS

Current Assets

Checking/Savings

200 · FIVE STAR checking 139,142.72

201 · Five Star CD - 223481041 98,578.55

Total Checking/Savings 237,721.27

Total Current Assets 237,721.27

TOTAL ASSETS 237,721.27

LIABILITIES & EQUITY

Equity

1110 · Retained Earnings -106,005.81

3000 · Opening Bal Equity 350,405.43

Net Income -6,678.35

Total Equity 237,721.27

TOTAL LIABILITIES & EQUITY 237,721.27

Kristie M. Beach

CPAs, PLLC

Webster, New York
585-721-5663
kmbeachcpa.com

August 29, 2022

Mr. James Johnson, Executive Director
Ms. Stacy Housworth, Finance and Compliance Manager
Steuben County Industrial Development Agency
Steuben County Economic Development Corporation
7234 Route 54 North
P.O. Box 393
Bath, New York 14810-0393

Dear Jamie and Stacy:

Attached is our proposal to provide audit and related services to the Steuben County Industrial Development Agency and Steuben County Economic Development Corporation for the years ending December 31, 2022, 2023 and 2024.

Please call me if you have any questions with regard to this proposal.

Very truly yours,

KRISTIE M. BEACH, CPAs, PLLC

Kristie M. Beach
Kristie M. Beach, CPA
Partner

KMB:kms

Enclosure

STEUBEN COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
STEUBEN COUNTY
ECONOMIC DEVELOPMENT CORPORATION

Proposal to Provide
Professional Auditing Services
Years ending December 31, 2022, 2023 and 2024



KRISTIE M. BEACH, CPAs, PLLC

Kristie M. Beach, CPA
Partner

kmbeach@kmbeachcpa.com

August 29, 2022

Kristie M. Beach

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Steuben County Industrial Development Agency
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7234 Route 54 North
P.O. Box 393
Bath, New York 14810-0393

Dear Jamie and Stacy:

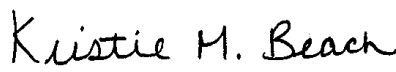
We are pleased to submit our proposal to provide audit and related services to the Steuben County Industrial Development Agency ("SCIDA") and the Steuben County Economic Development Corporation ("SCEDC") for the years ending December 31, 2022, 2023 and 2024. We believe Kristie M. Beach, CPAs, PLLC ("KMB, CPAs") is highly qualified to provide audit and related services to the SCIDA and SCEDC based on:

- Our experience with regard to providing audit and related services to governmental and nonprofit organizations on an annual basis.
- Our experience with regard to providing audit and related services for organizations required to have audits which are performed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.
- Our ability to provide quality services on a timely basis for reasonable fees.

We would consider it a distinct privilege to provide professional services as outlined in this proposal or any additional services you desire. Simply put, we want to be your auditor and business consultant. Please contact me if there are any questions regarding this proposal.

Very truly yours,

KRISTIE M. BEACH, CPAs, PLLC


Kristie M. Beach, CPA
Partner

COMPANY PHILOSOPHY

Kristie M. Beach, CPAs, PLLC (“KMB, CPAs”) was founded on the principle of providing clients with the same high quality level of service expected from a national firm yet with the dedicated involvement that can only be developed by personal attention. The primary mission of the Company has always been helping our clients succeed. We are committed to delivering services targeted to each client’s critical needs and industry niche.

KEY CONSIDERATIONS REGARDING KRISTIE M. BEACH, CPAs, PLLC

Our Company has achieved its present position in the accounting profession by providing quality services on a timely basis, for reasonable fees. Accounting companies should be evaluated in light of several important conditions:

- The Company’s qualifications, experience and its ability to provide auditing, accounting and consulting services for a reasonable fee.
- The Company’s ability to assemble and commit a team of professionals experienced in providing audit, accounting and consulting services for public benefit corporations and governmental organizations.
- The Company’s involvement of client personnel and active participation and coordination on a year-round basis.
- The Company’s commitment to provide services which will contribute to the success of our clients.

