

**SUFFOLK COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

**SCHEDULE OF CASH, CASH EQUIVALENTS
AND INVESTMENTS
WITH INDEPENDENT AUDITOR'S REPORT
December 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors
Suffolk County Economic Development Corporation
Hauppauge, New York

Report on the Audit of the Schedule of Cash, Cash Equivalents and Investments

Opinion

We have audited the accompanying Schedule of Cash, Cash Equivalents and Investments of the Suffolk County Economic Development Corporation (the Corporation), a component unit of the County of Suffolk, New York, as of December 31, 2023, and the related notes to the Schedule of Cash, Cash Equivalents and Investments as listed in the table of contents.

In our opinion, the accompanying Schedule of Cash, Cash Equivalents and Investments and related notes referred to above presents fairly, in all material respects, the cash, cash equivalents and investments of the Corporation as of December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule of Cash, Cash Equivalents and Investments 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule of Cash, Cash Equivalents and Investments

Management is responsible for the preparation and fair presentation of the Schedule of Cash, Cash Equivalents and Investments 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 the Schedule of Cash, Cash Equivalents and Investments that are free from material misstatement, whether due to fraud or error.

In preparing the Schedule of Cash, Cash Equivalents and Investments, 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 within one year after the date that the Schedule of Cash, Cash Equivalents and Investments is available to be issued.

Auditor's Responsibilities for the Audit of the Schedule of Cash, Cash Equivalents and Investments

Our objectives are to obtain reasonable assurance about whether the Schedule of Cash, Cash Equivalents and Investments as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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. 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 Schedule of Cash, Cash Equivalents and Investments.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, 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 to the Schedule of Cash, Cash Equivalents and Investments.

- 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 Schedule of Cash, Cash Equivalents and Investments.
- 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.

Other Matter

We have audited, 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 financial statements of the Corporation as of and for the year ended December 31, 2023, and our report thereon, dated March 28, 2024, expressed an unmodified opinion on those financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024 on our consideration of the Corporation'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 with respect to the Schedule of Cash, Cash Equivalents and Investments. The purpose of that report is solely 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 the effectiveness of the Corporation's 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 Corporation's internal control over financial reporting and compliance with respect to the Schedule of Cash, Cash Equivalents and Investments.

Sheehan & Company CPA, P.C.

Brightwaters, New York
March 28, 2024

**SCHEDULE OF CASH, CASH EQUIVALENTS,
AND INVESTMENTS**

**SUFFOLK COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

**SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS
December 31, 2023**

Cash and cash equivalents	\$ <u>830,551</u>
Total cash and cash equivalents	<u><u>\$ 830,551</u></u>

The accompanying notes are an integral
part of this schedule.

SUFFOLK COUNTY ECONOMIC DEVELOPMENT CORPORATION

NOTES TO SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS

1. Nature of Organization

The Suffolk County Economic Development Corporation (the Corporation) was formed on March 25, 2010 and is a corporation as defined in Subparagraph (a)(5) of Section 102 of the New York Not-for-Profit Corporation Law and is a local development corporation pursuant to Section 201 of said law and has all the powers conferred by Section 1411(c) of said law. The Corporation is a quasi-governmental, tax-exempt agency that was created to promote employment and maintain job opportunities; instruct, or train individuals to improve or develop their capabilities for such jobs; and attract or retain industry within the County of Suffolk, New York (the County). The Corporation is authorized to finance facilities for not-for-profit corporations; acquire and sell or lease the acquired property; and issue bonds in order to carry out the Corporation's purpose. The County is not liable for the payment of principal or interest on any of the bonds of the Corporation.

The Corporation is governed by a seven-member Board of Directors whose members are appointed by the Suffolk County Legislature and is considered a component unit of the County. All governmental activities and functions performed for the Corporation are its direct responsibility.

2. Summary of Significant Accounting Policies

Cash, cash equivalents, and investments: Cash equivalents are defined as short-term highly liquid investments including money markets. The Corporation does not have any investments at December 31, 2023.

3. Cash, Cash Equivalents and Investments

Cash and cash equivalents consist of funds deposited in bank accounts with original maturities of less than three months. The Corporation's investments are governed by a formal investment policy. The Corporations' monies must be deposited in FDIC-insured commercial banks or trust companies located within the State.

Collateral is required for demand deposits and time deposits accounts of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. The Corporation's collateral agreements are based on the Corporation's available balance.

SUFFOLK COUNTY ECONOMIC DEVELOPMENT CORPORATION

NOTES TO SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS

3. Cash, Cash Equivalents and Investments (continued)

Custodial credit risk - deposits investments - Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, an organization may be unable to recover deposits, or recover collateral securities that are in possession of an outside Corporation. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, an organization will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

Deposits are required to be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

- Uncollateralized,
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Corporation's name.

At December 31, 2023, the Corporation's cash and cash equivalents were fully insured by the Federal Depository Insurance Corporation or collateralized by securities held in the pledging bank's trust department or agent in the Corporation's name or covered by an irrevocable stand-by letter of credit issued by Federal Home Loan Bank of New York, which is held by the pledging financial institution, in the Corporation's name.

Interest-rate risk - Interest-rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase, thereby, affording potential purchasers more favorable rates on essentially equivalent securities. Accordingly, such investments would have to be held to maturity to avoid a potential loss.

Concentration of credit risk - Credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5% or more in securities of a single issuer.

At December 31, 2023, the Corporation did not have any investments subject to interest-rate risk or concentration of credit risk.

INTERNAL CONTROL

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE
SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Members of the Board of Directors
Suffolk County Economic Development Corporation
Hauppauge, 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 Schedule of Cash, Cash Equivalents and Investments of the Suffolk County Economic Development Corporation (the Corporation) as of December 31, 2023 and the related notes to the Schedule of Cash, Cash Equivalents and Investments, and have issued our report thereon dated March 28, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the Schedule of Cash, Cash Equivalents and Investments, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule of Cash, Cash Equivalents and Investments, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Schedule of Cash, Cash Equivalents and Investments 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.

To the Members of the Board of Directors
Suffolk County Economic Development Corporation
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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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's Schedule of Cash, Cash Equivalents and Investments is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, investment policies established by the Corporation, Section 2925 of the New York State Public Authorities Law and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities Guidelines*, noncompliance with which could have a direct and material effect on the Schedule of Cash, Cash Equivalents and Investments. 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.

Sheehan & Company CPA, P.C

Brightwaters, New York
March 28, 2024