

AUDIT COMMITTEE FOR ERIE COUNTY



AUDIT COMMITTEE FOR ERIE COUNTY

ANNUAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2021

AUDIT COMMITTEE FOR ERIE COUNTY

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AUDIT COMMITTEE FOR ERIE COUNTY

Joshua P. Heim - Chairman
Aaron M. Saykin, Esq. - Vice - Chairman
Steven Sanders, CPA
Hon. April N.M. Baskin
Hon. John J. Mills
Mary K. Nytz-Hosler, Secretary

December 14, 2022

Honorable Members of the County
Legislature and the County Executive
County of Erie, New York

Ladies and Gentlemen:

The Audit Committee for Erie County (Committee) is pleased to present its annual report for Erie County's (County) fiscal year ended December 31, 2021.

The Committee was established in 1985 pursuant to Section 2517 of the Erie County Charter (Charter). The establishment of this committee was approved by the citizens of the County in the November 1984 general election. The major functions of the Committee are described in the Charter as follows:

- Prepare Requests for Proposals for audits of the County.
- Evaluate responses and make a recommendation to the Erie County Legislature (Legislature) for the selection of an accounting firm for the County's independent annual audit.
- Review the annual audits with the independent accountants.
- Prepare and submit an annual report to the County Executive and the Legislature. The annual report is to contain findings, comments, and recommendations with respect to each audit of financial statements.
- Monitor implementation of the recommendations contained in the Management Letter.

County management is responsible for the financial reporting process; the preparation of basic financial statements in accordance with accounting principles generally accepted in the United States of America; the system of internal controls, including the internal controls over financial reporting; and procedures designed to ensure compliance with accounting standards and applicable laws and regulations.

Our Committee has oversight responsibilities only and our role is not meant to be as experts in accounting and auditing. We rely without independent verification on the information provided to us and on the representations made by management regarding the effectiveness of internal control over financial reporting, that the financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America.

AUDIT COMMITTEE FOR ERIE COUNTY

The Committee also relies on the opinions of the independent auditors on the basic financial statements and the effectiveness of internal controls over financial reporting.

Committee Responsibilities

The Committee did not act or perform the functions of the type of an Audit Committee required under the Sarbanes Oxley Act of 2002, the rules and the regulations of the Securities and Exchange Commission, or any similar laws, rules, or regulations. The Committee performed only those limited functions as are described in this report.

The Committee reviewed and discussed with management limited aspects of year-end results contained in the financial statements and reports.

As stated on pages 3 and 4 of this report, the Committee has limited responsibilities and relies on the representations of management and the independent auditors. Accordingly, the Committee does not provide an independent basis to determine that the County's financial statements have been prepared with accounting principles generally accepted in the United States of America or that the audit of the County's financial statements by the independent auditors has been carried out in accordance with auditing standards generally accepted in the United States of America.

Management has represented that the County's financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. The Committee is in accordance with the requirements established by the Statement on Auditing Standards No. 114, *The Auditor's Communication with Those Charged with Governance*.

Although the Sarbanes Oxley Act applies primarily to publicly traded companies, and not to government entities, we have recommended and continue to recommend that all component units of County government review the provisions of this and similar laws, rules, and procedures regulating governance matters generally, and take action to implement any appropriate provisions of such governance laws, rules, and/or procedures. As a minimum, both the CEO and CFO of each government unit involved with the preparation of financial statements should certify the accuracy, correctness, and completeness of the financial statements relating to his/her respective units.

The Committee selects the County's external auditors per Section 2517 of the Erie County Charter. On September 9, 2021, the Erie County Legislature approved a three-year contract with Drescher & Malecki, LLP to conduct the audits for the fiscal years of 2021 through 2023, with optional extensions for 2024 and 2025.

AUDIT COMMITTEE FOR ERIE COUNTY

Management Letter Concerns from Drescher & Malecki

1) Concern of D & M – DEPARTMENTAL POLICIES AND PROCEDURES

The county's auditor, Drescher & Malecki, LLP ("D & M"), noted that the County's Department of Real Property Tax Services lacked formal policies or procedures outlining critical job functions. Without documented policies and procedures, turnover of long-tenured employees could cause an interruption of service delivery or errors to occur.

D & M recommends that the Department of Real Property Tax Services develops written policies to facilitate the transfer of knowledge among employees, provide a formal, written succession plan, and encourage personal profession development to increase employees' skills as they prepare for more responsibilities. Further D & M notes a lack of a formalized set of procedures to reconcile the records of the New York State Assessment System, the Govern tax management system, and the SAP accounting software, which increases the risk that errors go undetected in the issuance of tax bills, filing of the New York State tax cap calculation. Payment on lieu of taxes receipts and other functions.

Committee Recommendation: Departmental Policies and Procedures

The Committee agrees with D & M's recommendations that the Department of Real Property Tax Services and the Budget Director develop and formalize the aforementioned policies and procedures to safeguard the integrity of the system and its data.

