

Erie Tobacco Asset Securitization Corporation
Audit Committee

Minutes of Meeting
Wednesday, February 19, 2020

Erie County Budget Conference Room

Corporation Committee Members present: Bryan Bingel, Peter Zaleski and Patricia Johnson.

Also present: Robert Keating, Benjamin Swanekamp, Mark Cornell, Martin Polowy, Matthew Montalbo and Erika Handley.

I. CALL TO ORDER

Bryan Bingel called the Meeting of the Audit Committee to order at 3:00 p.m.
Quorum present.

II. MINUTES FROM PRIOR MEETING

None.

III. PRESENTATION & DISCUSSION

A) Matthew Montalbo provided an overview of Drescher & Malecki, LLP's Audit plan , including but not limited to:

- An introduction of the audit team;
- Reassurance of the firm's independence;
- Review of the anticipated reports and required auditor communications in accordance with Generally Accepted Auditing Standards to be issued;
- Review of the audit plan – accounting policies; statement of liabilities and assets; risk assessment; regulatory changes;
- Review of audit timeline in which the committee requested a draft by March 9, 2020 with a presentation on March 11, 2020 at 1:00 pm;
- Matthew Montalbo advised of no change in significant accounting policies from the prior year. Significant accounting estimates are similar to years past.

B) Additional Discussion-

- A discussion was held regarding the trends of the net positions and deficits.
- A discussion was held concerning cigarette consumption, vaping, cigarette sales volume for tobacco sellers.
- A discussion was held concerning the terms of the recent litigation settlements.
- A discussion was held reviewing the history of the Corporation, the succession of directors; the bond series; interest and principal ratios as they relate to payments.

IV. ACTION ITEMS

None

V. ADJOURNMENT

Moved by Patricia Johnson and seconded by Peter Zaleski to adjourn the meeting of the Audit Committee at 3:29 p.m. Motion unanimously approved.



Martin A. Polowy
Assistant Corporation Secretary