In the following paragraphs, we will demonstrate that KMB, CPAs is the accounting company best qualified to serve Steuben County Industrial Development Agency (“SCIDA”) and Steuben County Economic Development Corporation (“SCEDC”).

COMPANY QUALIFICATIONS AND EXPERIENCE

KMB, CPAs provides audit, accounting and consulting services to governmental and nonprofit organizations on an annual basis. We are very familiar with generally accepted *Government Auditing Standards* (GAGAS), issued by the Comptroller General of the United States. We have experience serving organizations which require an audit performed in accordance with *Government Auditing Standards* and clients that require audits performed in accordance with the provisions of Office of Management and Budget (OMB) *Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards* annually. The Company’s office is located in Webster, New York. Please see Appendix A for a detailed resume of the Company’s key members.

Steuben County Industrial Development Agency and Steuben County Economic Development Corporation – For the past ten years, with a previous firm, Kristie has performed the annual audits of both organizations of the financial statements in accordance with auditing standards generally accepted in the United States of America and the provisions of *Government Auditing Standards*, issued by the Comptroller General of the United States.

STAFF QUALIFICATIONS AND EXPERIENCE

Achieving our present position in the profession has come as a result of being responsive to the needs of our clients. A combination of a coordinated team approach and up-to-date knowledge allows for the most efficient approach to providing comprehensive professional services. Accordingly, KMB, CPAs will assemble an engagement team that will include audit personnel with extensive public benefit corporation and governmental audit experience. The key individual available to be assigned to this engagement and their role is as follows:

Kristie M. Beach, CPA will serve as the partner in charge of our relationship with Steuben County Industrial Development Agency and Steuben County Economic Development Corporation. Kristie will oversee all services provided and ensure that they are delivered in a timely and efficient manner. She will be responsible for all matters concerning accounting policy, participate in the planning phases of our engagement, review all working papers and reports prepared, and attend meetings with management and the Board. She has over 18 years of public accounting experience. She currently functions as a partner in the Company and has extensive experience in providing audit, accounting and consulting services for numerous governmental organizations, specifically public benefit corporations. Kristie is licensed in New York State as a Certified Public Accountant.

QUALITY ASSURANCE

KMB, CPAs was established in 2021 and therefore has not completed a peer review at this point. The Company is registered with the AICPA's peer review program and when required the Company will complete the first peer review process.

SPECIFIC AUDIT APPROACH

The audits are made in accordance with auditing standards generally accepted in the United States of America and, accordingly, include such tests of the accounting records and other auditing procedures as considered necessary and appropriate in order to express an opinion on the financial statements.

Although audits conducted by different company's should all comply with certain professional requirements and thus might appear identical in nature, the SCIDA and SCEDC should distinguish individual company's by at least two key factors:

1. The extent to which the company understands or expands its understanding of your SCIDA and SCEDC in advance of the audit and tailors its auditing procedures to the conditions and needs of the SCIDA and SCEDC.
2. The pertinent skills and processes the auditor can bring to bear upon the engagement to ensure an effective and efficient audit.

Audit examinations performed by KMB, CPAs are conducted from a risk-based approach. This approach yields two major benefits:

- Maximization of understanding of the Organization's operating environment, and
- Minimization of audit time by starting with broad considerations and narrowing to specific audit objectives in critical areas.

