

TO: Finance Committee Members  
David Hulseberg, Village Manager  
Timothy Sexton, Director of Finance

FROM: Rhonda Heabel, Assistant Director of Finance  
Anne M. Fairbairn, Accounting Manager

DATE: December 10, 2011

SUBJECT: Responses to the FYE 2008 Management Letter

The FYE 2008 Management Letter comments from the Village auditors Lauterbach & Amen are enclosed for your review. The staff response to the Management Letter comments is as follows:

***1. GASB STATEMENT NO. 43/45 - FINANCIAL REPORTING FOR  
POSTEMPLOYMENT BENEFITS OTHER THAN PENSION PLANS***

**Management Letter Recommendation:** An actuarial valuation will be required at least biennially for other post employment benefit (healthcare and life insurance) plans because our total membership is 200 or more employees in active service, terminated employees who have accumulated benefits but are not yet receiving them and retired employees and beneficiaries currently receiving benefits. This statement affects the Village's fiscal year ending May 31, 2009 audit.

**Staff Response:** The Finance department contracted with Timothy W. Sharpe, Actuary after the end of FY2008. While working with Lauterbach & Amen to implement this GASB requirement, it was decided to have a beginning figure prior to the implementation date of FY2009.

The auditors will be in attendance at the January 20<sup>th</sup> meeting to answer any questions regarding the above comment.

cc: Village President & Board of Trustees  
All Department Heads