

SOUTHWEST LICKING COMMUNITY WATER & SEWER DISTRICT

P.O. BOX 215, ETNA, OH 43018

(740) 927-0410

AUDIT & FINANCE COMMITTEE MEETING MINUTES

May 12, 2015

1. OPENING

The May 12, 2015 meeting of the Audit & Finance Committee Meeting of the Southwest Licking Community Water and Sewer District was called to order by Mr. Meade at 12:00 pm. Mr. Kretzmann, Mr. Meade, Mr. Carlisle, Mr. Rector, Ms. Killen and Mr. Balestra on behalf of Harr & Scherer were present at roll call. Also present was Ms. O'Keefe. There were no members of the public present for the meeting.

2. ADOPTION OF AGENDA

Mr. Kretzmann made a Motion to approve the Agenda; Mr. Carlisle seconded. Vote, all aye. Agenda adopted.

3. APPROVAL OF MINUTES

The Minutes of the last committee meeting on October 28, 2014 had already been approved.

4. FINANCIALS

a. Summary Expense Comparison to Budget: Ms. Killen distributed and discussed the Executive Summary for Financial Statements and the 2014 Comparison with 2013. Mr. Balestra also summarized the reports. The line item details where there were increases and decreases were reviewed. Ms. Killen stated that the first three months of 2014 were below the first 3 months of 2013 by \$137,416.59. Mr. Meade asked whether the payroll was high compared with other similar entities and Mr. Balestra stated he thought it was a bit low. Mr. Balestra also commented that the district's cash flow is still dependent on tap fees and service charges, but the gap is closing. In 2017 and beyond, there will be several variables to reduce the charges in the district's rate structure as the financial outlook continues to improve. Mr. Kretzmann questioned whether there would be any changes in the reporting standards as applied to public entities, and Mr. Balestra replied that there is an upcoming change that will reflect how the PERS retirement contributions will be shown on the financial statements. He commented that this will significantly impact balance sheets, and the change will take effect at the end of 2015. Mr. Rector made a Motion, which was seconded by Mr. Kretzmann, that the Committee

recommends approval of the 2014 Financial Statements to the district board of trustees. Vote, all aye.

5. **FRAUD ISSUES**

Ms. Killen stated that there were no fraud issues to discuss. Typically, the Ohio State Auditor's office distributes a quarterly bulletin discussing various fraud issues and district management will use the bulletin as discussion topics for the committee. However, the district did not receive a bulletin for the last quarter. She also commented that the next biannual audit will be conducted in 2016. The last audit results were excellent, except that the auditor did suggest in the management letter that the district develop an outstanding check policy. Ms. Killen indicated that this policy was being drafted and would be presented soon to the committee and the district board.

6. **MEMBER'S COMMENTS**

On behalf of the district and the committee, Mr. Kretzmann wished Paul Rennick a speedy recovery from his accident. He also thanked Mr. Balestra and Ms. Killen for their continued hard work and dedication to the district

7. **ADJOURNMENT**

Mr. Kretzmann moved to adjourn. Mr. Rector seconded.

The meeting was adjourned at 12:40 pm.

ATTEST:



John Carlisle, Board Secretary