



Chautauqua, Cattaraugus, Allegany & Steuben Counties
Southern Tier Extension Railroad Authority
Center for Regional Excellence, 4039 Route 219, Suite 200, Salamanca, New York 14779
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Terry Everetts, Chairman
Richard Zink, Chief Executive Officer

STERA AUDIT COMMITTEE MEETING MINUTES

October 5, 2015

The Audit Committee of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:00 AM on October 5, 2015 in the office of the Southern Tier West Regional Planning and Development Board in the Center for Regional Excellence, 4039 Route 219, Suite 200, Salamanca, New York. The following persons were in attendance:

Committee Members In Attendance

Crystal Abers
Mitchell Alger, STERA CFO
Jay Gould
Randolph Weaver

Representing

Cattaraugus County
Allegany County
Chautauqua County
Steuben County

Committee Members Not In Attendance

James Griffin, Committee Chairman

Representing

Steuben County

Others Attending

Richard Zink

Representing

STERA CEO

1. Call to Order and Introduction of Those Present

In the absence of Chairman Griffin, Acting Chairman Gould called the meeting to order at 9:00 AM.

2. Reading and Approval of the Minutes of the Previous Meeting (June 15, 2015)

The Committee approved the minutes of the June 15, 2015 meeting (Alger, Weaver) passing unanimously).

3. Review of Bank Statements and Interim Financial Statements

The Committee discussed the Treasurer's Report, including interim financial statements and bank statements for the month ending August 31, 2015. STERA CFO Mitchell Alger indicated that he had reviewed the financial statements and had approved them. The Committee adopted a resolution recommending that the Board approve the Treasurers' Report, including interim financial statements and bank statements for the month ending August 31, 2015 (Weaver, Alger, passing unanimously).

4. Unfinished Business

There was no unfinished business.

New Business

5. RFP for Audit Services

The Audit Committee reviewed and discussed the two proposals received in response to the RFP for audit services for the five years ending December 31, 2015, 2016, 2017, 2018, and 2019. The bids were as follows:

<u>Firm</u>	<u>Bid amount</u>
Bysiek CPA, PLLC	\$3,000 per year (no increase over 5 year term)
Toski & Co.	\$4,500, increasing by \$100 per year

NYS allows a public authority to retain an independent audit firm for more than five years, but the firm must change the lead partner on the audit or the partner responsible for reviewing the audit at least once every five years. An audit partner should not oversee a public authority audit for more than any consecutive five year period. Mr. Zink noted that it was time to rotate audit services. The current auditor could continue if another auditor was involved internally at Bysiek CPA, PLLC.

Mr. Griffin previously had indicated that he thought that perhaps the auditor rotation was required every three years, so perhaps STERA ought to consider a five year contract with the requirement of an auditor rotation at a minimum of 3 years, or a six year contract, with the requirement of an auditor rotation at a minimum of 3 years. Mr. Zink had indicated that he would check on the rotation requirements. The NYS ABO web site discusses auditor rotation, and does not mention anything other than a five year rotation of audit firms or a five year rotation of lead partners on the audit or a five year rotation of partners responsible for reviewing the audit. Thus STERA’s issuance of the RFP and the ultimate auditor contract, both for a five year period, would confirm to NYS requirements.

The Committee adopted a resolution recommending that the Board approve the selection of Bysiek CPA, PLLC to provide 5 years of audit services (Weaver, Alger, passing unanimously).

6. Approval of Budget for 2016

The Committee reviewed a draft budget for 2016. After discussion, the Committee adopted a resolution recommending that the Board approve the budget for 2016 (Alger, Weaver, passing unanimously).

7. Approval of Four Year Financial Plan (Budget for 2016 – 2019)

The Committee reviewed a draft Four Year Financial Plan (Budget for 2016 – 2019). After discussion, the Committee adopted a resolution recommending that the Board approve the Four Year Financial Plan (Budget for 2016 – 2019) (Alger, Weaver, passing unanimously).

8. Other New Business

There was no other new business.

9. Public Comment

There was no public comment.

10. Next Meeting Date and Agenda for Next Meeting

The Audit Committee will next meet in March 2016.

11. Adjournment

The Audit Committee meeting adjourned at 9:14 AM.

I certify that this is an accurate summary of the meeting of the Audit Committee of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority held on the date indicated above.

Name: Thomas M. Barnes

Office: Secretary

Date: October 5, 2015