2) Concern of D & M – LEASE POLICY

Governmental Accounting Standards Board ("GASB") Statement No. 87, Leases, is required to be implemented for the fiscal year ending December 31, 2022. GASB Statement No. 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Given the future implementation of GASB statement No. 87, D & M recommend that the County implement a formal lease policy based on GASB Statement No. 87 guidelines to ensure a standard set of guidelines are followed for the reporting of leases.

AUDIT COMMITTEE FOR ERIE COUNTY

Committee Recommendation: Lease Policy

The Committee agrees with D & M's recommendations. The committee will verify with the Comptroller's Office that GASB 87 guidelines are being implemented.

3) Concern of the D & M – DEPARTMENT CASH RECONCILIATIONS

Certain departments within the County maintain activity of their departments in decentralized cash accounts, which are included in the County's general ledger through a journal entry at year-end. As discussed in prior years, the Comptroller's Office relies on these departments to reconcile and review their bank statements and their cash balances throughout the year. D & M found that certain departments within the County did not provide the Comptroller's Office with reconciliations within a timely manner.

D & M recommends that the departments perform and document monthly reconciliations of their cash accounts. Further, D & M recommends that the Comptroller's Office determine the feasibility of performing periodic reviews of the departmental cash accounts in order to determine that regular review and reconciliation of the departments' cash accounts is occurring, as well as monitoring the cash balances throughout the year within the general ledger.

Committee Recommendation: Department Cash Reconciliations

The Committee agrees with D & M and suggests that the Comptroller's office circulate a draft procedure and best practices for reconciling cash accounts and ask for departmental feedback. Once the departments have reviewed and commented, the Comptroller's Office should finalize and circulate the recommended County wide reconciliation procedure.

New Reporting Requirements

The County of Erie is in the process of implementing the applicable portions of the following GASB Statements:

- **GASB Statement No. 87, Leases; effective for the fiscal year ending December 31, 2022.** *The objective of this Statement is to better meet the needs of financial statement users by improving accounting and financial reporting for leases by governments.*
- **GASB Statement No. 94, Public-Public and Public-Private Partnerships and Availability Payment Arrangements, effective for the fiscal year ending December 31, 2023.** *The objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnerships arrangements ("PPPs").*

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- **GASB Statement No. 96**, *Subscription-Based Information Technology Arrangements*, **effective for the fiscal year ending December 31, 2023**. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (“SBITAs”) for government end users.
- **GASB Statement No. 99**, *Omnibus 2022*; **effective for the fiscal year ending December 31, 22**, while other elements become **effective during the fiscal year ending December 31, 2023 and 2024**. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- **GASB Statement No. 100**, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, **effective for the fiscal year ending December 31, 2024**. The objective of this Statement is to improve financial reporting requirements for accounting changes and error corrections.
- **GASB Statement No. 101**, *Compensated Absences*, **effective for the fiscal year ending December 31, 2024**. The objective of this Statement is to improve financial reporting by addressing issues related to the recognition and measurement for compensated absences.

Internal Control

An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entirety of the entity's internal control over financial reporting. As part of their audit D & M considered the internal control of the County solely for the purpose of determining their audit procedures and not to provide any assurance concerning such internal control. Given these limitations, D & M did not identify any deficiencies in internal control that they would consider to be a material weakness.

Auditor's Opinion

Drescher & Malecki has rendered an opinion that the financial statements of the County of Erie for the year ending December 31, 2021 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County.

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The Audit Committee for Erie County is not responsible for any matters relating to the budget preparation and approval. Accordingly, we make no comment regarding the budget.

Should you have any questions regarding the contents of this report, please contact me at 716-848-7328 or Mary Nyz-Hosler at 719-858-6927.

Respectfully submitted,
AUDIT COMMITTEE FOR ERIE COUNTY

Joshua Heim

Joshua Heim
Chairman

AUDIT COMMITTEE FOR ERIE COUNTY



EXHIBIT ONE REPRESENTATION LETTER

Drescher & Malecki LLP
3083 William Street, Suite 5
Buffalo, New York 14227
Telephone: 716.565.2299
Fax: 716.565.2201



Certified Public Accountants

March 21, 2022

Honorable Mark C. Poloncarz
County Executive
County of Erie, New York
95 Franklin Street
Buffalo, New York 14202

Honorable Kevin R. Hardwick
County Comptroller
County of Erie, New York
95 Franklin Street
Buffalo, New York 14202

Dear Mr. Poloncarz and Mr. Hardwick:

The following represents our understanding of the services that we will provide the County of Erie, New York:

You have requested that we audit the financial statements of the governmental activities, the business-type activities, the discretely presented component units, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2021, and for the year then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In addition, we will audit the County's compliance over major federal award programs for the period ended December 31, 2021. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the County's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS") and in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States of America, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audits are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirements that are supplementary to U.S. GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Schedule of Expenditures of Federal Awards

We will subject the Schedule of Expenditures of Federal Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with U.S. GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). As part of an audit of financial statements in accordance with U.S. GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audits. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal award programs as a whole.

