

MINUTES of the **AUDIT COMMITTEE MEETING** of the **ERIE COUNTY WATER AUTHORITY** held in the office, 295 Main Street, Room 350, Buffalo, New York, on the 23rd day of March 2023.

PRESENT: Jerome D. Schad, Chair
Peggy A. LaGree, Vice Chair
Michele M. Iannello, Treasurer (via videoconference)
Terrence D. McCracken, Secretary to the Authority
Joyce A. Tomaka, Chief Financial Officer
Mark S. Carney, General Counsel
Russell J. Stoll, Chief Operating Officer
Katherine A. Gillette, Associate Attorney
Jessica R. Brown, Comptroller
Jennifer Hibit, Director of Human Resources
Lavonya C. Lester, Director of Administration
Sabrina A. Figler, Director of Water Quality
David W. Aubertine, Director of Cybersecurity and Information Technology
Matthew W. Barrett, Security Officer

ATTENDEES: Nichole Ruf, Drescher and Malecki
Jared Pickard, Drescher and Malecki
Brian Gould, e3 Communications

PLEDGE TO THE FLAG

I. CALL TO ORDER/ROLL CALL

The meeting was called to order at 9:30 a.m. A quorum was present with three Commissioners.

II. READING OF MINUTES

III. APPROVAL OF MINUTES

IV. REPORTS

V. UNFINISHED BUSINESS

VI. NEW BUSINESS

A. Audit Drescher and Malecki – 2022 Audited Financial Statements

DISCUSSION

Nichole Ruf of Drescher & Malecki reported on the draft 2022 Audited Financial Statements. Drescher & Malecki has issued clean unmodified opinions on the financial statements. The financial statements include a report on internal control in accordance with government and auditing standards. The report did not show any material weaknesses or deficiencies throughout the year. The schedule of overhead percentage and schedule of cash investment are schedules audited separately from the financial statements which were also given an unmodified opinion. As a conclusion to the audit, nothing came to Drescher & Malecki's attention that caused them to believe that the Authority failed to comply with Section 2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2020. Ms. Ruf noted that the Governmental Accounting Standards Board ("GASB") has announced new standards which need to be evaluated to see if they have an impact on the Authority in the upcoming years. Ms. Ruf described the Annual Comprehensive Report which is issued in June. It consists of a national agency of independent reviewers evaluating the financial statements for transparency and the necessary requirements. Ms. Ruf stated the report will be issued to the Board by the end of June. She noted that Drescher and Malecki will be assisting in the evaluation of current leases of the Authority and help to implement them for the current year. Chairman Schad asked to clarify the OPEB figure for 2022 Operating Expenses. Ms. Ruf explained that there was a dramatic shift in the OPEB estimate which caused a negative OPEB expense which presents like a revenue for the Authority. Chairman Schad inquired if they audited change orders. Ms. Ruf reported that they had not due to the Authority's streamlined process and not finding any issues in previous years but would add them into next year's audit.

VII. ADJOURNMENT

Motion by Ms. LaGree seconded by Ms. Iannello and carried that the meeting adjourn.

DISCUSSION

None

VOTE

Ayes: Three; Commrs. Schad, LaGree and Iannello

Noes: None



Terrence D. McCracken
Secretary to the Authority

ALH