

August 16, 2017

- I. Call to order: The special meeting of the Board of Finance was called to order at 7:12 p.m. by David Shippee, Chairman. Other members' present-Neil Cook, Neil Delmonico, and Peter Rabbitt. Members' absent-Bruce Lindberg. Staff present-Russell Gray, Lincoln Cooper, John Firlik, and Joyce Gustavson. Also present-Marcia Marien, Beverly Boyd, Gail Lanza, Renee Theroux-Keech, Barbara Salisbury, Rosalind Choquette, Dottie Capobianco, and Kate Fantoli (7:21 p.m.)
- II. Final Audit Report for FY Ending June 30, 2016: Marcia Marien, CPA of O'Connor Davies gave a PowerPoint presentation for Fiscal Year ending 6/30/2016, items covered included Short Term Balance Sheet, Income Statements, Tax Collection Rates Over Time, Taxes Receivable Over Time, Non Major Fund Income Statement, Capital Asset Summary and Long-Term Debt Summary. Marcia stated that the General Fund balance, liabilities and deferred inflows of resources has a balance of \$5,068,230 with over \$4.2 million in working capital. The Board of Selectmen under spent \$126,453 and the Board of Education under spent \$51,529. M. Marien also stated the Revenue Office had the second (2nd) best collection rate in the last ten (10) years collecting 97.5%; over 100% was collected due to back taxes being paid. The Town Aid Highway Fund has a balance in the amount of \$366,347. M. Marien discussed emails/telephone calls that many First Selectmen received from Benjamin Barnes, Secretary, Office of Policy and Management (OPM) inquiring on the Town's Fund Balance and how much more can be pushed on Town's, such as, paying one third (1/3rd) of the teacher pension plan. M. Marien also discussed management's letter from the State of Connecticut, Office of Municipal Finance Services dated 8/4/2017 discussing summary results of the audit findings for Fiscal Year ending 6/30/2016, which included the following: 1) Integrated Framework: Information and Communication – complete, written policies and procedures manuals have not adequately documented the accounting and internal control processes at the Board of Education; 2) Integrated Framework: Monitoring Activities – The Town (including the Board of Education) is not adequately monitoring the controls that are in place to see that they are still working and effective; and 3) Timely and Accurate Financial Reporting – The Town and Board of Education do not maintain month-end or year-end closing schedules to support all balance sheets accounts and other key accounts. These key accounts include reconciling the Board of Education's expenditures (a subset of the general government's activity) to the general government's general ledger. In closing M. Marien touched on the following five (5) components for a successful internal control system: 1) Control Environment, setting the tone; 2) Risk Assessment, the Town's objectives; 3) Control Activities, policies and procedures; 4) Information Communication, the quality of information and the effectiveness of communication; and 5) Monitoring Activities, ongoing monitoring and reporting deficiencies.
- III. Adjournment: P. Rabbitt made a motion, seconded by N. Delmonico, to adjourn the meeting at 8:15 p.m. All voted in favor of the motion.

Attest: _____
Joyce A. Gustavson, Board of Finance Clerk