As part of a compliance audit in accordance with U.S. GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal award programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

The County Audit Committee's Responsibility

The County's Audit Committee (the "Audit Committee") is responsible for informing us of its views about the risk of fraud within the County and its knowledge of any fraud or suspected fraud affecting the County.

- d. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the Schedule of Expenditures of Federal Awards and the supplementary information, referred to above, you acknowledge and understand your responsibility (a) for the preparation of the Schedule of Expenditures of Federal Awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the Schedule of Expenditures of Federal Awards and the supplementary information, (c) to include our report on the Schedule of Expenditures of Federal Awards and the supplementary information in any document that contains the Schedule of Expenditures of Federal Awards and the supplementary information and that indicates that we have reported on such schedules, and (d) to present the Schedule of Expenditures of Federal Awards and the supplementary information with the audited financial statements, or if the schedules will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the Schedule of Expenditures of Federal Awards and the supplementary information no later than the date of issuance by you of the schedules and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Luke R. Malecki is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Drescher & Malecki LLP's ("D&M") services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees will be billed as work progresses and are based on the anticipated amount of time required to complete. Our fees will be as shown below:

Fiscal Year Ending December 31,	Financial Statement Audit	Single Audit	Total Audit Cost	Health Services (per report)	Department Services (per report)	Other Departments (as required)
2021	\$ 81,400	\$ 45,000	\$ 126,400	\$ 4,650	\$ 4,650	\$ 4,650

If it should be necessary for the County to request D&M to render any additional services, such services would be submitted to the County Legislature for approval prior to D&M commencing such services. Our 2022 hourly rates for services would be as follows: Partner \$215/hr.; Manager \$185/hr.; Supervisory Staff \$135/hr.; and Staff \$110/hr.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document. During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

The audit documentation for this engagement is the property of D&M and constitutes confidential information. However, we may be requested to make certain audit documentation available to federal agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of D&M's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

RESPONSE:

This letter correctly sets forth our understanding.

County of Erie, New York

Acknowledged and agreed on behalf of County of Erie, New York:

By: 
Mr. Mark C. Poloncarz, County Executive

Date: March 23, 2022

By: 
Mr. Kevin R. Hardwick, County Comptroller

Date: March 23, 2022

Approved as to Form:

By: 
County Attorney

Document no. 22-706-CO

Date: 3/23/22



Jones, Nale & Mattingly PLC

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Partners
Drescher & Malecki LLP
and the Peer Review Committee of the Pennsylvania Institute of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Drescher & Malecki LLP (the firm) in effect for the year ended December 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

AUDIT COMMITTEE FOR ERIE COUNTY



EXHIBIT TWO MANAGEMENT LETTER

Certified Public Accountants

June 24, 2022

Honorable County Executive
Honorable County Comptroller
Honorable Members of the County Legislature and
Audit Committee
County of Erie, New York:

In planning and performing our audit of the basic financial statements of the County of Erie, New York (the “County”) as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the County’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit we identified certain matters involving the internal control, other operational matters, and future reporting requirements that are presented for your consideration. This letter does not affect our report dated June 24, 2022 on the financial statements of the County. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized in Exhibit I.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance, the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Drescher & Malecki LLP

June 24, 2022

Department Policies and Procedures

The County's Department of Real Property Tax Services (the "Department") does not have a comprehensive set of procedures for their accounting processes and systems. Specifically, the Department has not formalized procedures surrounding cash receipts nor for reconciling the records of the New York State Assessment System, the Govern tax management system ("Govern"), and the SAP accounting software. The absence of such procedures heightens the risk that errors could go undetected within the Department's reporting of tax bills, payment in lieu of taxes receipts and other key functions of the Department. Further, we found that the Department lacks a formalized set of controls regarding users' access to Govern. Currently users that have read/write capabilities to the system have the ability to make changes within the system without additional reviews or sign-offs.

The lack of formal policies and procedures increases the risk of financial statement misstatement, asset misappropriation and fraudulent financial reporting. We recommend that the Department develop formal policies to address the processes relating to accounting and reconciliation procedures. Additionally, while the Department has informal procedures to review any changes to Govern and to reconcile its records between its systems and software, we recommend that the Department assess their software's capabilities and develop formalized procedures that permit adequate controls surrounding system changes and appropriate reconciliations between the software utilized within the Department.

Lease Policy

Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, is required to be implemented for the fiscal year ending December 31, 2022. GASB Statement No. 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Given the future implementation of GASB Statement No. 87, we recommend that the County implement a formal lease policy based on GASB Statement No. 87 guidelines to ensure a standard set of guidelines are followed for the reporting of leases.

