

Town of Plymouth

80 Main Street, Terryville, CT 06786

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Board of Finance

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1. **Call Meeting to Order:** Jim Kilduff, Chairman called the scheduled February 27, 2020 Board of Finance meeting to order at 7:00 p.m. in the Community Room, Plymouth Town Hall. Members in attendance: Victoria Carey-Vice Chairman, Eugene Croce, Barbara Rockwell, Elizabeth Wollenberg, Dave Sekorski, Also present: Mayor David Merchant, Ann Marie Rheault - Director of Finance, and Town Councilwoman Sue Murawski.
2. **Pledge of Allegiance:** Jim Kilduff, Chairman led the group and audience in the Pledge of Allegiance.
3. **Notice of Fire Exits:** Jim Kilduff, Chairman, noted the fire exits.
4. **blumshapiro: Auditor's Report for Town of Plymouth – Nikoleta D. McTigue & Santo Carta, CPA**

Jim Kilduff welcomed Nikoleta D. McTigue and Santo Carta of blumshapiro.

Nikoleta D. McTigue, CPA, MSA, and Santo Carta, CPA, Manager of blumshapiro distributed a summary prepared for the Town of Plymouth, CT – Audit of the fiscal year ended June 30, 2019 - Pgs. 1 of 15

Agenda - items included:

❖ Engagement Scope and Standards

➤ Responsibilities – Management

- preparation and fair presentation of the Financial Statements in accordance with US GAAP,
- design, implementation, and maintenance of internal control so that financial statements that are free from material misstatement whether due to error or fraud.

➤ Responsibilities – Auditor

- express opinions on the Financial Statements based on our audit,
- plan and perform our audit to provide reasonable assurance about whether the Financial Statements are free of material misstatement.

➤ CAFR

- Opinion on governmental activities, each major fund and the aggregate remaining fund information under auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards issued by the comptroller general of the United States.

➤ Federal Single Audit

- Uniform Guidance – Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

➤ State Single Audit

- State Single Audit Act – CGS Sections 4-230 to 4-236

❖ **Required Auditors' Communication**

- **Significant Accounting policies described in note 1 in the CAFR**
- **New Standards Adopted:**
 - none
- **Accounting Estimates**
 - Net Pension Liability
 - Total OPEB Liability
 - Useful lives of capital assets
 - Allowance for Doubtful Accounts
 - Landfill post closure care liability
- **No difficulties encountered in performing the audit**
- **No disagreements with management**
- **No uncorrected misstatements**
- **Management did not consult with other accountants**
- **Representation Letter signed by management of the Town and the Board of Education**
- **Other matters:**
 - MDA, Pension and OPEB required supplementary information schedules are not audited and we do not express an opinion on the RSI's
 - Combining and individual fund financial statements, schedule of expenditures of federal and schedule of expenditures of state financial assistance were deemed fairly presented in relation to the basic financial statements.

❖ **Financial Highlights and Audit Results**

➤ **CAFR Audit Results**

- Unmodified ("clean") opinions expressed on the basic financial statements
- No significant deficiencies or material weaknesses reported in internal control over financial reporting.

❖ **Financial Highlights**

- Government Wide Financial Statements (pg. 8)
- Fund Financial Statements (pg. 9)

❖ **Financial Highlights – General Fund**

➤ **General Fund**

- Total Fund Balance - \$3.9 Million, a increase of \$1.5 Million from 2018 (page 18)
 - 9.3 of total General Fund expenditures
- Unassigned Fund Balance =\$2.9 Million, an increase of \$1.2 Million from 2018
 - 7.0% of total General Fund expenditures
- Budgetary revenues came in \$286K more than budget (page 70)
- Budgetary expenditures came in \$929K less than budget (page 72)
- Tax collections were 97.99% for the current year grand list, compared to 98.04% in the prior year (page 102)

❖ **Financial Highlights – CAFR**

➤ **Internal Service Funds**

- Net Position decreased \$245K to a deficit of \$(76K) (page 21)

➤ **Pension Trust Fund**

- Net Position increased \$162K to \$9.1 Million (page 24)

