

## DRAFT MINUTES

Members Present: Kochenburger (Chair), Shaiken, Fratoni

Other Council Members Present: Moran, Bruder

Staff Present: Aylesworth, Bradshaw-Hill

Guests: None

1. Meeting called to order at 6:02 pm
2. Opportunity for Public Comment – None
3. Staff Reports – None
4. Approval of minutes for November 9, 2020

***Shaiken moved and Fratoni seconded to approve the minutes of November 9, 2020 as presented. Motion passed unanimously.***

5. June 30, 2020 CAFR – Presented by Vanessa Rossitto, Partner BlumShapiro: Ms. Rossitto, presented the overview of the FY19/20 CAFR. Ms. Rossitto answered questions during her presentation. Attached is her presentation.

***Shaiken moved and Fratoni seconded to recommend the Town Council accept the Comprehensive Annual Financial Report as presented. Motion passed unanimously.***

6. FY20/21 Proposed Salary Transfers– Director Bradshaw-Hill provided an overview of the proposed budget transfers and answered questions from the Committee.

***Shaiken moved and Fratoni seconded to recommend the Town Council approve the Salary Transfers for FY20/21 as presented. Motion passed unanimously.***

7. 2021 Regular Meeting Schedule – The Committee discussed the proposed meeting schedule for 2021 and agreed to reconvene on Wednesday, January 13, 2020 to discuss an alternative schedule. Therefore, there is no motion at this time.
8. Communications/Other Business/Future Agenda Items
9. Adjournment. The meeting adjourned at **6:52** pm.

***Shaiken moved and Fratoni seconded to adjourn. Motion so passed.***

Respectfully submitted: Charmaine Bradshaw-Hill, Director of Finance



# Town of Mansfield, Connecticut

2020 Audit Exit Conference  
January 11, 2021



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor



Create Opportunities

# Agenda

- Terms of Engagement
- Executive Summary
- Financial Highlights
- Federal and State Single Audit
- Governance Communication
- Upcoming GASB Pronouncements
- CLA

# Terms of Engagement

- Express opinions on whether the basic financial statements are presented in accordance with GAAP
- Express an “in relation” to opinion on the schedule of expenditures of Federal awards and schedule of expenditures of State financial assistance.
- Express an opinion on compliance related to major federal and state award programs



# Terms of Engagement

- Provide a report on internal control over financial reporting and compliance with laws, regulations, contracts and grants
- Provide a report on internal control over compliance related to major federal and state award programs



# Executive Summary

- Financial Statements
  - Unmodified opinion issued on the financial statements
    - ◇ Best opinion available
    - ◇ Emphasis of Matter paragraph for reclassification of the Transit Services Fund
      - Required \$141,017 restatement to beginning net position
  - No findings reported in report on internal control and compliance



# Executive Summary

- Federal Single Audit
  - Unmodified opinion on major federal program (Highway Planning and Construction Cluster)
  - No compliance findings or significant deficiencies in internal control over compliance reported





# Executive Summary

- State Single Audit
  - Unmodified opinion on major state program (Reimbursement for Tax Loss on State-Owned Property)
  - No compliance findings or significant deficiencies in internal control over compliance reported



# Financial Highlights

- Governmental activities

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 28,170,516	\$ 33,699,019	\$ 992,094	\$ 1,506,867
Capital assets (net)	103,534,978	97,535,368	1,493,728	1,579,159
<b>TOTAL ASSETS</b>	<u>131,705,494</u>	<u>131,234,387</u>	<u>2,485,822</u>	<u>3,086,026</u>
Deferred outflows of resources	8,875,492	11,277,121		
Long-term liabilities outstanding	29,260,953	31,034,906	73,487	77,487
Other liabilities	6,275,519	7,795,589	283,409	499,288
<b>TOTAL LIABILITIES</b>	<u>35,536,472</u>	<u>38,830,495</u>	<u>356,896</u>	<u>576,775</u>
Deferred inflows of resources	2,590,339	1,040,512		
Net position:				
Net investment in capital				
assets	95,005,675	94,187,432	1,493,728	1,579,159
Restricted	297,381	272,118		
Unrestricted	7,151,119	8,180,951	635,198	930,092
<b>TOTAL NET POSITION</b>	<u>\$ 102,454,175</u>	<u>\$ 102,640,501</u>	<u>\$ 2,128,926</u>	<u>\$ 2,509,251</u>



