

**ULSTER COUNTY RESOURCE RECOVERY AGENCY
AUDIT COMMITTEE MEETING MINUTES
DECEMBER 3, 2021**

The Ulster County Resource Recovery Agency held an Audit Committee Meeting on December 3, 2021. This meeting was held virtually through Webex.

The proceedings were convened at 3:05pm.

The following Board members were present: Committee Chair Charles Landi, Members Katherine Beinkafner and Thomas Kacandes.

The following staff members were present: Executive Director/Controller Tim DeGraff.

From the public: Emily Silengo and Vincent Commisso of Teal, Becker and Chiamonte.

PUBLIC COMMENT

No public comment.

ADMINISTRATIVE MATTERS

Emily Silengo and Vincent Commisso from Teal, Becker and Chiamonte provided an overview of the scope of services planned for the December 2021 financial statement audit.

The overview discussion included:

- Responsibilities as auditors
- Audit approach
- Management responsibilities
- Audit Committee responsibilities
- General housekeeping items
- Interim field of work planned for Friday, December 10th by the auditors
- Auditors will provide required letters and they will communicate with the Audit Committee of any significant changes, accounting policies, major estimates, and any disagreements
- If necessary, a management letter will be issued. This is the auditors' recommendations. This would be if the auditors came across anything that is not a material finding or a big issue and they would recommend the best business practice for the Agency
- An engagement letter will be provided after this audit committee meeting. The engagement letter will explain the audit in more detail.

Auditors' Responsibilities:

- To form an opinion about whether the financial statements were presented fairly and in accordance with US GAAP (United States Generally Accepted Accounting Principles).
- Consider internal controls. An opinion is not formed on the internal controls just an understanding.

- Walkthrough of the internal controls. This will help design the auditors' tests and to see how they function/process. Any issues would be communicated to the Agency. The audit is a risk-based approach.
- Provide reasonable assurance about whether the financial statements are free from material error.

Management Responsibilities:

- Are to adapt sound accounting policies
- Present the financial statements in accordance of the US GAAP
- Establish and maintain internal controls
- Design and implement programs and controls to prevent and detect fraud

Audit Committee Responsibilities:

- Oversight of the financial reporting process and internal controls
- Maintaining programs and controls to prevent and detect fraud

Audit timeline:

- Plan to be on site December 10th
- Emily Silengo and one other auditor will conduct the audit
- Field Work:
 - Will be conducted in early to mid-February
 - After field work completed the draft financial statements will be reviewed with the Agency. Will make sure reports are filed no later than March 31st

Tim DeGraff advised Emily Silengo and Vincent Commisso that he did engage with a local CPA firm to do internal audit work this year and will provide them with the contact information of said firm.

Vincent Commisso asked Tim DeGraff if the CPA firm issued any final reports. Tim DeGraff responded that they will issue quarterly reports and they just started about a month and half ago gathering information. He stated he still has to provide them some more information. The CPA firm is looking at the composting operations and compliance with the ABO (Authorities Budget Office).

Vincent Commisso asked the Audit Committee if they had any concerns or questions.

Charles Landi responded that he wanted to go on record stating he is very sensitive to the fuel accountability.

Vincent Commisso asked if there were any accountability examples that he could provide them.

Charles Landi responded that maybe the metering of the fueling procedures. He stated he has no reason to doubt that there's anything off color going on, but it is because of the volume of what is being used there is room for error.

Tim DeGraff agreed with Charles Landi. He added that a majority of the fuel purchased is put in the tanks of long-haul trucks as well. He reminded Emily Silengo that he brought her and a one of her staff members down to the facility to observe the process from beginning to end of the trucks fueling.

Charles Landi stated that he discussed with Tim DeGraff about the pension obligations, and he asked the auditors if there is anything that they should look into. Tim DeGraff added that he explained to Charles that the pension obligation is booked from what is in the footnotes of the audited financial statements (NYSLRS) and is the Agency's portion of the obligation.

The auditors will review the pension obligations. Emily Silengo explained that it is state driven. Vincent Commisso stated the final report will incorporate into the financial statement showing the obligations.

Charles Landi stated that he had a discussion with Tim DeGraff regarding the NYS DEC grants. Tim DeGraff explained you can't book the grant funds due to the fact of not knowing when the funds will be received. He stated that this year, the Agency received funds from 2018-2019 for the hazardous waste grant.

Emily Silengo asked how much was received in grant money for 2021. Tim DeGraff responded that it was \$98,571.

Charles Landi asked if the NYS DEC issues a timeline for when the funds will be received. Tim DeGraff stated nothing he can use in GAAP reporting.

Vincent Commisso asked Tim DeGraff if the NYS DEC provides an estimate on the amount of funds that will be received. Tim DeGraff explained the process with the NYS DEC's Grants Gateway; the program where the grant information is provided.

Vincent Commisso stated they will look into:

- Fuel
- Pension obligations
- Grant work
- Internal control concerns
- Board considerations
- Management concerns
- Party interactions or transactions
- Higher risks areas

Charles Landi asked the auditors if they have any experience with solar farms. Vincent Commisso stated that personally and professionally he has not; but his colleagues have dealt with clients in that industry. He stated that they will learn about the Agency's agreements and arrangement. They have resources to help out if assistance is needed.

Solar billing shows up as a credit on the electric bill. There is no separate payment.

The Audit Committee and Tim DeGraff had a brief discussion regarding the New Paltz Landfill solar project.

Katherine Beinkafner asked if the auditors will audit the compost operations. Tim DeGraff stated the internal auditors are looking into that. He stated that they (Teal, Becker, et al.) should do some substantive testing of the compost operations even though it is immaterial to the financial statements as a whole.

ADJOURN

Charles Landi motioned to adjourn the December 3, 2021, Audit Committee Meeting at 3:37pm. Seconded by Katherine Beinkafner. 3 in favor, 0 opposed, 0 absent.

March 29, 2022

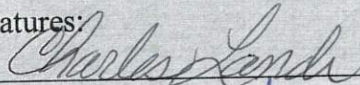
Motion to approve the above transcribed Minutes of the December 3, 2021, Audit Committee Meeting was made by Tom Kacandes, and seconded by Katherine Beinkafner. 2 in favor, 0 opposed, 1 absent (LANDI).

The minutes were approved by the Board.

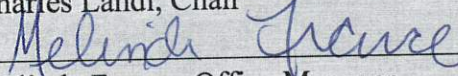
Transcribed by: Melinda France, Office Manager

Meetings are recorded and available upon request.

Signatures:



Charles Landi, Chair



Melinda France, Office Manager