Departmental Cash Reconciliations

Certain departments within the County maintain activity of their departments in decentralized cash accounts, which are included in the County's general ledger through a journal entry at year-end. As discussed in prior years, the Comptroller's Office relies on these departments to reconcile and review their bank statements and their cash balances throughout the year. We found that certain departments within the County did not provide the Comptroller's Office with reconciliations within a timely manner.

We recommend that the departments perform and document monthly reconciliations of their cash accounts. Further, we recommend that the Comptroller's Office determine the feasibility of performing periodic reviews of the departmental cash accounts in order to determine that regular review and reconciliation of the departments' cash accounts is occurring, as well as monitoring the cash balances throughout the year within the general ledger.

Future Reporting Requirements

The Governmental Accounting Standards Board (“GASB”) has adopted several new pronouncements, which may have a future impact upon the County. These should be evaluated to determine the extent the County will be impacted in future years.

GASB Statement No. 87—The County is required to implement GASB Statement No. 87, *Leases*, effective for the fiscal year ending December 31, 2022. The objective of this Statement is to better meet the needs of financial statement users by improving accounting and financial reporting for leases by governments.

GASB Statement No. 94—The County is required to implement GASB Statement No. 94, *Public-Public and Public-Private Partnerships and Availability Payment Arrangements*, effective for the fiscal year ending December 31, 2023. The objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnerships arrangements (“PPPs”).

GASB Statement No. 96—The County is required to implement GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the fiscal year ending December 31, 2023. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (“SBITAs”) for government end users.

GASB Statement No. 99—The County is required to implement GASB Statement No. 99, *Omnibus 2022*, effective for the fiscal year ending December 31, 2022, while other elements become effective during the fiscal years ending December 31, 2023 and 2024. The objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB Statement No. 100—The County is required to implement GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective for the fiscal year ending December 31, 2024. The objective of this Statement is to improve financial reporting requirements for accounting changes and error corrections.

GASB Statement No. 101—The County is required to implement GASB Statement No. 101, *Compensated Absences*, effective for the fiscal year ending December 31, 2024. The objective of this Statement is to improve financial reporting by addressing issues related to the recognition and measurement for compensated absences.

AUDIT COMMITTEE FOR ERIE COUNTY



EXHIBIT THREE AUDIT CONTRACT

THIS AGREEMENT made the ___ day of _____ 2021, by and

between

THE COUNTY OF ERIE, a municipal corporation of the State of New York, having its offices and principal place of business at 95 Franklin Street, Buffalo, New York 14202

(hereinafter referred to as the "County".)

and

DRESCHER & MALECKI LLP., a New York limited liability partnership, having its offices and principal place of business at 3083 William Street, Suite 5, Cheektowaga, New York 14227.

(hereinafter referred to as the "Accountant")

WHEREAS, the County desires to engage an Accountant for the independent audit of its Basic Financial Statements for its fiscal years ending December 31, 2021, 2022 and 2023, with an option to extend the contract for its fiscal years 2024 and 2025;

WHEREAS, the County Legislature, based on the recommendations of the Erie County Audit Committee ("Audit Committee"), has authorized the Erie County Executive to engage the Accountant by resolution dated September 9, 2021 (attached hereto as Schedule "A");

NOW, THEREFORE, the County and the Accountant, in consideration of the mutual covenants hereinafter set forth, agree as follows:

FIRST: (a) The Accountant shall perform an audit of all funds for the County's fiscal years ending December 31, 2021, 2022 and 2023 as outlined in the Audit Committee's RFP (attached hereto as Schedule "B") and the outline of the general work to be performed as set forth in Section Four of the Accountant Proposal dated July 23, 2021 (attached hereto as

Schedule "C"). The County, in its sole discretion may extend the agreement beyond its initial term for its fiscal years 2024 and 2025 with consistent and corresponding price adjustments and upon the same conditions. The Accountant will perform the Services related to the audits of financial statements as specified in Schedule C and the annual Engagement Letter, an example of which is attached hereto as Schedule D of this Agreement. The Services will be conducted in accordance with the standards set forth in Schedule D. Subject to the Accountant's professional standards, as well as the cooperation of the County, the Accountant will endeavor to complete each annual audit covered by this Agreement by June 30th of the following year. Annually, in December, or earlier if mutually agreed, of the year being audited, the County Comptroller ("Comptroller"), and the Accountant, will meet to plan the ensuing audit and outline a specific list of supporting schedules and year end closing events.

(b) The Accountant shall perform interim fieldwork for each year of this Agreement. This interim fieldwork will assist the County in its preparation for closing. All such fieldwork should include testing the County's existing internal control procedures to the extent deemed necessary by the Accountant to render an opinion on the County's financial statements.

(c) The Accountant shall audit the County in accordance with both generally accepted auditing standards (GAAS) and *Government Auditing Standards* issued by the Comptroller General of the United States, where applicable, and render an opinion as to whether the financial statements are presented in conformity with generally accepted accounting principles (GAAP).

(d) The Accountant acknowledges that the County may seek to obtain a Certificate of Achievement for Excellence in Financial Reporting by the issuance of an Annual Comprehensive Financial Report (ACFR) and a Distinguished Budget Presentation Award from the Government Finance Officers Association, should the County decide to participate in

these programs. Such additional procedures to be performed by the Accountant as it relates to the ACFR, included within the proposed audit fee, include the review of the introductory and statistical sections, issuance of an audit opinion specific to the ACFR, and the audit of the combining and individual fund financial statements.

(e) The Accountant shall prepare a management letter in conjunction with its audit of the fiscal years ending December 31, 2021 through 2025 in accordance with Schedule D. The management letter shall be provided in letter form, as well as electronically or on USB drive, and shall describe reportable conditions or material weaknesses in internal control, if any, and will also contain recommendations for financial and program management improvement. The Accountant shall, prior to release, review a draft of the management letter with the Comptroller and the County Budget Director ("Budget Director").

(f) The Accountant shall furnish all adjusting entries to the Comptroller during the period allowed for completion of fieldwork and discuss all proposed audit adjustments that the Accountant may consider to be material either individually or in the aggregate, with the Comptroller and Budget Director. The County may submit additional information to the Accountant when there is less than full agreement with any proposed adjustment. Any disagreement that cannot be resolved will be discussed with the Audit Committee. The Accountant will work with the County to facilitate line item level posting of all proposed adjusting entries. The Comptroller is responsible for ensuring that all adjusting entries are processed.

(g) After posting adjusting journal entries, the Comptroller will provide the Accountant with financial statements and schedules which include any and all audit adjustment and

reclassification entries.

(h) The Accountant is responsible for reproduction of the Basic Financial Statements, and the Comptroller's Office is responsible for its distribution.

If the County decides to issue an ACFR for any or all of the fiscal years, the Comptroller's Office will be responsible for its reproduction and distribution.

(i) The Accountant shall maintain a relationship with the County's Audit Committee as outlined in the American Institute of Certified Public Accountants' AU-C section 260 ("AU-C §260 letter"). An AU-C §260 letter is to be provided to the Audit Committee at the conclusion of the County audit, with a copy of this letter to the Comptroller. The Accountant shall, at the request of the Audit Committee, meet to review and discuss the final financial statements and independent auditors' report, management letter, and AU-C §260 letter.

(j) The Accountant will perform the required certifications of various Health Department and Mental Health Department fiscal reports that have to be filed with New York State.

(k) The Accountant shall, to the extent practicable, make relevant local training seminars sponsored by the firm available to Comptroller's Office personnel.

(l) The Accountant shall provide an additional audit service pertaining to federal grant requirements pursuant to the provisions of the Single Audit Act of 1984, as amended and in accordance with applicable publications of the federal Office of Management and Budget. The Accountant shall review the draft of this report with the Comptroller, and shall provide all required copies of the final report (approximately 20 copies) by on or about the September 30th due date following each year-end.

SECOND: (a) The County agrees to pay the Accountant the amount not to exceed the fees set forth in Schedule "A" for the annual audits, to include the Single Audit and Management

Letter, as set forth on page 19 of the Accountant Proposal dated July 23, 2021 (attached hereto as Schedule "C") and specified in the annual engagement letter.

(b) In conjunction with County bond or note sales, the Accountant will minimally be required to perform various procedures to evaluate whether it shall provide its consent for inclusion of the audited financial statements for the 2021 to 2025 fiscal years in the related official statement. Charges shall be for each review as shown in Schedule A.

(c) Charges for certification of Health Department, Mental Health Department and Other Department reports shall be at a per report cost as shown in Schedule A. Such fees will also apply in the event New York State assigns special reporting requirements to other County departments.

(d) Billings by the Accountant for services rendered in conjunction with out of scope and other negotiated services shall be based on hourly rates as specified in Schedule C and specified in the annual engagement letter.

(e) The payments by the County shall be due and payable to the Accountant within thirty (30) days of interim and final billings.

(f) This Agreement shall commence upon execution and shall continue until the audit and work described in paragraph I is completed and accepted by the County.

THIRD: The Accountant's opinion letter on the County's audited financial statements shall be addressed to the Erie County Executive, the Comptroller, and the Erie County Legislature.

FOURTH: The County agrees to cooperate with and assist the Accountant in carrying out its obligations under this Agreement by providing necessary information and reasonable cooperation and assistance from County personnel during the period of the fieldwork each year.

FIFTH: The Accountant and the County agree that the Accountant and its officers, employees, agents, contractors, subcontractors and/or consultants are independent contractors and not employees of the County or any department, agency or unit thereof. In accordance with their status as independent contractors, the Accountant covenants and agrees that neither the Accountant nor any of its officers, employees, agents, contractors, subcontractors and/or consultants will hold themselves out as, or claim to be, officers or employees of the County or any department, agency or unit thereof.

SIXTH: The Comptroller shall have the right, on ten (10) days written notice to Accountant to review any non-proprietary records of payments for invoices or other expenses made by the County to the Accountant under this Agreement to ascertain that they are consistent with the terms of this Agreement provided that, any such records available to the County under this section may be redacted by the Accountant to the extent necessary to protect its proprietary and confidential information and to avoid any invasion of personal privacy.

SEVENTH: The Accountant will forward all invoices to the Comptroller for certification.

EIGHTH: The Accountant shall comply, at its own expense, with the provisions of all applicable local, state and federal laws, rules and regulations. The Accountant shall further comply, at its own expense, with all applicable rules, regulations and licensing requirements pertaining to its professional status and that of its employees, partners, associates, subconsultants and others employed to render the Work hereunder.

NINTH: Failure of the County to insist, in any one or more instances, upon strict performance of any term or condition herein contained shall not be deemed a waiver or relinquishment of such term or condition, but the same shall remain in full force and effect.

Acceptance by the County of any Work or the payment of any fee or reimbursement due hereunder with knowledge of a breach of any term or condition hereof, shall not be deemed a waiver of any such breach and no waiver by the County of any provision hereof shall be implied.

TENTH: The Accountant shall not delegate any duties or assign any of its rights under this Agreement without the prior express written consent of the County. The Accountant shall not subcontract any part of the Work without the written consent of the County, subject to any necessary legal approvals. Any purported delegation of duties, assignment of rights or subcontracting of Work under this Agreement without the prior express written consent of the County is void. All subcontracts that have received such prior written consent shall provide that subconsultants are subject to all terms and conditions set forth in this Agreement. It is recognized and understood by the Accountant that for the purposes of this Agreement, all Work performed by a County-approved subcontractor shall be deemed Work performed by the Accountant and the Accountant shall insure that such subcontracted work is subject to the material terms and conditions of this Agreement.

ELEVENTH: This Agreement and its attachments constitute the entire Agreement between the parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings. It shall not be released, discharged, changed or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

TWELFTH: The parties recognize and acknowledge that the obligations of the County under this Agreement are subject to annual appropriations by the Erie County Legislature. Therefore, this Agreement shall be deemed executory only to the extent of the monies

appropriated and available. The County shall have no liability under this Agreement beyond funds appropriated and available for payment pursuant to this Agreement. The parties understand and intend that the obligation of the County hereunder shall constitute a current expense of the County and shall not in any way be construed to be a debt of the County in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the County, nor shall anything contained in this Agreement constitute a pledge of the general tax revenues, funds or moneys of the County. The County shall pay amounts due under this Agreement exclusively from legally available funds appropriated for this purpose. The County shall retain the right, upon the occurrence of the adoption of any County Budget by the County Legislature during the term of this Agreement or any amendments thereto, and for a reasonable period of time after such adoption(s), to conduct an analysis of the impacts of any such County Budget on County finances. After such analysis, the County shall retain the right to either terminate this Agreement or to renegotiate the amounts and rates set forth herein. If the County subsequently offers to pay a reduced amount to the Accountant, then the Accountant shall have the right to terminate this Agreement upon reasonable prior written notice.

THIRTEENTH: (a) The County Executive and Comptroller may jointly terminate this Agreement without cause at any time by giving written notice to the Accountant of its intention to terminate. Termination without cause shall be effective fourteen (14) calendar days from the date of such notice. In the event of termination without cause, the County and the Accountant shall be released of all liability under this Agreement except that the County shall pay the Accountant for all work performed prior to the termination date. The Accountant shall comply with professional standards as it relates to successor auditor working

paper review.

(b) The County Executive and Comptroller may jointly terminate this Agreement for cause by serving written notice of its intention to do so. Said notices shall be effective upon receipt. Should this Agreement be terminated for cause, the County shall have no further liability to the Accountant except that the County shall pay the Accountant for all work performed in accordance with this Agreement and the applicable Schedule prior to the termination date. Such termination shall be without limitation of any cause of action, right or remedy the County may otherwise have.

For purpose of this Agreement, cause shall include, but not be limited to: (1) any breach by the Accountant of any term, condition or provision of this Agreement which is curable or remediable and which is not cured or remedied by the Accountant within a reasonable time after written notice thereof, or (2) any substantial breach by the Accountant of this Agreement which is not curable or remediable or any breach which, in light of any prior breaches by the Accountant, established a course of conduct of willful or negligent disregard by the Accountant of its obligations under this Agreement.

