

**OPERATIONS MEETING, VILLAGE BOARD OF TRUSTEES
MONDAY, DECEMBER 19, 2016
8:00 A.M.**

PRESENT: Mayor Marty Hubbard, Trustees Gregg Eriksen and Carol Stokes-Cawley, DMO Shannon Harty, Cuddy & Ward's CPA Mary Beth Leeson

Audited Financial Statements May 31, 2016 – Cuddy & Ward's CPA Mary Beth Leeson met with the Village Board to review the Audited Financial Statements of fiscal year ending May 31, 2016. She briefly explained the two required letters from C&W that accompany the financial statements, and noted that the largest estimate within the financial statement is Other Post-Employment Benefits (OPEB). C&W used an alternative actuarial valuation for estimating the cost of OPEB, as detailed on pages 27 and 28.

CPA Leeson said the audit did recognize two significant deficiencies – preparation of the financial statements and the Trust and Agency (T&A) fund not being accounted for in the accounting software. The preparation of an audited financial statements are required and because the Village does not have the staff with expertise to complete them, the use of an outside CPA firm (ie. C&W) is an acceptable resolution to this deficiency. To correct the T&A deficiency, CPA Leeson said that Tessa from Cuddy & Ward spent time with Deputy Clerk/Treasurer Dufford last week to help her with T&A computer entries into the Williamson Law Book (WLB) accounting software, which was updated to the latest version as part of the process. CPA Leeson said utilizing the computer for T&A will provide another level of control. Relative to payroll, CPA Leeson, DMO Harty and Clerk/Treas. Couch discussed providing the Village Board with a quarterly report to keep them apprised of pay rates, overtime, labor that will be allocated to true up funds, etc. Another level of oversight will be monthly reconciliation review by DMO Harty of bank statements and bank reconciliation.

CPA Leeson reviewed portions of the Audited Financial Statements including the Balance Sheet-Governmental Funds, Statement of Net Position, and Management's Discussion and Analysis (which DMO Harty will provide in the future). CPA Leeson said the Village is in good shape – the “largest portion of the Village's net position reflects its investment in capital assets (e.g. land, buildings, vehicles and equipment, less any related debt used to acquire those assets that are still outstanding).” Discussion continued on the importance of investment in capital assets. Relative to the General Fund, once the Parking Trust Fund reimbursed the General Fund for parking related work at Village Hall (reimbursement was after fiscal year ending 5/31/16), the General Fund essentially broke even. CPA Leeson said the Village is now fully compliant with GASB 34, 45 & 68.

With regard to the water main replacement project, it was recognized that it would behoove the Village to seek a bond rating increase from Moody's now. DMO Harty agreed to consult with Bill Marquardt as to how to proceed. Clerk-Treasurer Couch will ask Fiscal Advisors for debt schedules for 3 million and 2 million over 20 years so that we can get an idea on how much annual payments would be.

Adjournment –The Operations Meeting adjourned with thanks to CPA Leeson.



Patty Couch
Village Admin./Clerk-Treasurer