

November 10, 2021 BOS meeting

June 2021 Financials and Audit

- Auditors have provided a draft copy of the financials and State Single Audit report, which have been fully reviewed and comments returned to them.
- There will be no findings on this year's audit (the prior issues related to the school's Accufund have been mitigated by the manual reconciliation process that I've implemented). The auditors only had one journal entry - the balance sheet true-up for tax accounts - which had a net effect of reducing our final surplus by \$17k. This left a FY21 surplus of \$150k (vs. a budgeted deficit of \$106k).
- SES' surplus stands at \$55k, Board action relative to funding any CNR contribution will reduce this surplus as well as the Town's overall surplus.
- The Declared Emergency Fund was completed using an excel trial balance (needs to be set up in Quickbooks and all activity recorded). ARPA funds will be treated as Deferred Revenue at June 30, and we will keep some unreimbursed COVID expenses in the General Fund (they are well below the \$5k budget in the COVID cost center) so that there isn't any spend against the ARPA funds for the September 30 Federal Grant reporting period. The auditors will be providing the template and guidance for us to do the lost revenue calculation in FY21 (or future, whenever the funds are to be spent).
- We anticipate that the audit report may be issued prior to the December Board meeting (depending on timing of Board action on any BOE CNR contribution), and we will work to schedule a time with the audit partner to formally present the report to the Board as in prior years.

September 2021 financials

- Monthly financials for September are complete, bank statements and tax accounts reconciled. The BOE reconciliation is underway. Quickbooks for all funds have been updated, with the exception of the Declared Emergency Fund (no Q1 activity, need to set up new Quickbooks company for this fund). Department heads have received their reports.
- Tax collections totalled \$45k for the month, \$2.46M year to date. This is within \$20k of the same period last year, with Current Levy collections running below (likely due to lower mill rate), but with very strong Back Tax collections making up some of the shortfall. We've already exceeded our budget for the year in Back Taxes.
- General Revenues have already exceeded budget due to the receipt of \$80k reimbursement from the Tech Park and a larger than expected CIRMA Equity Distribution. Departmental revenues are already at 58% of budget, driven by strong starts in Building Fees and Conveyances.
- We received \$23.6k in State Revenues in September, including the PILOT Tiered Reimbursement and the Town Clerk Grant, as well as \$7.8k in Tropical Storm reimbursements from FEMA (expenses were incurred prior to start of Declared Emergency Fund and therefore were recorded in the General Fund, so reimbursement recorded is there as well). Our first ECS payment was received in October as well (after the quarter close).
- General Government expenditures have totaled \$357k year to date, including our first \$22.5k debt payment.
- School expenditures totaled \$290.6k for SES (12% of budget) and \$573k for RD11 (26% of budget)

- At September 30, the Town General Fund had \$2.76M in cash, \$2.53M of which was held in interest-bearing accounts
- **CAPITAL:** Spend from CNR funds includes the purchase of a street sweeper (\$5.5k), current fund balance \$108k. FY22 contributions were transferred on November 1. TAR carryover from FY21 of \$87.2k plus \$76.9k received in August (one-half of FY22 expected revenue) less expenses of \$10k for paving projects (Kemp Rd). No spend from the BOE CNR account this year, balance stands at \$96.7k. The Board will need to make a decision about the BOE CNR funding based on the school's final surplus (which will get booked back into FY21 financials)

Other Key activities

- Tropical Storm Isaias expenses - FEMA payment of \$8k received in Q1, with final \$1,400 received in October
- Final Coronavirus Relief Funding audit support filed with the State in advance of the October 22 deadline
- P-card program is well underway, especially by Public Works Department, with cards being used in place of many items that previously required paper invoices and checks to be cut. New maintenance personnel have been provided with cards as well.
- Managing changes to medical/dental insurance enrollees due to turnover in Public Works department

Upcoming due dates and activities

- State UCOA reporting for the year ended June 30, 2020 has been extended until December 15 due to implementation of new FHMS system at the state
- Final correcting entry to clean-up BOE balance sheet in Accufund
- Attempts to resolve ongoing "account ownership" issues with Intuit have been unsuccessful, and introduces risk in the payroll process. Will be exploring other options for payroll processing as a result.
- Update to Financial Processes document has been postponed, but hope to use UCONN intern to help with this document over the coming year. The plan is to include detailed information about each of the Town's Funds as well.