

DRAFT

Village of South Glens Falls
46 Saratoga Avenue, South Glens Falls, NY12803

March 11th, 2024

6:00 PM

Special Village Board Meeting with CPAs

MAYOR NICHOLAS BODKIN PRESIDING

Minutes

Attendance:

Mayor Bodkin
Trustee Gutheil
Trustee Girard

Samantha Berg
Donna Crowley
Shannon Mannese
Alan Dubois
Mary MacKrell

Absent: Trustee Orlow & Carota

The Mayor calls the meeting to order at 6:00PM and leads with the Pledge of Allegiance.

- 1. Meeting with CPAs:** Donna Crowley proposed to not audit 6/1/2020-5/31/2021 due to the fact of the Village having many problems during that year and the next. They noticed a Forensic Accountant that had issued a report stating there were over a 1,000 journal entries done incorrectly. For the firm to give a clean opinion on the audit, it would be very difficult and time consuming. They would need documentation on every journal entry. They suggest the best option is to skip to auditing 6/1/2022-5/31/2023, this would include beginning balances and the balance sheet for 5/31/2022. Shannon Mannese provided they were being transparent and letting the Village know it would be time consuming and they may not be able to issue an opinion, which is the reason for the audit. Trustee Girard said we have always had audits done for our staff's protection and Village Law requires it. Trustee Girard provided Clerk Treasurer Berg completed a large amount of journal entries by recommendation of the Forensic Auditors, he would like these to be audited and verified they were done correctly. Mary MacKrell provided they would not get an audit report, but a qualified opinion that says they are not auditable. Trustee Gutheil said Village Law 4480 states the Board must conduct an audit or cause to be audited. Mary MacKrell read a portion of the law that says external services are not required for an audit but the Board of Trustees could conduct an audit themselves. Trustee Gutheil said no one on the Board wants to do the audit. Shannon Mannese explained the issues expected for

conducting the audit as intended and that it is difficult to provide a rough estimate. She said this is why they suggest not attempting the audit to prevent high costs occurring. Trustee Girard had questions for percentages in the water and sewer funds, mostly the sewer fund initially seeming low but now is around \$600,000. Donna Crowley provided the Village already had a professional come in to audit the cash balance and should present questions to them instead of hiring a new firm to audit the old firm's work. Trustee Gutheil provided they never met in person with the previous firm and communications were not directly with Board members. Clerk Treasurer Berg provided a detail of checks that could not be tied out, she provided a breakdown to them of the checks in questions. Trustee Gutheil will not be comfortable with what is being proposed, this does not recognize the Board's responsibilities under the local law he has referenced. Mary MacKrell provided the last audits did not have correct numbers and were poor quality, we know what the correct cash was at a certain point and should draw a line and start there. Trustee Gutheil said the sewer district was in trouble when he started here. Clerk Treasurer Berg provided for nearly three years the three funds were not paying each other correctly. Trustee Girard and Gutheil would like to know how the sewer fund seemed near zero and after corrections it had a balance of around \$600,000. Mary MacKrell and Shannon Mannese explained what they believe is the best option going forward and starting with fiscal year 2023. Trustee Gutheil would like to talk to an attorney and the state regarding having an audit or not. Shannon Mannese said the State does not require an audit, but that an AUD is filed. She further recommended asking the Village's attorney for their interpretation on Village law in regards to an audit being required. Mary MacKrell suggested having an internal audit of the sewer fund, starting when the fund balance was last known as correct. The Mayor believes this would be 2018. Trustee Girard believes going back to when Edmunds Software was implemented, is when the fund balance was correct. Mary MacKrell provided it does not seem to make sense like having a CPA like herself to conduct this project for the cost, an additional clerk may have to be hired. She also provided that this work would have to be done by paper documents due to all the errors that have been identified with the Edmunds Software. Trustee Girard said they could start wherever they see fit because the Board does not have a solution to start anywhere else. He would like them to come and audit 22-23. He added people in this room have questions regarding the fund balance, we need to find out if it is possible to figure out or we will not do it. Donna Crowley suggested speaking with our attorney on how the enterprise funds were set up, if the General can support this, then it would not matter. If the Sewer has extra fund balance than anticipated, it is just a transfer from the General fund to support them.

At this time (7:01PM), Donna Crowley and Shannon Mannese were thanked for their time and left the meeting.

Trustee Girard said the fees for water and sewer were always separate funds and is unsure why there was ever one checking account for them. Mary MacKrell provided the Village has a large fund balance collectively. Trustee Girard does not believe the Clerk needs to pull documents for the sewer fund in 2018, the Village will ask for the attorney's advice. Trustee Gutheil asked how and when this was first discovered. Clerk Treasurer Berg provided she noticed these errors last fiscal year. Mary MacKrell said the sewer fund had a large due to amount to the general fund, but the general fund did not have a due from. This made it difficult to reconcile.

Motion #031124-1 to adjourn tonight's meeting at 7:07PM. Trustee Girard motioned, Trustee Gutheil seconded. All in favor, motion passed.