



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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"This institution is an equal opportunity organization"
John Margeson, Chairman

STERA AUDIT COMMITTEE MEETING MINUTES

June 20, 2011

The Audit Committee of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:00 AM on June 20, 2011 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

Michael Brisky
Jay Gould
James Griffin, Committee Chairman

Representing

Cattaraugus County
Chautauqua County
Steuben County

Committee Members Not In Attendance

Vacancy

Representing

Allegany County

Others Attending

Richard Zink

Representing

STERA CEO and CFO/Treasurer

1. Call to Order and Introduction of Those Present

Mr. Griffin called the meeting to order at 9:00 AM.

2. Approval of Minutes of Previous Meetings

The Committee adopted a resolution approving the minutes of the March 30, 2011 meeting (Gould, Brisky, passing unanimously).

Unfinished Business

There was no unfinished business discussed at the meeting.

New Business

3. Internal Control Procedures

The Audit Committee reviewed a summary of the authority's internal control procedures, noting that as a consequence of the recommendations by the auditor at the March 30 meetings of the Audit Committee and the Executive Committee, the Executive Committee had felt that it would be appropriate for the authority to adopt an internal control procedure relating to the preparation of internal interim financial statements for review by the authority Board whereby the Audit Committee would review interim financial transactions and draft interim internal interim financial statements and the Audit Committee Chairman would physically sign off on the statements before

they are reviewed by the authority Board. The Audit Committee noted that the Governance Committee would be reviewing this new procedure and would make a recommendation regarding adoption of the procedure to the full Board for action at its June 20, 2011 meeting.

The Audit Committee indicated that it wished to make revisions in the procedure and that it would recommend to the Board that it adopt an amended procedure under which STERA would engage an external accountant to review bank statements and internally prepared financial statements before they were presented to the Audit Committee for review. Mr. Griffin indicated that the Audit Committee would meet with the accountant in advance of the STERA Board meetings. Mr. Griffin also indicated that as Audit Committee Chairman, he was not comfortable signing off on the statements before they are reviewed by the authority Board.

4. STERA-STW Contract for Administrative Services

Mr. Griffin recommended to the Audit Committee that it should recommend to the STERA Board that STERA and Southern Tier West should enter into a written contract for the provision of services by Southern Tier West to STERA. He indicated that any such contract could be written by Southern Tier West with the assistance of Brady and Swenson, and reviewed at no charge to STERA by Harris Beach.

5. Audit Committee Charter Revision

Mr. Griffin recommended to the Audit Committee that it re-review its recently revised charter and make recommendations to the STERA Board for further revision.

6. Other New Business

None.

7. Public Comment

There was no public comment.

8. Next Meeting Date and Agenda for Next Meeting

Mr. Griffin noted that the Audit Committee would next meet as needed, most likely immediately before a scheduled Board meeting, to discuss appropriate matters.

9. Adjournment

The Audit Committee adjourned at 9:20 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:

Office:

Date: