



ERIE COUNTY AUDIT COMMITTEE MINUTES

Meeting held on May 22, 2024

Present: Honorable John Mills, Aaron Saydin, Steve Sanders, Mary Nytz-Hosler, Luke Malecki (D&M), Corey Sveinsson (D&M)

Excused: Josh Heim, Dr. Timothy Callan,

Discussion of Agenda Items:

- ✓ Meeting called to order at 2:07 pm by Aaron Saydin
- ✓ Approval of meeting minutes from April 24, 2024 – Legislator Mills made the motion to approve, seconded by Mr. Sanders and carried unanimously.
- ✓ Luke Malecki handed out some preliminary results of the 2023 external audit.
 - 1) Outstanding Items:
 - Large litigation – in order to be included on the financial statement it must be estimable and probable. After talking with County Attorney, Jeremy Toth, it was determined that the litigation did not meet either standard and would not be included in 2023 financial statement. However, there will be a footnote under Risk Management that there is a possible liability of \$0 - \$100M due to litigation.
 - ARPA Plan – Dept. of Budget & Management is working on updating the plan – funds need to be obligated by 2024 and spent by 2026, Budget Director is working on adjustments to revenue loss to show an additional spend down of ARPA funds.
 - Erie.Net – Original source of funding was coming from the County’s ARPA funds. However, revenue loss calculations were revisited which allowed the County to increase the amount from between \$50 - \$60M to \$135M. D&M evaluated the new calculated amount and agreed to a revenue loss of \$129M due to COVID pandemic. The County has until December 31, 2024 to re-classify additional ARPA funds as revenue loss. Once re-classified the County can use those funds for their payment to Erie.Net. A new agreement with Erie.Net must be executed to modify the source of funds in order to complete the Single Audit.
 - Accounting Issues in the Comptroller’s Office have been addressed regarding errors that have caused issues on the CAFR. These issues are mainly due to junior level accountants performing the work of senior level accountants with no oversight. D&M determined that

at this point this matter does not raise to the level of being reported on management letter.

2) Management Letter

- The Sheriff's Office will remain as an issue.
 - Succession Planning will remain as an issue.
 - SAP training will remain an issue.
 - Real Property will remain an issue; however, it will show that progress has been made in some areas of concerns previously stated on past management letters.
 - Steps taken in Real Property
 - i. Added key employees to increase oversight
 - ii. Bid going out for new software that will replace GOVERN.
 - iii. Real Property is reconciling GOVERN to SAP
- ✓ Utility Fund will remain an issue, D&M would like to see the County seek at minimum an acknowledgement from ECMC of the current amount owed (\$12.7M) and agree on an amortization schedule to pay down debt.
- ✓ Overall, no significant deficiencies or material weaknesses
- ✓ CAFR should be completed and filed by the June 30th deadline.

Old Business:

Drescher & Malecki's audit contract is expiring, the committee will need to vote on whether to extend their contract with the County. This extension would represent the 1st of two possible extensions. Committee needs to vote on extension at September's meeting.

New Business:

- None

Next Meeting:

- September 18th at 2 pm

Adjourned meeting at 2:57 pm

- Legislator Mills made the motion to adjourn the meeting, seconded by Mr. Sanders and carried unanimously.

Respectfully submitted,

~~Mary K. Nytz-Hosler~~

Mary K. Nytz-Hosler

Erie County Audit Committee Secretary