

Village of South Glens Falls
46 Saratoga Avenue, South Glens Falls, NY12803
March 5, 2025
Special Village Board Meeting with Auditors @ 6:00 PM

Special Meeting with Auditors
MAYOR NICHOLAS BODKIN PRESIDING
Minutes

Attendance:

Mayor Bodkin	Clerk Treasurer Samantha Berg
Trustee Carota	DPW Superintendent TJ Chagnon
Trustee Girard	Claude Middleton
Trustee Gutheil	Bruce Lant
Trustee Orlow	Tim Pease
Attorney Bill Nikas	TJ Wade
Donna Crowley	Bill
Alan Dubois	Cheryl
CR	JM
Nick	

The Mayor opened the meeting at 6:03 PM.

1. **Clerk/Treasurer Q&A:** responses from Audit findings submitted to the Board
2. **Board of Trustees Q&A**

Discussion: Trustee Gutheil will arrange a phone meeting to go over specific information from the Audit with RBT.

Finding 2023-001 Capital Assets, Including Infrastructure Assets -

Recommendation: RBT recommends that the Village adopt a capitalization policy and compile and update annually a list of capital assets over this amount owned by the Village.

C/T Response: The Board has not established a fixed asset policy to identify the threshold to determine the minimum amount for fixed assets. I have also noted that a fixed asset audit was not conducted in several years. It is one of the items that is currently on the Clerk's Office whiteboard to be accomplished. There are several that need to be tackled. Some training will be required for the correct depreciation amounts.

Finding 2023-002 Implementation of GASB 75 Other Postemployment Benefits ("OPEB") -

Recommendation: RBT recommends that the Village employ the services of an actuary to obtain the required actuarial valuation of retiree medical obligations satisfying the requirements of GASB 75 for reporting in the financial statements in the future.

C/T Response: The Board will need to discuss this item and decide whether or not to move forward with hiring an actuary. The average cost is \$150-300 per hour of engagement. I have reached out to my association for input from other municipalities regarding whether they have done this and what the cost was.

Finding 2023-003 Component Unit -

Recommendation: RBT recommends that the Village review its financial reporting to identify all component units and include their financial information in the Village's financial statements.

C/T Response: The Clerk's Office can reach out to the LDC for an update and a copy of the most recent audited financial statement.

Significant Deficiencies Finding 2023-004 Payroll Controls -

Recommendation: RBT recommends that employee timesheets be approved within the system by the employee's department head before payment. RBT also recommends that payroll warrants are approved prior to processing payroll.

C/T Response: The time period of this audit covers a brief time period prior to the installation and engagement of a payroll processing firm. Warrants are submitted to the Board at each Board meeting for review and approval. Payroll timecards are verified by each department head prior to being processed for payroll.

The current process for payroll is detailed below:

1. Timecards are reviewed and verified by the department head.
2. Payroll is entered into the system by the DCT with copies of paper timesheets as a reference.
3. Once payroll has been entered into the system, it is submitted to the Clerk Treasurer for review.
4. Once the Clerk Treasurer has approved, the payroll is sent to the company for processing.
5. The warrant is then submitted to the Board at the next Board meeting. Upon discussing with other municipalities, this is how they do it as well. The Board essentially approves the payroll at the time of approval of salaries with the adoption of the annual budget.

Finding 2023-005 Interfund Receivables and Payables -

Recommendation: RBT recommends that the Village only record interfund receivables and payables when necessary. RBT also recommends that in each fund, there are separate accounts to notate which fund the amount is due to or from and these are paid back shortly thereafter.

C/T Response: The Clerk's Office will establish Due To/Due From accounts in

each fund for the 26FY for easier tracking of those interfund loans. We are also using a DT/DF schedule for additional backup tracking, starting with the 25FY. The Clerk's Office has a better understanding of the accounting system and how payables are recorded. We fully understand how Edmunds records disbursements. However, in the timeframe of this audit, that was not the case. There was also balances that had carried over due to a lack of understanding of how Edmunds works when rolling into a new year.

Finding 2023-006 Capital Project Funds -

Recommendation: RBT recommends that the Village record all capital project revenue and expenses within the proper capital project funds.

C/T Response: A separate fund is created for each project. Some project expenses were incurred prior to the start of the project, and the fund was reimbursed from grant funds. I anticipate further training in the accounting of capital projects.

Compliance Finding 2023-007 Balanced Budgets -

Recommendation: RBT recommends that the Village review budget amendments to ensure that it maintains a balanced budget.