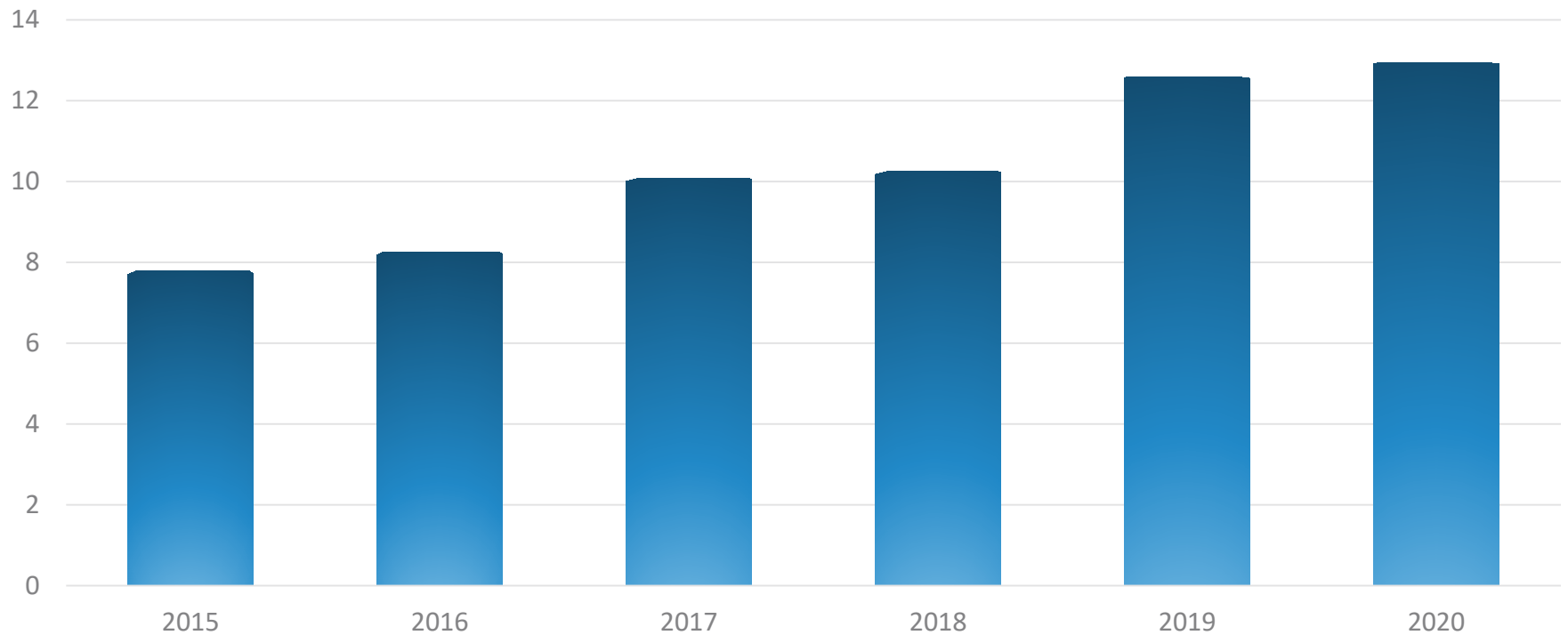
# Financial Highlights

- General Fund (page 16)
  - Fund balance \$7.85M
    - ◇ Committed - \$193K
      - Compensated absences - \$25K
      - Transit services - \$167k
    - ◇ Assigned - \$220K (Encumbrances)
    - ◇ Unassigned - \$7.4M



# Financial Highlights

General Fund – Percentage of Unassigned Fund Balance to Expenditures and Transfers Out