➤ **Total OPEB Liability - \$14.8 Million; (page 61)**

➤ **Net Pension Liability (PERS) \$11.3 Million; 44.6% funded (page 46)**

➤ **Net Pension Liability (MERS) \$3.5 Million;**

➤ **Teachers Pension and OPEB**

- OPEB -\$6.5 Million (page 65)

- Pension liability -\$32.3 Million (page 57)

❖ **Engagement Results – Federal and State Single Audit**

❖ **Federal Single Audit**

- **Child Nutrition – Qualified opinion on compliance requirement and significant deficiency on internal controls related to procurement.**
- **Unmodified “clean” opinion on all other compliance requirements over major programs**
- **Total Federal Expenditures - \$1.0 M**
- **Program Tested - \$596K:**
 - **Child Nutrition Cluster**
 - **Special Education Cluster**

❖ **State Single Audit**

- **Unmodified “clean” opinion on compliance**
- **No material weaknesses or significant deficiencies identified.**
- **Total State Financial Assistance - \$12.1 M; Non-Exempt - \$1.8 M**
- **Programs Tested - \$1.0 Million:**
 - **Town Aid Road**
 - **Brownfield Remediation Program.**

❖ **Management Advisory Letter**

➤ **Uniform Guidance Procurement Standards**

➤ **Internal Service Fund – BOE**

➤ **Cybersecurity**

➤ **Fraud Tip Line**

➤ **Fraud Risk Assessment**

❖ **Upcoming GASB Standards**

➤ **Implementation Year – 2020**

-Statement 84 – Fiduciary Activities

-Statement 90 – Major Equity Interests

➤ **Implementation Year -2021**

-Statement 87 – Leases

-Statement 89- Accounting for Interest Cost before the End of a Construction Period

➤ **Implementation Year – 2022**

-Statement 91 – Conduit Debt Obligations

Nikoleta D. McTigue, CPA, MSA of blumshapiro stated this is the first year this report is “clean”.

Santo Carta, CPA Manager –blumshapiro highlighted and discussed various sections of the Town of Plymouth, CT – Federal Single Audit Report dated June 30, 2019, and the Town of Plymouth, CT- State Single Audit Report dated June 30, 2019.

The Town of Plymouth Connecticut – Comprehensive Annual Financial Report – Fiscal Year Ended June 30, 2019, can be viewed in its entirety at the Plymouth, CT Town Hall Pg. 1 of 110.

Ann Marie Rheault, Director of Finance stated the importance of the negative \$76,000 that the Board of Education did not fund into that internal service fund that needs to be covered in order for us to close the fund and briefly elaborated.

Jim Kilduff, Chairman thanked Nikoleta D. McTigue and Santo Carta for the thorough presentation.

5. Mayor David V. Merchant: General review of draft budget for 2020-21

Mayor David V. Merchant discussed in detail various sections of the Town of Plymouth Fiscal Year July 1, 2020-June 30, 2021 – Mayor’s Proposed Budget Draft dated February 13, 2020, Pgs. 1 of 23 for discussion purposes – DRAFT/WORKING COPY* can be viewed in its entirety at the Plymouth, CT Town Hall and on the Town of Plymouth’s website.

***NOTE:** MILL RATE CALCULATION IS FOR REFERENCE ONLY. THE FINAL MILL RATE HAS NOT BEEN DETERMINED BY THE BOARD OF FINANCE AND WILL NOT BE FINAL UNTIL AFTER APPROVAL BY THE TOWN COUNCIL.

Mayor David V. Merchant stated the importance of when reviewing budget to consider that a mill is approximately \$800,000, \$80,000 is (one tenth) of a mill and briefly elaborated.

6. Public Comment

None

7. Correspondence

None

8. Board Member's Comments

Vicky Carey - None

Eugene Croce - None

Dave Sekorski – Clarification on Board of Education surplus.

Barbara Rockwell - None

Elizabeth Wollenberg - None

9. Adjournment

There being no further business of the Board of Finance, a motion was made by Vicky Carey, seconded by Dave Sekorski to adjourn at 8:32 p.m. This motion was approved unanimously.

Respectfully submitted,

Michele Yokubinas

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Recording Secretary