

**BOARD OF COMMISSIONERS' MEETING MINUTES**  
**July 9, 2024**  
**6:30 P.M.**  
**CHERRY VALLEY & ROCHDALE WATER DISTRICT - Hybrid**

**I. CALL TO ORDER** - The meeting was called to order by Chairman McGinn at 6:32 P. M.

The following were in attendance:

Joseph McGinn, Chairman	
Arthur E.J. Levesque, Commissioner	1 -subscriber in attendance
Benjamin Morris, Superintendent	1 - online subscribers
Robert H. Lemieux, Sr., Commissioner	Auditor – Mark Stought
Jennifer Wood, Treasurer	
Cheryl Balkus, Clerk - absent	

**II. District Member Forum** – Chairman McGinn called the district member forum to begin. There were no discussions or comments. Chairman McGinn motions to close the district member forum seconded by Commissioner Levesque. All in favor. Approved.

**III. APPROVE MINUTES**

June 18, 2024, Meeting Minutes – Commissioner Levesque motions to approve the June 18, 2024, minutes. Seconded by Commissioner Lemieux. All in favor. Approved.

**IV. FINANCE**

**A. Approve 6/24/24, 7/1/24 & 7/8/2024 Warrants -**

Commissioner Lemieux motions to approve all the above warrants. Seconded by Commissioner Levesque. All in favor. Approved.

**B. June bank transfer - Commissioner Lemieux motions to transfer from the water checking account to the sewer account in the amount of \$55,753.85. Seconded by Commissioner Levesque. All in Favor. Approved.**

**C. Audit Presentation** – Auditor Mark Stought from Mark Stought CPA P.C. did the audit for year ending June 30, 2023. Mark Stought stated that the final financial statements have been finalized and issued. The audit tests the internal controls and the day-to-day processes. First the client is asked how their process works day to day then follow the whole process to make sure they are doing exactly what they say they are doing for each process. Stought explained that he picks the accounts that have the highest significance and tests the accounts to make sure everything is correct by doing certain testing. If the test comes out okay, then I know the account is correct. Since it is a government account we must use a little bit of cash accounting, accrual accounting and for the purpose of free cash we must convert things to UMAS accounting. Once my testing is completed, I then prepare the financial statements in the related disclosures on client documentation along with an opinion. My Opinion on this audit is it is free from material misstatement which is what you want. It was an integrated audit so I will express an opinion on the controls and in my opinion is that there were no deficiencies found. Since it was an initial audit, it did take more time, I had to go back and check the prior year audit ending numbers to make sure the starting numbers were correct. Stought stated he did not agree with some of the prior year-ending numbers because he

could not tie them out. One of the bigger things was the OPEB account. The prior auditor did not think it was a material amount so they did not include it but when I looked at it, I noticed it would be a material amount. The district had an outside company perform the work to find out the dollar amount which was over \$50,000. Since it was a material amount, I had to add an adjustment to the prior year as well to get everything to tie out. I did help in the calculation of Free cash with DOR which was approved. We did come into some issues with that as well and there was a lot of back and forth with the representative of DOR to get things the way they wanted them to be. Commissioner Lemieux asked on page 3 of the financial highlights do we have an explanation of the \$480,000 being removed from the books and what does that mean? Auditor Stought explained that he sat down with Superintendent Morris, went over the list of equipment and there were a lot of things that were still on the asset list that we did not know what it was or that it had been removed in the last year. Superintendent Morris stated that we had for example in the chemical room that we were decommissioned that we were able to get rid of. We have done research and found that it would cost more money to fix what we currently have to put it back online then to just get new equipment that is up to date if we ever needed them again. This includes some of the old pumps that have been decommissioned since being connected with the City of Worcester. Commissioner Lemieux asked if the term capital assets include things like our valves and smaller parts. Auditor Stought answered yes it does. Customer Buteau asked how we were able to do free cash without having the audit completed first. He stated in prior years we had to wait for the audit to be completed then in March we would always get the free cash certification. What changed this year? Stought explained that the financials were done in March, but he could not issue the audit because things kept changing in his wording and if he issued it then he would not be meeting audit standards on his end. He knew the financials were not going to change, it was just the wording aspect of the report. He had some corrections that came back to him in March when the draft was done so had to push the date back because that was a requirement of the audit standards. Nothing changed that was numerical, but things changed with in the notes, so he had to change the date. Customer Buteau asked on page 6 it states that the commissioners approved the budget it is really the voters that approve it. Treasurer Wood agreed and stated it should say May not January. Chairman McGinn stated that as a board we had an expectation that an audit would have been completed significantly earlier than now. If I read correctly there is an act in our enabling act that the district is supposed to present the financials to the district by a certain date. How do you account for the length of time that it took to complete this audit? Auditor Stought stated, as I said with an initial audit it takes more time, I had to go back to the prior audit numbers and verify those numbers and there was a lot of going back and forth on trying to verify those numbers. There were also some things in the prior auditor's final report that was not presented the correct way. I had to go back and forth with DOR to get the free cash certified. There was a lot of time put into the initial audit. After we did free cash, I got further corrections, so I had to go back and make changes. Chairman McGinn asked is there anything that you can recommend to our Treasurer to make any improvements. Auditor Stought explained the only thing he could suggest was using UMAS accounting instead of Accrual accounting, but it would not be financially possible for the district to do so. The only thing it would speed up is the time for doing the free cash calculation at the end of each year. You would need to get different accounting software that is very expensive and probably not worth it for the district. Other than that, I found no issues, and nothing was an issue. Commissioner Lemieux asked on page 10 on the second paragraph under non-operating activities of \$44,048 what exactly is that? Auditor Stought looked up exactly what it was and stated that it had to do with an adjustment he had to make on the leases that GASB requires which caused it to become a negative number. Chairman

McGinn thanked Auditor Stought for performing the financial audit for the period ending June 30, 2023.

- V.** Superintendent Report – Nothing to report.
- VI.** Date of Next Meeting: Approved at prior meeting September 10, 2024, at 148 Henshaw St and hybrid at 6:30 p.m.
- VII.** Adjournment: Commissioner Lemieux motioned to adjourn. Seconded by Commissioner Levesque. All in favor. Approved. The meeting ended at 7:49 p.m.