

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
MONDAY, APRIL 13, 2015
6:00 P.M. – CITY HALL

The Council for the City of Crosslake met in a Special Session on April 13, 2015. The following Council Members were present: Mayor Steve Roe, Gary Heacox, Mark Wessels, and Dave Schrupp. Also present were City Administrator/Consultant Dan Vogt, City Clerk Char Nelson, Finance Director/Treasurer Mike Lyonais, Public Works Director Ted Strand, Police Chief Bob Hartman, and Mary Reedy of Clifton Larson Allen.

Mayor Roe called the meeting to order at 6:15 P.M.

Mary Reedy of Clifton Larson Allen (CLA) appeared before the Council to present the results of the audit of the financial statements for the year ended December 31, 2014. Ms. Reedy began the presentation by stating that it is the auditor's responsibility to plan and perform the audit under governmental auditing standards and to conclude that the financial statements are fairly stated. The auditor is required to report in writing an expressed opinion on the City's internal controls such as segregation of duties. It is the auditor's opinion that the financial statements are fairly stated representing an "unmodified" audit opinion as noted in the Independent Auditor's Report of the 2014 Financial Statements. It was also noted that in conducting the Minnesota Legal Compliance Audit for Local Governments, the City complied with all terms and conditions of applicable legal provisions. It was noted that there is limited segregation of duties relating to financial transactions but that is common based on the amount of staff that is available to do the work.

Ms. Reedy reviewed various graphs to the Council depicting the financial condition of the City both alone and when combined with Crosslake Communications as an enterprise fund of the City. It was noted that the financial statement for Crosslake Communications is prepared by Olson Thielen and those audited findings are included in the City's Financial Statement. Both Crosslake Communications and the Sewer Fund had a negative cash flow. Mayor Roe noted that the cash flow for Crosslake Communications would not be negative if the City discontinued the operating transfer. Ms. Reedy suggested that the Council consider an increase to sewer rates in the future. Ms. Reedy gave a brief summary of GASB 68 which will be required reporting in 2016.

Brad Nelson arrived to the meeting at 6:45 P.M.

Ms. Reedy stated that Mike Lyonais prepares the work papers for the financial statements before the auditors arrive which saves the City money.

MOTION 04S1-01-15 WAS MADE BY MARK WESSELS AND SECONDED BY DAVE SCHRUPP TO ACCEPT AND APPROVE THE AUDIT OF THE 2014 FINANCIAL STATEMENTS FOR THE CITY OF CROSSLAKE. MOTION CARRIED WITH ALL AYES.

There being no further business at 6:55 P.M., MAYOR ROE ADJOURNED THE MEETING.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Charlene Nelson". The signature is written in black ink and is positioned above the printed name.

Charlene Nelson
City Clerk