The audit of the financial statements of Steuben County Industrial Development Agency and Steuben County Economic Development Corporation will consist of the following four phases:

- Planning
 - Systems evaluation
 - Testing
 - Reporting
- Planning is the first step in the audit engagement and provides the foundation for the direction of the audit. This phase of the audit involves meeting with the Finance Committee and management of the SCIDA and SCEDC to clearly identify the lines of communication, perform the risk analysis, discuss the audit scope and concerns and set expectations. While facilitating an understanding between our Company and the SCIDA and SCEDC, we highlight areas, which will receive emphasis during our audit. This type of analytical review process permits identification of critical areas. As a result, appropriate audit procedures are focused therein.
 - Systems Evaluation consists of the following steps:
 - A review of internal control systems of the SCIDA and SCEDC;
 - A review of the information technology systems utilized by the Organization to prepare its accounting records and monitor compliance with regulatory requirements;
 - An identification of control strengths and weaknesses in management and accounting controls; and
 - The development of a tailored audit program to be responsive to the SCIDA and SCEDC's concerns and reflective of the internal control system.
 - Testing is the largest part of the audit process and includes both compliance test of internal controls and regulatory requirements and substantive test of the SCIDA and SCEDC's financial data.

KMB, CPAs uses sampling in selecting items for examination by compliance and/or substantive tests where it is determined to be cost beneficial to sample the population. The Company has a policy which contains procedures for the control and evaluation of sampling risk, selection of samples, and evaluation of sample results.

Audit sampling will normally be used to perform the following tests:

- Substantive tests as part of the audit of the SCIDA and SCEDC's basic financial statements;
 - Compliance tests to provide reasonable assurance that internal control (accounting and administrative) procedures used in administering financial assistance programs are being applied as prescribed; and
 - Substantive tests of compliance with laws and regulations as part of the audit of the basic financial statements and for the purpose of reporting on compliance with laws and regulations.
- Reporting is completed at the conclusion of the audit process. This phase will include the preparation of the draft financial statements and management letter. Management of the SCIDA and SCEDC's will be provided drafts of all reports. These drafts will be reviewed in detail and any questions or concerns of management will be appropriately addressed. Reports will only be finalized after approval of management and the Finance Committee of the SCIDA and SCEDC.

The management letter will discuss internal control recommendations and suggestions for procedural improvements that were identified as part of the audit. The letter will also include observations about accounting methods and procedures, business and industry practices or issues, operational ideas, and suggestions to further enhance the SCIDA and SCEDC's operations. KMB, CPAs will advise the SCIDA and SCEDC of any new accounting pronouncements that have been or may be issued and indicate their potential impact.

As part of our risk assessment procedures of the SCIDA and SCEDC, KMB, CPAs will review and document the five components of internal control. A description of the components of internal control is as follows:

- Control environment sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.
- Risk assessment is the entity's identification and analysis of relevant risks to the achievement of its objectives. This forms a basis for determining how the risks should be managed.
- Control activities are the policies and procedures that help to ensure that management's directives are carried out.
- Information and communication are the means to identify, capture, and exchange information in a form and time frame that enable people to carry out their responsibilities.
- Monitoring is the process that assesses the quality of internal control performance over time.

Reporting to the Board

Any findings related to internal control over financial reporting or compliance will be communicated to management during the course of the engagement and in the exit conference. This will afford management the opportunity to provide comments and additional information for consideration. As required by professional standards, we will ensure that the Board of Directors will be informed of the following:

- The auditors' responsibility under auditing standards generally accepted in the United States of America.
- The auditors' responsibility under *Government Auditing Standards*.
- Significant accounting policies.
- Management judgments and accounting estimates.
- Significant audit adjustments.
- Other information in documents containing audited financial statements.
- Disagreements with management.
- Management consultation with other accountants.
- Major issues discussed with management prior to retention.
- Difficulties encountered in performing the audit.
- Any other matter which may be important to the fair presentation of the SCIDA and SCEDC financial statements.

