

August 20, 2016

To: Members of the Board,
Lake Ripley Management District

From: Debra Kutz, Audit Committee Chair
Dave DeGidio, Audit Committee Member

The Audit Committee of the Lake Ripley Management District was convened at 9:30 A.M. on June 24, 2016 in the District's office in the Town of Oakland, Wisconsin. The purpose was to examine the financial books and records of the Lake Ripley Management District for the year ended December 31, 2015.

There was general discussion as to the operations and condition of the records and procedures that would be followed to examine and test the records.

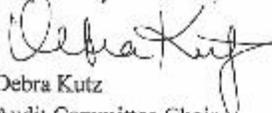
At the direction of the Audit Committee Chair, certain audit and examination procedures, as deemed necessary, were performed.

Findings:

There were no exceptions to the financial records as presented.

Based on the testing and examination of the financial records of the Lake Ripley Management District, the Audit Committee concludes that the financial records reflect properly, accurately and fairly, the financial condition for the year ended December 31, 2015.

Respectfully submitted,


Debra Kutz
Audit Committee Chair

LAKE RIPLEY MANGAGEMENT DISTRICT
MINUTES OF THE AUDIT COMMITTEE MEETING OF

June 24, 2016

The meeting was called to order by consensus at 9:30 a.m. Committee members Debra Kutz and Dave DeGidio were present. Mike Sabella, Treasurer of the Lake Ripley Management District and Lisa Griffin, Lake District Manager, were in attendance to present the financial records.

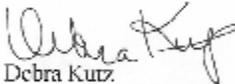
By unanimous consent Debra Kutz was appointed Chair of the Audit Committee.

There was general discussion as to the responsibilities of the Treasurer and his procedures on a monthly, quarterly and annual basis. Financial records for the year 2015 were made available and the committee members then began their examination.

It was agreed that a report would be prepared and that the Chair of the Audit Committee would submit this report to the members of the Board of the Lake Ripley Management District for inclusion in the Minutes of the Annual Meeting to be held August 20, 2016.

The meeting adjourned at 10:30 a.m.

Respectfully Submitted,


Debra Kutz

Audit Committee Chair

**Lake Ripley Management District
Annual Meeting Minutes
August 20, 2016
DRAFT UNTIL APPROVED IN 2017**

I. Call to order

The Annual Meeting of the Lake Ripley Management District was called to order by Chairman John Molinaro at 9:40 a.m. on August 20, 2016, at the Oakland Town Hall. The meeting was preceded by a 9:00-9:40 a.m. budget hearing. Board members in attendance: John Molinaro, Georgia Gomez-Ibanez, Jane Jacobsen-Brown, Craig Kempel, Jimmy DeGidio, Mike Sabella and Walt Christensen. Also present: Kent Brown, Rick and Debra Kutz, Ann Molinaro, Tom Hensel, Lisa Lawson, Tom Harvey, Tom Nagel, Bernie Gahan, Karen and David Cox, Joe Sapenzia, Shawn and Len Tamasallo, Preston Rugaard, Julie and Dan Christensen, Tim and Jennifer Donohoe, Fred Livingston, Maria Verbrugge, Nick and Maureen Belleson, Jamiel Breit, Mike Doman, Marilyn Sabella, Todd and Robin Touton and Gary Zibell (Cambridge Cable TV 98).

A total of 59 eligible electors and property owners were present for voting purposes.

II. Approval of 2015 Annual Meeting minutes

Minutes of the August 22, 2015, Annual Meeting were distributed and reviewed by those in attendance. Molinaro asked for a motion from the floor to approve the minutes as written. *Debra Kutz moved to approve the minutes as presented. Motion seconded by Jamiel Breit. Motion carried unanimously.*

III. Nomination of board candidates (names appearing on the ballot: Michael Sabella, incumbent, Mike Doman)

Molinaro asked if there were motions from the floor to nominate write-in candidates. Tom Hensel was nominated by Lisa Lawson. John Molinaro seconded the nomination. Ballots were distributed by Ann Molinaro, chair of the elections committee, for the purpose of filling two open positions. Mike Sabella was on the ballot as an incumbent running for reelection to an additional three-year term. Mike Doman was listed on the ballot. Additional space was provided on the ballot for write-in candidates. All eligible electors were asked to complete and submit their ballots to the elections committee so they could be tabulated.

