



**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**

**March 18, 2013**

The Audit Committee of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:00 AM on March 18, 2013 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  
John Foels  
Jay Gould

### **Representing**

Cattaraugus County  
Allegany County  
Chautauqua County

### **Committee Members Not In Attendance**

James Griffin, Committee Chairman

### **Representing**

Steuben County

### **Others Attending**

Richard Zink  
Edward Bysiek

### **Representing**

STERA CEO and CFO/Treasurer  
Bysiek CPA PLLC

### **1. Call to Order and Introduction of Those Present**

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

### **2. Reading and Approval of the Minutes of the Previous Meeting (December 3, 2012)**

The Committee approved the minutes of the December 3, 2012 meeting (Brisky, Foels) passing unanimously).

### **3. Review of Bank Statements and Interim Financial Statements**

The Committee discussed the Treasurer's Report, which was developed per the newly approved Internal Control Procedure for Separation of Duties. STERA CEO Richard Zink had provided year end statements for the year ending December 31, 2012, and interim monthly financial statements for January and February 2013. STERA CFO John Foels indicated that he had reviewed the financial statements and had approved them.

The Committee discussed Mr. Griffin's question with Edward Bysiek (Bysiek CPA PLLC) regarding whether STERA's financial statements should indicate grants received as assets, and Mr. Bysiek had indicated that WSTERA should not indicate grants received as assets.

The Committee adopted a resolution recommending that the Board approve the Treasurers' Report, including the year end statements for the year ending December 31, 2012, and interim monthly financial statements for January and February 2013 (Gould, Foels, passing unanimously).

### **Unfinished Business**

There was no unfinished business.

### **New Business**

#### **4. Presentation of Audit and Management Letter**

Edward Byisek (Bysiek CPA PLLC) presented and discussed the audit for the year ending December 31, 2012, and the accompanying management letter. The audit indicated an unqualified opinion. The management letter indicated there were no deficiencies in CCASSTERA's internal controls.

There was a discussion how the revised internal control policies and procedures addressed the (a) separation of duties issue and (b) the need to minimize risk as regards the development of interim financial statements. The auditor's sense was that the revised internal control policies and procedures addressed both of these issues adequately.

After discussion, the Committee adopted a resolution recommending that the Board approve the audit for the year ending December 31, 2012 and the accompanying management letter (Gould, Foels, passing unanimously).

#### **5. Review of Reports**

##### **A. Draft Audit Committee Self-Evaluation Report for Calendar Year 2012**

The Committee reviewed the Audit Committee Self-Evaluation Report for Calendar Year 2012, which showed no deficiencies. After discussion, the Committee adopted a resolution recommending that the Board approve the Audit Committee Self-Evaluation Report for Calendar Year 2012 (Brisky, Foels, passing unanimously).

##### **B. Draft Audit Committee Charter Review Report March 2013**

The Audit Committee has a responsibility for annually reviewing its charter and making recommendations for its revision. The Audit Committee Charter is based on the Model Audit Committee Charter provided by the NYS ABO. Accordingly, the general structure and content of the Audit Committee Charter may be assumed to be compliant with New York State expectations for authority audit committee charters with respect to good governance practices. However, certain provisions of the Audit Committee Charter occasionally need to be revised to accommodate changing circumstances, new regulatory requirements, bylaw revisions, the need for improvements in performance and in expectations as to Committee duties and responsibilities, and organizational presentation.

The Committee reviewed the Audit Committee Charter Review Report, which indicates that no revisions of the Charter are recommended at the current time, and adopted a resolution recommending that the Board approve the Audit Committee Charter Review Report and make no revisions to the Audit Committee Charter (Brisky, Foels, passing unanimously).

**C. Draft Organizational Assessment of the Effectiveness of Internal Controls**

The Committee reviewed and discussed the Organizational Assessment of the Effectiveness of Internal Controls, in light of the audit and management letter for the year ending December 31, 2012. The Committee adopted a resolution recommending that the Board approve the Organizational Assessment of the Effectiveness of Internal Controls and make no revisions to the internal Controls Policy (Brisky, Foels, passing unanimously).

**6. Other New Business**

There was no other new business.

**7. Public Comment**

There was no public comment.

**8. Next Meeting Date and Agenda for Next Meeting**

The Audit Committee will next meet on June 17, 2013 at 9:00 AM.

**9. Adjournment**

The Audit Committee meeting adjourned at 9:30 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: March 18, 2013