C/T Response: This occurred due to a lack of training and knowledge. This has been addressed with training.

Review of Journal Entries -

During the audit, RBT noted that there was no indication of journal entry approval. RBT recommends that the Village implement a process for journal entries to be reviewed by someone other than the individual who prepares them.

C/T Response: Based on the advice of the auditors, the Clerk's Office has instituted a Journal Entry log to account for journal entries as they are completed. We will re-evaluate the approval process of journal entries. The feasibility of this would need to be evaluated due to job duties and levels of knowledge.

Procurement Policy -

During the audit, RBT noted that although the Village has a procurement policy, it is not being followed. RBT recommends that the Village follow its procurement policy.

C/T Response: The Clerk's Office follows procurement. Back-up documentation is attached to vouchers at the time of processing such as Board motions, quote sheets, and state contracts.

Board of Trustees Training -

RBT noted that the Village does not require members of the Board of Trustees to undergo any training. RBT recommends that the Village require members of the Board to attend training.

C/T Response: Requires Board engagement.

Community Development Fund -

The Village maintains customer deposits in a Community Development Fund for an Affordable Housing program that has been dormant for several years. RBT recommends that the Village investigate these funds and pay the funds back if necessary.

C/T Response: Requires Board engagement.

Interest Revenue -

RBT noted that the Village did not properly record interest revenue earned. The Fund balance was credited instead of an interest revenue account. RBT recommends that all interest earned is recorded to an interest revenue account.

C/T Response: The Clerk's Office was advised by OSC to complete the entries in a certain manner, and there is a discrepancy as the auditors do not agree with OSC's advice.

Retirement Allocation -

The Village provided RBT with a retirement allocation between funds that did not have a basis. RBT recommends that the Village allocate retirement between the funds based on the percentage of payroll expense in each fund going forward.

C/T Response: The Board has set an allocation of 88/8/4.

Disaster Recovery Plan -

RBT noted that the Village does not currently have a disaster recovery plan. RBT recommends that the Village work with an outside consultant to develop a formal disaster recovery plan.

C/T Response: The Village established an emergency preparedness plan back in 2011, according to the information I was able to locate.

Fund Balance Policy -

RBT noted that the Village does not currently have a fund balance policy. RBT recommends that the Village create and adopt a fund balance policy.

C/T Response: Requires Board engagement.

Investment Policy -

RBT noted that the Village does not currently have an investment policy. RBT recommends that the Village create and adopt an investment policy.

C/T Response: I disagree with this comment entirely. An investment policy is adopted at each annual organization meeting. This does not speak to whether that investment policy satisfies the requirements that they would like to see. - RBT noted that this was put in due to a miscommunication.

Approval of Meeting Minutes -

RBT noted that although the Village approves meeting minutes, the approval is not happening in a timely manner. RBT recommends that all meeting minutes be approved in a timely manner.

C/T Response: This has already been addressed. Meeting minutes are presented at the next Board meeting with exceptions due to staff changes, staff absences, etc.

Accruals -

Several audit adjustments were required due to discrepancies in the recording of financial activities, primarily stemming from the incorrect application of cash-basis accounting principles instead of the required modified-accrual accounting principles. Revenue earned but not yet received should be recorded as receivables if the funds are received within 60 days of year-end.

Expenses incurred but not yet paid should be recorded as payables if the funds are expended within 60 days of year-end. RBT recommends that the Village review when revenue is earned and expenses are incurred to ensure the activity is recorded in the correct period.

C/T Response: This occurred due to a lack of training and knowledge. With this audit, I have learned that this needs to be done and will be implemented going forward.

Retirement System Reporting -

RBT noted that 21 days worked for the month was reported to the retirement system for elected trustees. This is automatically calculated by the payroll system. Retirement system guidelines state that employers must list any elected or appointed officials who do not participate in a time-keeping system on a Standard Work Day and Reporting Resolution for Elected and Appointed Officials. Every employee, including elected or appointed officials, must have a number of hours per day that are considered full-time for the position. In addition, the maximum days to be reported to the retirement system for a month with four pay periods is 20 days. RBT recommends that the Village adopt a Standard Work Day and Reporting Resolution for Elected and Appointed Officials. RBT also recommends that the Village does not report more than the maximum amount of days to the retirement system.

C/T Response: The Board will need to pass a resolution identifying the number of hours for retirement. I have identified that the 21 days have been used for

several years. This can be corrected with the Board passing a formal resolution to set a standard work day at 6 or 8 hours.

The Mayor adjourned the meeting at 7:02 PM.