

Town of DeKalb Board Meeting

At a special meeting of the Town Board, of the Town of DeKalb, St. Lawrence County, New York, held on the 21st day of, March, 2017, at the Town Garage, DeKalb Junction NY, there were present:

John Frary	Supervisor	Rae Ann Davis	Councilwoman
Michael Livingston	Councilman	Ed Newcombe	Councilman
Jody Hamilton	Highway Superintendent	Barbara Creazzo	Town Clerk

Absent: Harold Lowery

Guest: Nick Eels of Hoffman, Eels & Gray CPA's

Supervisor Frary opened the meeting at 7:35 PM

Mr. Eels distributed **ANNUAL FINACIAL REPORT UPDATE DOCUMENT for the TOWN OF DEKALB, COUNTY OF ST. LAWERENCE for the FISCAL YEAR ENDED 12/31/2016**. Mr. Eels went through the report with the Board members, as he explained the final figures for each account. Overall, the fiscal year for 2016 ended well. All accounts had been budgeted well except for the Water District. This account had several unanticipated expenses for the year, such as replacing the last section of piping for main water line that serves the Family Dollar Store.

The Town of DeKalb Net Assets Movement was distributed and reviewed by the Board. The following is the 2016 Fund Balance for each account:

Funds	2016
General (A)	\$323,325
General, excluding village (B)	\$35,309
Highway (DA)	\$210,006
Highway, excluding village (DB)	\$285,665
Subtotal	\$854,305
Lighting (SL)	\$3,310
Sewer (SS)	\$27,566
Special Grant	\$45,293
Water	-\$20,480
Subtotal	\$55,689

Town of DeKalb Financial Management Report of Examination Period Covered: January 1, 2015 – June 30, 2016 2016-427

The Supervisor should:

Item 1 Ensure that all financial records are kept at Town offices and are readily available for public inspection as required. (Initial response) *We agree with the findings, after discussion with the auditor, and will set in place, plans and/or procedures to ensure that the records are available upon request. (Final response) Financial records are now readily available at the Town's offices, as the accounting firm stores them in a specific cloud based file. All accounts from January 1, 2017 and moving forward, will be saved and made available through this method.*

Item 2 Properly oversee and monitor the work that the Firm is performing on his behalf. (Initial response) *We understand the concern after discussion with the auditor and will set in place plans and procedures to ensure that more oversight is accomplished on a monthly level. (Final response)*

Item 3 Ensure that monthly reports to the board include a detailed statement of all money received and disbursed, along with reconciled cash balances for each fund and bank reconciliations accompanied by bank statements. (Initial response) *We felt that we were providing the above in our year to date financial report each month, but agree that it is not as required. We will set up additional reports for money received and expended and total cash*

balances for each fund. (Final response) In addition to the initial response, the Supervisor has generated a spreadsheet for all checks that are issued via him, as well as including checks for that month's Abstract.

Item 4 Develop a fund balance policy that establishes a reasonable amount of fund balance that should be maintained in each fund in order to meet the town needs. (Initial response) *We understand the request and will formulate fund balance policy. (Final response) Each fund balance will maintain at least a 25% balance to maintain each fund that will be able to meet the town needs, exception being DB, which will maintain fund balance equal to next year's CHIP allocated funds.*

Item 5 Ensure that the excess unrestricted fund balance in the general town-wide fund is used in a manner that benefits Town residents. The excess funds could be used as a financing source for:

- Funding one-time expenditures
- Funding necessary reserves or committing fund balance for a specific use
- Reducing real property taxes

(Initial response) *We will see that any excess fund balance meets the criteria stated. (Final response) We will establish reserve funds for specific accounts and/or projects.*

Item 6 Develop comprehensive multiyear financial and capital plans that project operating and capital needs and financing for a three to five-year period. (Initial response) *Although we have established a 10-year capital needs for the highway department, we see the need for a town-wide comprehensive plan. (Final response)*

Item 7 Establish a written contract with the Firm that outlines the requirements for backing up and securing the Town's data. (Initial response) *We agree that our contract needs to be modified, as it did not include the specifics of backing up and securing the Town's data, although that has always been provided. (Final response) A three-year contract has been written and agreed upon, as well as, including the means in which the Town's data is backed up and secured.*

Item 8 Annually audit or cause an audit of the Supervisor's books and records. (Initial response) *We will set up steps to ensure that this will be done. (Final response) On at least at quarterly basis, Councilmembers, will audit the Supervisor's account records and bank transactions*

Meeting adjourned at 9:05 PM

Respectfully submitted by
Barbara A. Creazzo
Town Clerk

Actions

1. Implement cloud-based access of Town accounts. Completed 03/ /2017
2. Develop plan/procedure to ensure oversight of the accounting firm monthly.
3. Provide detailed movement of all monies handled by the Supervisor.
4. Establish a minimal fund balance of 25% for each account except for the Water District Account, as it does not have the funds to meet the criteria of 25%. (see item 4 page 2)
5. Establish reserve fund balance accounts for specific projects.
6. Establish town-wide comprehensive plans.
7. Establish contract with accounting firm to include the backing up and storing of the Town's data.
8. Establish a protocol for auditing the Supervisor's records and bank transactions.
9. Send Nick copy of board minutes that pertain to each reserve fund that is established.