IV. Chairman's report

Molinaro gave a description on a Lake District and his early work on the weed harvester prior to LRMD establishment. He continued with his work first as Secretary and later as Chairman of the Board and the various opportunities that were provided to him as a member of both Wisconsin Lake Leaders Institute and as an Advanced Lake Leader. Molinaro continued on Lake Ripley's designation as a priority lake in Wisconsin. He continued on the purpose and management of the Lake District Preserve which could include acquisition on DNR land adjacent to the preserve.

He concluded by relaying that in August of 2017, he will have served on the LRMD Board for 27 years, but that he will not be seeking reelection. He thanked all present and past Board Members and staff for their friendship and passion to protect Lake Ripley.

V. Treasurer's report

Sabella discussed his responsibilities as treasurer of the District which include paying expenses, issuing payroll and reporting requirements, and providing information on financial holdings during Board Meetings.

As per Section 33.29(2) of the Wisconsin Statutes, Sabella explained the Board's mandate to conduct an annual audit of the District's financial transactions. The audit can be performed either by an outside accounting firm or a chair-appointed citizen audit committee. A citizen audit was convened on June 24, 2016. Audit Committee

members consisted of Debra Kutz (Chair) and Dave DeGidio. Sabella and Griffin were in attendance to present the accounting records and answer questions. Kutz was asked to read the audit meeting minutes and findings into the record (see attached). It was reported that the audit committee concluded that the financial records reflect properly, accurately and fairly the financial condition of the District for the year ended December 31, 2015. Sabella was commended on the thoroughness of the financial records and all his good work.

Sabella continued with a comparative of net assets from 2014 through 2015. A total decrease in net assets of \$18,938. Sabella explained the major expenses which include the purchase of new weed harvesting equipment, replacement service truck, Ripley Rewards Program, and other expenses. He continued that offsets to the expenses include the sale of old weed harvesting equipment, grants, and donations.

VI. Authorization to use unrestricted funds, capital reserves, or other financial strategies to purchase land available from the DNR that abuts the Lake District Preserve.

Molinaro discussed the potential lands for sale by the WDNR and the importance of preserving these lands for the Health of Lake Ripley. John relayed information on the area, its relationship within the watershed, that the parcel is adjacent to the Lake District Preserve and that the inlet stream meanders through the existing wetland complex prior to entering the Lake. Molinaro relayed that it was the intention of the Board to purchase these lands by various financial strategies to include donations, grants, Restricted funds, and possibly through financing. Sabella discussed our current balance available and financing options available. Questions and discussion included future management needs and associated costs. *Joseph Sapienza moved to authorize the Board to use unrestricted funds, capital reserves, or other financial strategies to purchase land available from the DNR that abuts the Lake District Preserve. Motion Seconded by Bernard Gahan. Motion carried unanimously.*

VII. Discussion and possible action on other business that can be legally considered by the District

No other comments from the floor. Griffin and Christensen discussed the scope of work that went into finding the replacement work truck.

VIII. Approval of budget and tax levy

Copies of the proposed 2017 budget were distributed (see attached). The budget was previously presented and discussed in detail during the preceding budget hearing. Molinaro provided an overview of the budget and reviewed how it was developed. As currently proposed, the 2017 budget called for a \$120,055.00 tax levy. Molinaro requested any questions or comments on the proposed budget. No questions or comments rose from the floor. *Tom Hensel moved to approve the budget in its entirety. Motion seconded by Tom Harvey. Motion carried unanimously.*

IX. Tabulation of vote and election of board members

The ballots were being tabulated by the elections committee. Upon completion of the tabulation, Ann Molinaro presented the findings to the chairman. A total of 59 completed ballots from eligible electors. Results indicated that 29 votes had been cast to re-elect Mike Sabella, 23 votes cast to elect Mike Doman, 6 votes cast for Tom Hensel, and 1 vote cast for Tom Nagel.

VIII. Adjournment

Tom Hensel moved to adjourn at 10.55 a.m. Motion seconded by Lisa Lawson. Motion carried unanimously.

Respectfully Submitted,

Jane Jacobsen-Brown, Secretary
Recorder: LAG

Date