# Financial Highlights

- General Fund Budget (page 20)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Property taxes	\$ 34,768,420	\$ 34,488,420	\$ 34,511,480	\$ 23,060
Intergovernmental	18,134,150	18,414,150	18,510,142	95,992
Investment income	200,000	416,000	416,384	384
Charges for services	750,350	859,350	897,865	38,515
Other local revenues	<u>17,500</u>	<u>17,500</u>	<u>122,861</u>	<u>105,361</u>
<b>Total revenues</b>	<u>53,870,420</u>	<u>54,195,420</u>	<u>54,458,732</u>	<u>263,312</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	2,078,470	2,154,856	2,154,856	-
Public safety	4,635,270	4,372,376	4,372,376	-
Public works	3,349,020	3,134,739	3,134,739	-
Community services	1,824,150	1,751,431	1,751,431	-
Community development	924,730	939,757	939,757	-
Town-wide expenditures	3,371,220	3,562,701	3,236,090	326,611
Education	<u>34,563,890</u>	<u>34,071,290</u>	<u>34,069,206</u>	<u>2,084</u>
<b>Total expenditures</b>	<u>50,746,750</u>	<u>49,987,150</u>	<u>49,658,455</u>	<u>328,695</u>
Excess of Revenues over Expenditures	<u>3,123,670</u>	<u>4,208,270</u>	<u>4,800,277</u>	<u>592,007</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	2,550	2,550	2,550	-
Transfers out	<u>(3,126,220)</u>	<u>(4,210,820)</u>	<u>(4,210,820)</u>	<u>-</u>
<b>Net other financing uses</b>	<u>(3,123,670)</u>	<u>(4,208,270)</u>	<u>(4,208,270)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	592,007	<u>\$ 592,007</u>
Fund Balance at Beginning of Year			<u>6,861,896</u>	
Fund Balance at End of Year			<u>\$ 7,453,903</u>	



# Financial Highlights

- Governmental Funds (page 18)

	Mansfield		Nonmajor		Total
	General	Discretionary Fund	Capital Projects	Governmental Funds	Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 34,511,680	\$	\$	\$	\$ 34,511,680
Intergovernmental	22,201,043		1,283,501	2,373,914	25,858,458
Investment income	416,767	1,447	4,892	34,209	457,315
Charges for services	911,301	101,020	1,474	3,117,643	4,131,438
Contributions			678,012	177,911	855,923
Other local revenues	73,360		7	63,512	136,879
<b>Total revenues</b>	<b>58,114,151</b>	<b>102,467</b>	<b>1,967,886</b>	<b>5,767,189</b>	<b>65,951,693</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	3,056,102			54,231	3,110,333
Public safety	4,373,787			324,965	4,698,752
Public works	2,408,100			232,427	2,640,527
Community services	1,737,340			3,538,080	5,275,420
Community development	945,366	53,607			998,973
Town wide expenditures	3,235,623				3,235,623
Education	37,620,150			1,637,535	39,257,685
Capital outlay			10,780,562		10,780,562
Debt service				902,266	902,266
<b>Total expenditures</b>	<b>53,376,468</b>	<b>53,607</b>	<b>10,780,562</b>	<b>6,689,504</b>	<b>70,900,141</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>4,737,683</b>	<b>48,860</b>	<b>(8,812,676)</b>	<b>(922,315)</b>	<b>(4,948,448)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers in	2,550		3,716,006	4,191,358	7,909,914
Transfers out	(4,020,650)		(60,000)	(3,291,556)	(7,372,206)
<b>Net other financing sources (uses)</b>	<b>(4,018,100)</b>	<b>-</b>	<b>3,656,006</b>	<b>899,802</b>	<b>537,708</b>
<b>Net Change in Fund Balances</b>	<b>719,583</b>	<b>48,860</b>	<b>(5,156,670)</b>	<b>(22,513)</b>	<b>(4,410,740)</b>
<b>Fund Balances at Beginning of Year, as restated</b>	<b>7,125,467</b>	<b>82,974</b>	<b>7,690,321</b>	<b>2,469,995</b>	<b>17,368,757</b>
<b>Fund Balances at End of Year</b>	<b>\$ 7,845,050</b>	<b>\$ 131,834</b>	<b>\$ 2,533,651</b>	<b>\$ 2,447,482</b>	<b>\$ 12,958,017</b>



# Financial Highlights

- Proprietary Funds (page 22)