(c) The Accountant may terminate this Agreement for cause by serving written notice of its intention to do so. For the purpose of this section, cause shall include, but not be limited to: (1) any substantial breach by the County of any term, condition or provision of this Agreement which is not cured or remedied in a reasonable time after notice to the County, or (2) any breach by the County of any term, condition, or provision of this Agreement which in light of prior breaches by the County, establishes a course of conduct of willful or negligent disregard by the County of its material obligation under this Agreement.

(d) Notwithstanding any other provision in this Agreement, the Accountant may resign as the County's auditor at any time in accordance with the laws, regulations and professional standards applicable to the Services provided under this Agreement and any Schedule.

FOURTEENTH: All notices of any nature referred to in this Agreement shall be in writing and either sent by registered or certified mail postage pre-paid, or delivered by hand or overnight courier, or sent by facsimile (with acknowledgment received and a copy of the notice sent by registered or certified mail postage pre-paid), as set forth below or to such other addresses as the respective parties hereto may designate in writing. Notice shall be effective on the date of receipt. Notices shall be sent to the following:

Drescher & Malecki LLP 3083
William Street, Suite 5
Cheektowaga, NY 14227

Erie County Comptroller
95 Franklin Street, Room 1100
Buffalo, New York 14202

A copy of any such notice will also be forwarded to:

Erie County Executive
95 Franklin Street, 16th floor
Buffalo, New York 14202

Erie County Attorney
95 Franklin Street, Room 1634
Buffalo, New York 14202

FIFTEENTH: This Agreement, including the schedules referred to and made a part hereof, contains the entire agreement between the County and the Accountant. Wherever the provisions of this Agreement and its schedules may be in conflict, the parties acknowledge and agree that the order of precedence shall be the Agreement, Schedule B, Schedule C, and

Schedule D (as issued annually). This Agreement shall be interpreted under the laws of the State of New York, without regard to its conflict of laws principles. Any judicial action or proceeding with respect to this Agreement shall have its venue in New York State Supreme Court for the County of Erie.

SIXTEENTH: This Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Agreement shall be construed and enforced in accordance with the laws of the State of New York. In addition, the parties hereby agree that for any cause of action arising out of this Agreement shall be brought in the County of Erie.

If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid or void or unenforceable, the remainder of the terms and provisions of this Agreement shall in no way be affected, impaired, or invalidated, and to the extent permitted by applicable law, any such term, or provision shall be restricted in applicability or reformed to the minimum extent required for such to be enforceable. This provision shall be interpreted and enforced to give effect to the original written intent of the parties prior to the determination of such invalidity or unenforceability.

SEVENTEENTH: The Accountant agrees to procure and maintain insurance naming the County as additional insured, as provided and described in Schedule "E", entitled "Standard Insurance Provisions", which is attached hereto and made a part hereof. In addition to, and not in limitation of the insurance provisions contained in Schedule "E", the Accountant agrees: that except for the amount, if any, of damage contributed to, caused by, or resulting from the negligence of the County, (a) the Accountant shall indemnify and hold harmless the County, its officers, employees and agents from and against any and all

liability, damage, claims, demands, costs, judgments, fees, attorney's fees or loss arising directly or indirectly out of the performance or failure to perform hereunder by the Accountant or third parties under the direction or control of the Accountant; and (b) to provide defense for and defend, at its sole expense, any and all claims, demands or causes of action directly or indirectly arising out of this Agreement and to bear all other costs and expenses related thereto.

EIGHTEENTH: The Accountant shall comply with Erie County Executive Order 13 (2014) and agrees to complete the Certificate collectively attached hereto as Schedule "F" and made a part hereof. The Accountant shall make such records available, upon request, to the County's Division of Equal Employment Opportunity for review. The County shall have the right, upon reasonable notice and at reasonable times, to inspect the books and records of the Accountant, its offices and facilities, for the purpose of verifying information supplied in the Erie County Equal Pay Certification and for any other purpose reasonably related to confirming the Accountant's compliance with Erie County Executive Order 13 (2014). Notwithstanding the termination provisions contained herein, violation of the provisions of Executive Order 13 (2014) , may constitute grounds for the immediate termination of this Agreement and may constitute grounds for determining that the Accountant is not qualified to participate in future County contracts.

NINETEENTH: The Accountant expressly agrees that neither it nor any consultant, subconsultant, employee, or any other person acting on its behalf shall discriminate against or intimidate any employee or other individual on the basis of race, creed, religion, color, gender, age, national origin, ethnicity, alienage or citizenship status, disability, marital status, sexual orientation, familial status, genetic predisposition or carrier status or any other status protected

by New York State or Federal laws during the term of or in connection with this Agreement.

TWENTIETH: The Accountant shall use all reasonable means to avoid any conflict of interest with the County and shall immediately notify the County in the event of a conflict of interest. The Accountant shall also use all reasonable means to avoid any appearance of impropriety.