SCOPE OF SERVICES

The following is an outline of the services to be provided to Steuben County Industrial Development Agency and Steuben County Economic Development Corporation for the years ending December 31, 2022, 2023 and 2024:

Steuben County Industrial Development Agency

- Audit the financial statements 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. The primary purpose of this audit is the expression of an opinion as to the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.
- Issue a report on internal control over financial reporting and a report on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- Prepare a letter to management detailing comments and suggestions for improvements in internal controls or general management techniques that come to our attention during the audit. We will review and explain all observations and recommendations so that appropriate changes may be implemented.
- Attend an entrance and exit interview and presentation of the draft audit reports with the Finance Committee and Board of Directors.
- Attend a meeting with the Board of Directors to review the results of our audit of the financial statements and trends that could impact the Agency.
- Prepare U.S. Form 1099-MISC - "Miscellaneous Information."
- Prepare workpapers related to the NYS Authorities Budget Office PARIS report.
- Perform audit of project schedule included in the supplementary information of the financial statements.
- Maintain contact throughout the year to discuss: (a) changes in accounting which could affect the Agency and (b) the progress toward fulfilling current needs and future objectives.

Steuben Area Economic Development Corporation

- Audit the financial statements 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. The primary purpose of this audit is the expression of an opinion as to the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.
- Issue a report on internal control over financial reporting and a report on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

- Prepare a letter to management detailing comments and suggestions for improvements in internal controls or general management techniques that come to our attention during the audit. We will review and explain all observations and recommendations so that appropriate changes may be implemented.
- Attend an entrance and exit interview and presentation of the draft audit reports with the Finance Committee and Board of Directors.
- Attend a meeting with the Board of Directors to review the results of our audit of the financial statements and trends that could impact the Corporation.
- Prepare U.S. Form 990 - "Return of Organization Exempt from Income Tax."
- Prepare U.S. Form 1099-MISC - "Miscellaneous Information."
- Prepare workpapers related to the NYS Authorities Budget Office PARIS report.

TIMING AND COST

Upon receiving notice of appointment as auditor, KMB, CPAs will meet with the SCIDA and SCEDC and establish a definite time program for the performance of our services. The time program will be established to ensure that work is efficient and structured in such a way as to avoid disrupting the day-to-day routine duties of your staff. The following is an estimated timetable related to performance of our services for the audits:

<u>Task</u>	<u>Deadline</u>
Commencement of fieldwork	Approximately February 1 st
Issue draft report	Approximately March 15 th
Issue final report	By March 31 st

The fee quote is based upon the estimated time that will be spent on the engagement and the qualifications of the personnel that will be assigned. On the basis of our experience with governmental and nonprofit organizations similar to the SCIDA and SCEDC, we have determined the fees that will be charged for the aforementioned services for the years ending December 31, 2022, 2023 and 2024 to be as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Steuben County			
Industrial Development Agency	\$9,500	\$10,450	\$11,495
Steuben Area Economic Development Corporation	<u>1,750</u>	<u>1,925</u>	<u>2,100</u>
Total	<u>\$11,250</u>	<u>\$12,375</u>	<u>\$13,595</u>

These are the ALL-INCLUSIVE FEES to be charged to the SCIDA and SCEDC and includes report reproduction costs and similar expenses (travel, postage, phone, etc.).

We consider ourselves not only an auditor but also advisors to our clients. Accordingly, we encourage our clients to contact us throughout the year to discuss any technical matters or other issues that arise. We consider this service an integral part of our overall client relationship and accordingly, do not bill separately for any of these questions.

Billing Policies

Our goal is to provide your organization with the highest quality service at the greatest value with a team personally devoted to your organization. Our fees are based as a product of the time spent on the engagement and the billing rates and related experience of the individuals involved. Our fees will not exceed the amounts quoted, and are based on the understanding that (1) the overall condition of the financial and accounting records is excellent (require few or no adjusting entries); (2) we receive full support from your accounting personnel necessary for the preparation of all items discussed in our client assistance letter; and (3) the preparation of items in our client assistance letter (in electronic format whenever possible) will be completed prior to our arrival to begin fieldwork. This allows us to concentrate our efforts on matters requiring objective review and judgment. It is our policy to notify you immediately if we encounter significant or unusual problems during the course of the engagement prior to incurring additional time. Our standard billing policy includes monthly progress billings and submission of a final bill upon completion of an engagement.

