

MINUTES of the AUDIT COMMITTEE MEETING of the ERIE COUNTY WATER AUTHORITY held in the office, 350 Ellicott Square Building, Buffalo, New York, on the 19th day of November, 2015.

PRESENT: Earl L. Jann, Chairman
Jerome D. Schad, Vice Chairman
Robert N. Anderson, Treasurer
Joseph T. Burns, Secretary to the Authority
Robert F. Gaylord, Executive Director
Robert J. Lichtenthal, Jr., Deputy Director
Wesley C. Dust, Executive Engineer
Karen A. Prendergast, Comptroller
Ashley W. Johnson, Deputy Associate Attorney
Karen Prendergast, Comptroller
Joyce Tomaka, Assistant Manager of Accounting Services
Steve D'Amico, Business Office Manager
Paul H. Riester, Director of Administration
Daniel J. NeMoyer, Director of Human Resources
Paul Whittam, Director of Water Quality

ATTENDEES: Sean Dwyer
Nichole Ruf
Luke Malecki

CALL TO ORDER

PLEDGE TO THE FLAG

I. - ROLL CALL

II. - READING OF MINUTES

Motion by Mr. Anderson seconded by Mr. Schad and carried to waive the reading of the Minutes of the Audit Committee Meeting held on Thursday, March 26, 2015.

III. - APPROVAL OF MINUTES

Motion by Mr. Anderson seconded by Mr. Schad and carried to approve the Minutes of the Audit Committee Meeting held on Thursday, March 26, 2015.

IV. - REPORTS

A. 2015 Audit by Drescher & Malecki LLP

Drescher & Malecki gave a summary to the Board for the upcoming 2015 Audit.

V. - COMMUNICATIONS AND BILLS

VI. - UNFINISHED BUSINESS (NONE)

VII. - NEW BUSINESS (RESOLUTIONS)



**Preliminary Audit Meeting
November 19, 2015**

Audit Team

- Luke R. Malecki, Partner
- Nichole Ruf, Manager
- Erica Handley, Senior Auditor
- Staff auditors

Reports Anticipated

- Opinion on the Authority's financial statements for the fiscal year ending December 31, 2015
- 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
- Report on Compliance with Section 2925(3)(f) of the New York State Public Authorities Law
- Opinion on the Schedule of Cash and Investments and Schedule of Income from Cash and Investments
- Opinion on the Schedule of Overhead Percentage
- Comprehensive Annual Financial Report
- Auditors' communication letter
- Management letter

Audit Plan

- Meet with representatives to discuss areas of concern.
- Audit planning, preparation of confirmations, etc.
- Perform substantive testing procedures.
- Compile reports and draft audit opinions.
- Meet with management and Board of Commissioners to discuss results.

Audit Timing

- Planning: December 14th – December 17th
- Fieldwork: February 29th – March 18th
- Presentation: Late March
- Potential dates for exit conference and discussions.

Consideration of Fraud

- Statements on Auditing Standards outline current fraud requirements.
- Any fraud or suspected fraud?

Reporting Updates

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*.

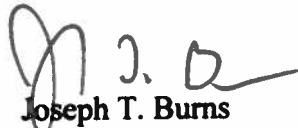
Areas of Concern/Concentration

- Significant events
- _____



VIII. - ADJOURNMENT

Motion by Mr. Anderson, seconded by Mr. Schad and carried that the meeting adjourn.

A handwritten signature in dark ink, appearing to read "J. T. Burns", is written over the printed name.

Joseph T. Burns
Secretary to the Authority

SLZ