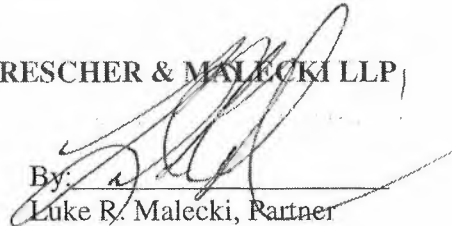
TWENTY-FIRST: This Agreement shall not be enforceable until signed by all parties and approved by the Office of the County Attorney.

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first written above.

COUNTY OF ERIE

By: _____
County Executive

DRESCHER & MALECKI LLP

By: 
Luke R. Malecki, Partner

APPROVED AS TO CONTENT

Erie County Comptroller

APPROVED AS TO FORM

Assistant County Attorney
Document No. _____ Date:

STATE OF NEW YORK

LEGISLATURE OF ERIE COUNTY
CLERK'S OFFICE

BUFFALO, N.Y., September 9, 2021

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY, That at the 16th Session of the Legislature of Erie County, held in the Legislative Chambers, in the City of Buffalo, on the 9th day of September, 2021 A.D., a Resolution was adopted, of which the following is a true copy:

A RESOLUTION TO BE SUBMITTED BY CHAIR BASKIN AND LEGISLATOR MILLS

Selection of Firm to Conduct Annual Audit

WHEREAS, the contract for the audit of Erie County expires with the completion of the audit for the fiscal year ended December 31, 2020; and

WHEREAS, the Audit Committee for Erie County prepared and forwarded requests for proposal (RFP) to national and regional certified public accounting firms requesting proposals for the audits of the County for fiscal years 2021 through 2023, with an option to continue in year 2024 and 2025; and

WHEREAS, the winning proposal is as follows:

For the Year Ended December 31	Audit of Financial Statements	Single Audit
2021	\$81,400	\$45,000
2022	\$82,100	\$45,500
2023	\$82,800	\$46,000

Prices of a "Due Diligence" letter will vary from \$5,000 through \$12,500; and

WHEREAS, that the independent accountant will audit the state required reports of the Mental Health and Health Departments at a per-report cost as follows:

For the Year Ended December 31	Mental Health	Health Department	Other Departments
2021	\$4,650	\$4,650	\$4,650
2022	\$4,675	\$4,675	\$4,675
2023	\$4,700	\$4,700	\$4,700

and

WHEREAS, the firm Drescher & Malecki LLP was the lowest responsible bidder; and

WHEREAS, the response from Drescher & Malecki LLP complied with all aspects of the Audit Committee's RFP.

NOW, THEREFORE, BE IT

RESOLVED, that the County Executive is authorized to enter into a contract for the audit of Erie County's financial statements, to include the Federal Single Audit for fiscal years 2021 through 2023; and be it further

ATTEST



ROBERT M. GRABER
Clerk of the Legislature of Erie County

STATE OF NEW YORK

SEP 14 2021 PM 01:23

LEGISLATURE OF ERIE COUNTY CLERK'S OFFICE

BUFFALO, N.Y., September 9, 2021

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY, *That at the 16th Session of the Legislature of Erie County, held in the Legislative Chambers, in the City of Buffalo, on the 9th day of September, 2021 A.D., a Resolution was adopted, of which the following is a true copy:*

RESOLVED, that the contract for the audit of Erie County's financial statements shall be paid from the Comptroller's dues and fees account and will be negotiated to select the lowest possible cost for each audit each year; and be it further

RESOLVED, and that such fees will also apply in the event that New York State assigns special reporting requirements to other County Departments; and be it further

RESOLVED, that should the County wish to extend the contract through the years 2024 and 2025, the fees agreed are as follows:

For the Year Ended December 31	Audit of Financial Statements	Single Audit
2024	\$84,500	\$47,000
2025	\$86,000	\$48,000

Prices of a "Due Diligence" letter will vary from \$2,500 through \$12,500; and be it further

RESOLVED, that the independent accountant will audit the state required reports of the Mental Health and Health Departments at a per-report cost as follows:

For the Year Ended	Mental Health	Health Department	Other Departments
December 31			
2024	\$4,750	\$4,750	\$4,750
2025	\$4,800	\$4,800	\$4,800

and be it further

RESOLVED that certified copies of this resolution be provided to the County Executive, Budget Director, Comptroller and County Attorney.

REFERENCE: **INTRO. 16-3 (2021)**

ATTEST



ROBERT M. GRABER
Clerk of the Legislature of Erie County

THE COUNTY OF ERIE

By: _____
MARK C. POLONCARZ / MARIA R. WHYTE
County Executive / Deputy County Executive
Approved as to content

By: _____ Electronically Signed
STEFAN I. MYCHAJLIW
Erie County Comptroller
Approved as to form

By: _____ Electronically Signed
MARTIN A. POLOWY
Erie County Attorney
Approved as to form

Doc. No. _____

Date _____

Drescher & Malecki LLP

By: _____
Luke R. Malecki, CPA
Engagement Partner