A mutually agreed-upon payment plan would be acceptable in lieu of our standard billing practice. Our standard hourly rates are as follows:

- | | | | |
|------------|---------------|--------------|---------------|
| • Partner | \$320 - \$355 | • Supervisor | \$165 - \$175 |
| • Director | \$230 - \$250 | • Senior | \$135 - \$145 |
| • Manager | \$200 - \$220 | • Staff | \$120 - \$130 |

Please note the above rates would be blended into an agreed upon standard rate before we would move forward with any additional work.

OTHER SIGNIFICANT INFORMATION

- Technology - All of our field staff are equipped with laptop computers and have access to various software packages and databases (e.g. data extraction software, flowchart software, Microsoft Office, etc.) and other electronic means to ensure that the audit is performed in the most efficient manner.
- Continuing Education - With regard to continuing professional education, each of our staff members is required to complete an annual minimum of 40 hours of continuing education programs approved by the American Institute of Certified Public Accountants. Additionally, since we perform audits in accordance with *Government Auditing Standards*, our staff members must complete at least 24 of the 80 hours (over a two-year period) of continuing education in subjects directly related to the government environment and government auditing.
- Affirmative Action - KMB, CPAs is an equal opportunity employer and as such possesses a firm commitment to affirmative action and to hiring only the best-qualified candidates regardless of gender or ethnic origin. Our Company does not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability or marital status.

* * * * *

KMB, CPAs would consider it a distinct privilege to provide professional services as outlined in this letter or any additional services the SCIDA and SCEDC may desire. Please contact us if you have any questions regarding this letter.

A copy of this letter is enclosed; if the terms of this proposal are satisfactory to you please sign the copy and return it to me at your convenience.

ACCEPTED:

KRISTIE M. BEACH, CPAs, PLLC

STEBEN COUNTY INDUSTRIAL DEVELOPMENT
AGENCY AND STEUBEN COUNTY ECONOMIC
DEVELOPMENT CORPORATION

By: Kristie M. Beach
Kristie M. Beach, CPA
Partner

By: _____

Date: August 29, 2022

Date: _____

Appendix A

Detailed Resume of Key Company Members

Kristie M. Beach

CPAs, PLLC

Kristie M. Beach, CPA **Partner**



Kristie is a *Partner* of Kristie M. Beach, CPAs, PLLC which formed in 2021. Formerly Kristie was a Director in the EFPR Group's Attest department. Kristie began with EFPR Group in 2003 until forming Kristie M. Beach, CPAs, a woman owned business, in 2021. She has a wide range of experience working with governments, school districts and not-for-profit organizations.

Kristie's clients include various counties, towns, school districts and other governmental entities as well as closely performing the audits of many not-for-profit organizations. Kristie attends multiple government and not-for-profit accounting and auditing updates throughout the year.

Kristie is a Forty under 40, Class of 2013 award winner. This is an honor given to individuals who have achieved professional success and made significant civic contributions in the Community. Hundreds of people are nominated, and only the best of the best are recognized.

Professional and Community Affiliations

American Institute of Certified Public Accountants (AICPA)

Rochester Hearing and Speech Center, *Board of Directors and Finance Committee Member*

Awards

Rochester Business Journal Forty Under 40, Class of 2013

Practice Areas

Accounting & Auditing

Governmental Accounting

Not-for-Profit Accounting

Industry

Government

Not-for-Profit

Education

SUNY Geneseo, BS, Accounting

September 14, 2022

Mr. Mark Alger, Board Chairman
Steuben County Economic Development Corporation
7234 Route 54
Bath, New York 14810

Dear Mr. Alger:

We are pleased to confirm our understanding of the services we are to provide for Steuben County Economic Development Corporation for the year ended December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of Steuben County Economic Development Corporation, which comprise the statement of financial position as of December 31, 2022, the related statements of activities and cash flows for the year then ended, and the disclosures (collectively, the “financial statements”).