	Sewer Operating Fund	Solid Waste Disposal	Totals	Internal Service Funds
Operating Revenues:				
Sewer charges	\$ 572,908	\$	\$ 572,908	\$
Garbage collection fees		1,250,123	1,250,123	
Transfer station fees		125,830	125,830	
Sale of recyclables		18,872	18,872	
Premiums			-	9,048,454
Charges for services			-	2,625,051
Rental income			-	234,363
Other revenues	4,365	4,573	8,938	1,021,429
<b>Total operating revenues</b>	<b>577,273</b>	<b>1,399,398</b>	<b>1,976,671</b>	<b>12,929,297</b>
Operating Expenses:				
Wages and fringe benefits		254,284	254,284	2,083,218
Administration		2,690	2,690	496,636
Medical claims			-	7,400,994
Workers' compensation			-	446,028
Repairs and maintenance	91,471		91,471	114,148
Consultants			-	105,600
Supplies, materials and rentals			-	168,212
Software and related communication costs	500	9,590	10,090	279,996
Utilities	623	1,193	1,816	1,452,812
Contract pickup		616,768	616,768	
Sewer billings	399,089		399,089	
Supplies and services	45,933	21,901	67,834	
Dumping fees		316,815	316,815	
Depreciation	39,037	46,394	85,431	152,608
<b>Total operating expenses</b>	<b>576,653</b>	<b>1,269,635</b>	<b>1,846,288</b>	<b>12,700,252</b>
<b>Operating Income (Loss)</b>	<b>620</b>	<b>129,763</b>	<b>130,383</b>	<b>229,045</b>
Nonoperating Revenues (Expenses):				
Loss on disposal of capital assets			-	(10,863)
Investment income			-	40,757
Net nonoperating revenues (expenses)	-	-	-	29,894
<b>Income (Loss) Before Transfers</b>	<b>620</b>	<b>129,763</b>	<b>130,383</b>	<b>258,939</b>
Transfers out	(310,708)	(200,000)	(510,708)	(27,000)
<b>Change in Net Position</b>	<b>(310,088)</b>	<b>(70,237)</b>	<b>(380,325)</b>	<b>231,939</b>
<b>Net Position at Beginning of Year</b>	<b>1,467,706</b>	<b>1,041,545</b>	<b>2,509,251</b>	<b>7,699,790</b>
<b>Net Position at End of Year</b>	<b>\$ 1,157,618</b>	<b>\$ 971,308</b>	<b>\$ 2,128,926</b>	<b>\$ 7,931,729</b>



# Financial Highlights

- OPEB Trust Fund (page 25)

	<b>Postemployment Healthcare Trust Fund</b>
Additions:	
Contributions:	
Employer	\$ 824,702
Other contributions	<u>29,426</u>
Total contributions	854,128
Investment income:	
Net change in fair value of investments	<u>(23,361)</u>
Total additions	830,767
Deductions:	
Benefits	<u>112,475</u>
Change in Net Position	718,292
Net Position at Beginning of Year	<u>546,587</u>
Net Position at End of Year	<u>\$ 1,264,879</u>





# Financial Highlights

- Property Tax Collections – 98.53% compared to 98.88% in the prior year
- MERS Pension Liability - \$17,433,199
  - 72.69% funded
- OPEB Liability - \$1,794,826
  - 41.34% funded



# Federal Single Audit

- Total federal awards expended - \$1.4M
- Major program – Highway Planning and Construction Cluster
- Unmodified opinion on major program compliance
- No compliance or internal control finding



# State Single Audit

- Total state awards expended - \$21.2M
- Major program – Reimbursement Towns Tax Loss on State-Owned Property
- Unmodified opinion on major program compliance
- No compliance or internal control finding



# Auditors' Communication

- New standards adopted – none
- Significant Estimates
  - Capital Assets – Useful lives
  - Allowance for Uncollectible Receivables
  - Net Pension Liability
  - Net OPEB Liability
  - Medical Claims Liability
  - Landfill post closure monitoring liability



# Auditors' Communication

- No disagreements with management
- Management did not consult with other accountants
- No difficulties encountered in performing the audit
- No uncorrected misstatements
- No independence issues



# GASB Standards

- Implementation Year 2021
  - Statement 84 – Fiduciary Activities
  - Statement 90 – Majority Equity Interests
  - Statement 92 – Omnibus 2020 (various)

# GASB Standards

- Implementation Year 2022
  - Statement 87 – Leases
  - Statement 89 – Accounting for Interest Cost before the End of a Construction Period
  - Statement 92 – Omnibus 2020 (various)
  - Statement 93 – Replacement of Interbank Offered Rates
  - Statement 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans



# GASB Standards

- Implementation Year 2023
  - Statement 91 – Conduit Debt Obligations
  - Statement 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements
  - Statement 96 – Subscription-Based Information Technology Arrangements





# Blumshapiro >>> CLA

- Effective 1/1/2021
- Same Values/Culture
- Teams still intact
- CLA serves ~3,500 government clients
- More resources



# Contact Information

**Vanessa E. Rossitto**

**Principal**

**CLA**

**[Vanessa.Rossitto@claconnect.com](mailto:Vanessa.Rossitto@claconnect.com)**

**860-561-6824**

**Mike Popham**

**Director**

**CLA**

**[Michael.Popham@claconnect.com](mailto:Michael.Popham@claconnect.com)**

**860-570-6391**





Questions?

