

## Notes from Audit Committee Meeting

**Present:** Audit Committee Members—Peter Asmuth, Chair; Gail Feldman; John Elliott;  
Staff—Demetri Protos, Finance Director; Shana Davis-Cook, Village Manager

**Held on:** October 7, 2011 at 2:00 p.m.

- The Committee reviewed the draft audited financial statements for the fiscal year that ended on June 30, 2011, as prepared by the independent auditing firm *Lindsey & Associates*.
- The Committee discussed the special revenue fund (revenues derived through and expenses charged to the Village's *SafeSpeed* Program), specifically:
  - The calculation for direct costs to administer and implement the Program
  - Other expenses related to public safety charged to the fund.
- The Committee discussed how the Village maintains its financial books, specifically that the Village maintains its finances throughout the year on a cash basis (modified accrual basis), although the audit reflects a full accrual basis for the purposes of reconciling how the year ended. The Committee favored including additional language in the "Management Discussion and Analysis" (MD&A) section of the report providing a further explanation.
- The staff explained how Village revenues are accrued, specifically income tax and *SafeSpeed*.
- Mr. Elliott expressed concerns about the references to "Original Budget" and "Final Budget" and asked what these differences in the two columns of numbers was meant to represent. Staff explained that these two columns represented supplemental changes to the budget approved by the Village Board throughout the year in response to unforeseen events. Mr. Elliott recommended that additional language be included in the report with this explanation, supported by some detail on the specific supplemental expenditures authorized by the Board. Staff indicated that this explanation must be included in the MD&A, specifically referencing the pages to which the related schedules/tables are located.
- The Committee approved the following edits:
  - Page 7: Provide further explanation regarding the 10% anticipated reductions from the FY2011 budget to the FY2012 budget (i.e., reductions in legal expenses, tree care program maintenance, etc.).
  - Page 33: Move the amounts under "Special Projects" to "Capital Outlays"
  - (post-meeting edit discovered by staff) Page 40: replace "Brookville Park" with "Buffer Area"