The objectives of our audit 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 issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor’s Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Audit Procedures—Internal Control

We will obtain an understanding of the Organization and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Steuben County Economic Development Corporation's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will prepare the Organization's federal and state information returns for the year ended December 31, 2022 for the Internal Revenue Service and New York State Charities Bureau based on information provided by you. We will also assist in preparing the financial statements and related notes of Steuben County Economic Development Corporation in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the information return, but management must make all decisions with regard to those matters.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2)

employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The Organization is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities for the tax services, financial statements, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with the preparation of the financial statements and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Independence

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to your Organization and in the performance of our services. Any discussions that you have with personnel of our Firm regarding employment could pose a threat to our independence. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence. In addition, if you hire one of our personnel, you agree to pay us a fee of 20% of that individual's annual base compensation at your Organization within 90 days from the first day of employment.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Kristie M. Beach, CPAs, PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulators or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality

review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Kristie M. Beach, CPAs, PLLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the regulators. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Kristie M. Beach, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately January 30, 2023.

We estimate that our fees for these services described above to be \$1,750 for year ended December 31, 2022. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

Our invoices for these fees will be rendered as work progresses and are due upon receipt. We will charge interest at the rate of 1% per month on all bills 30 days or more past due. The charge in interest on an annual basis is 12%. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of Monroe and state of New York by NAM (National Arbitration and Mediation Inc.), according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to New York State law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Reporting

We will issue a written report upon completion of our audit of Steuben County Economic Development Corporation's financial statements. Our report will be addressed to the Board of Directors of Steuben County Economic Development Corporation. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

Mr. Mark Alger, Board Chairman
Steuben County Economic Development Corporation
September 14, 2022
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We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that Steuben County Economic Development Corporation is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,



Kristie M. Beach, CPAs, PLLC

/gt
Enc.

RESPONSE:

This letter correctly sets forth the understanding of Steuben County Economic Development Corporation.

Management signature: _____

Title: _____

Date: _____

Steuben County Economic Development Corporation
7234 Route 54N, P.O. Box 393, Bath, NY 14810
Minutes of the Regular Meeting April 28, 2022

- I. CALL TO ORDER:** The Regular Meeting of the Steuben County Economic Development Corporation was called to order at 12:00 pm, by Chairman Mark Alger. Chairman Alger confirmed that there was a quorum present.

Present:	Mark Alger	Chairman
	Scott VanEtten	Vice Chair
	Dean Strobel	Secretary
	Mike Davidson	Member
	Christine Sharkey	Member (via Zoom)
	Michelle Caulfield	Member (via Zoom)

Absent:	Tony Russo	Treasurer
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Staff:	James Johnson	Executive Director
	Jill Staats	IDA Staff
	Stacy Housworth	IDA Staff
	Russ Gaenzle	SCIDA Counsel

Guests:	Kam Keeley	Three Rivers Development
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Executive Director Johnson introduced Ryan Silva, Executive Director of the NYS Economic Development Council, to the Board members.

II. Secretary's Report:

A motion to approve the March 24, 2022 Steuben County Economic Development Corporation's Regular Meeting minutes was made by Scott VanEtten, seconded by Mike Davidson. All in favor. Approved.

III. New Business:

a) Corning Foundation Mortgage Release

The Steuben County Economic Development Corporation became the conduit of an \$8 million grant to assist with the redevelopment of the former Corning Hospital site redevelopment. To facilitate this, the EDC issued a mortgage on the Corning Community College Health Education Center to provide protection against any potential claw back of the grant proceeds. NYS has relieved the EDC from obligation under the original terms of the grant and the board made a

motion to release the mortgage. A motion to release the mortgage was made by Scott VanEtten, seconded by Mike Davidson. All in favor. Approved.

IV. ADJOURNMENT

With no further business to discuss, a motion was made by Dean Strobel to adjourn the meeting at 12:05 pm, seconded by Scott VanEtten. All in favor. Approved.

Respectfully submitted,

Dean Strobel
Secretary

Steuben Area Economic Development Corporation

Account	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2022 Anticipated	2023 Budget	Difference in Budget 22 to 23
Corning CC Foundation Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2140 · Administrative Income	\$ -	\$ 7,600	\$ 25	\$ 7,600	\$ 25	\$ 7,600	\$ -
7010 · Interest Income	\$ 319	\$ 200	\$ 93	\$ 200	\$ 200	\$ 200	\$ -
Total Revenue and Financing Sources	\$ 319	\$ 7,800	\$ 118	\$ 7,800	\$ 225	\$ 7,800	\$ -
Corning Properties							
6035 · Administrative Expense	\$ -	\$ 1,000	\$ 1,000	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
6140 · Contributions	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -
6180 · Insurance	\$ -	\$ -	\$ -	\$ -	\$ 401	\$ 420	\$ (420)
6175 · Grant Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6240 · Miscellaneous	\$ 1,250	\$ -	\$ 401	\$ -	\$ 500	\$ -	\$ -
6270 · Professional Fees:6650 · Accounting	\$ 1,850	\$ 2,500	\$ 1,950	\$ 2,000	\$ 975	\$ 1,750	\$ 250
6670 · Program Expense	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ -
6850 - Website	\$ 250	\$ -	\$ 314	\$ 2,000	\$ 250	\$ 2,000	\$ -
6851 - Technology	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ (1,500)
6900 · Marketing	\$ 3,000	\$ 5,000	\$ -	\$ 2,000	\$ -	\$ 4,000	\$ (2,000)
Total Expenditures	\$ 9,950	\$ 13,600	\$ 7,265	\$ 11,100	\$ 7,326	\$ 14,770	\$ (3,670)
Excess (Deficiency) of Revenues and Capital Contributions Over Expenditures	\$ (9,631)	\$ (5,800)	\$ (7,147)	\$ (3,300)	\$ (7,101)	\$ (6,970)	\$ 3,670

Budget & Financial Plan 2023

Budgeted Revenues, Expenditures, and Changes in Current Net Assets

	Last Year (Actual) 2021	Current Year (Estimated) 2022	Next Year (Adopted) 2023	Proposed 2024	Proposed 2025	Proposed 2026
Revenue & Financial Sources						
<u>Operating Revenues</u>						
Charges for Services	\$ -	\$ -	\$ 7,600	\$ 7,828	\$ 8,063	\$ 8,305
Rentals & Financing Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Revenues	\$ 25	\$ 25	\$ -	\$ -	\$ -	\$ -
Non-Operating Revenues				\$ -	\$ -	\$ -
Investment Earnings	\$ 93	\$ 200	\$ 200	\$ 206	\$ 212	\$ 219
State Subsidies / Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Subsidies / Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Subsidies / Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Authority Subsidies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from the Issuance of Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues & Financing Sources	\$ 118	\$ 225	\$ 7,800	\$ 8,034	\$ 8,275	\$ 8,523
Expenditures						
<u>Operating Expenditures</u>						
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Employee Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Services Contracts	\$ 1,950	\$ 975	\$ 1,750	\$ 1,803	\$ 1,857	\$ 1,912
Supplies and Materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Expenditures	\$ 5,315	\$ 6,351	\$ 13,020	\$ 13,411	\$ 13,813	\$ 14,227
<u>Non-Operating Expenditures</u>						
Payment of Principal on Bonds and Financing Arrangements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and other Financing Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subsidies to Other Public Authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Asset Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Operating Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 7,265	\$ 7,326	\$ 14,770	\$ 15,213	\$ 15,669	\$ 16,140
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues and Capital Contributions Over Expenditures	\$ (7,147)	\$ (7,101)	\$ (6,970)	\$ (7,179)	\$ (7,394)	\$ (7,616)