

## MINUTES

Members Present: Kochenburger (Chair), Shaiken, Fratoni

Other Council Members Present: Ausburger, Freudmann, Moran

Staff Present: Carrington, Trahan

Guests: Vanessa Rossitto and Mike Popham, Blum, Shapiro, & Co., LLC

1. Meeting called to order at 6:15 pm
2. Approval of minutes for December 2, 2019

***Shaiken moved and Kochenburger seconded to approve the minutes of December 2, 2019 as presented. Motion passed with Fratoni abstaining.***

3. Opportunity for Public Comment – Betty Wassmundt read a statement to the Finance Committee (attached).
4. Staff Reports – Trahan reported on the receivable for the Farm Viability grant.
5. Comprehensive Annual Financial Report for FY 2018/19 – Finance Director Trahan introduced Vanessa Rossitto and Mike Popham from our auditing firm Blum, Shapiro & Co, LLC. Ms. Rossitto and Mr. Popham gave an overview of the FY 2018/19 financial statements and the audit results. A copy of their powerpoint presentation is attached.

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

6. Proposed Salary Transfers for FY 2019/20 – Trahan gave 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 FY 19/20 as presented. Motion approved unanimously.***

7. Communications/Other Business/Future Agenda Items – Mr. Fratoni requested a review of our liability insurance coverage as suggested by citizen, Ms. Wassmundt.
8. Adjournment. The meeting adjourned at 6:50pm.

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

Respectfully submitted: Cherie Trahan, Director of Finance

Finance Committee 2020

Jan. 13, 2020

I would like this committee to oversee all aspects of town finances in the interest of the town tax payers.

To this end, I request:

- A) that you review the liability insurance the town carries as to its adequacy. I believe the town has insurance with CIRMA and is in a \$10 million pool shared by many towns. Doesn't sound adequate to me. Consider, the town now has E.O Smith's RSO's on its payroll; surely that presents a liability to the town.
- B) that you review the town's position with respect to the Discovery Depot. The situation now is that town tax payers are subsidizing a private business which services towns other than Mansfield. I request that you justify this expenditure or that you prepare a plan to extricate the town from this affiliation. With respect to liability insurance, please consider the town's liability should someone's child be injured.

Thank you. Betty Wassmundt

# Town of Mansfield June 30, 2019

Audit Presentation

step forward →

- » Engagement Scope and Reporting
- » Financial Highlights and Audit Results
  - CAFR
  - Single Audits
  - Management Advisory Letter
- » Required Auditor Communication
- » Upcoming GASB Pronouncements

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## Engagement Scope and Reporting

### » 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.

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## Engagement

### » Financial Statements

- Opinion on governmental activities, business-type 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

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## Financial Highlights and Audit Results

### CAFR Audit Results

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

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	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 33,699,019	\$ 21,550,358	\$ 1,506,867	\$ 1,367,691
Capital assets (net)	97,535,388	92,538,669	1,579,159	1,392,447
<b>TOTAL ASSETS</b>	<b>131,234,387</b>	<b>114,089,027</b>	<b>3,086,026</b>	<b>2,760,138</b>
Deferred outflows of resources	11,277,121	2,886,752		
Long-term liabilities outstanding	31,034,906	14,531,048	77,487	82,894
Other liabilities	7,795,589	3,402,919	499,288	222,582
<b>TOTAL LIABILITIES</b>	<b>38,830,495</b>	<b>17,933,967</b>	<b>576,775</b>	<b>305,476</b>
Deferred inflows of resources	1,040,512	560,392		
Net position:				
Net investment in capital assets	94,187,432	90,770,895	1,579,159	1,392,447
Restricted	272,118	267,117		
Unrestricted	8,180,951	7,443,408	930,092	1,062,215
<b>TOTAL NET POSITION</b>	<b>\$ 102,640,501</b>	<b>\$ 98,481,420</b>	<b>\$ 2,509,251</b>	<b>\$ 2,454,662</b>

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	Mansfield		Nonmajor		Total
	General	Discretionary Fund	Capital Projects	Governmental Funds	Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 33,968,973	\$	\$	\$	\$ 33,968,973
Intergovernmental	20,292,436		2,724,144	2,234,333	25,250,913
Investment income	485,935	1,321	6,111	18,054	511,421
Charges for services	736,820	33,985	7,837	3,869,736	4,648,378
Contributions			700,130	74,701	774,831
Other local revenues	16,339		185,412	366,467	568,218
<b>Total revenues</b>	<b>55,500,503</b>	<b>35,306</b>	<b>3,623,634</b>	<b>6,563,291</b>	<b>65,722,734</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	2,680,980			141,019	3,021,999
Public safety	4,186,051			311,042	4,497,093
Public works	2,223,244			544,845	2,767,889
Community services	1,609,022			3,794,090	5,403,112
Community development	821,547	9,930			831,477
Town wide expenditures	3,016,464			1,629,117	3,016,464
Education	35,395,195				37,024,312
Capital outlay			9,414,299		9,414,299
Debt service				291,111	291,111
<b>Total expenditures</b>	<b>50,132,503</b>	<b>9,930</b>	<b>9,414,299</b>	<b>6,711,024</b>	<b>66,267,756</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>5,368,000</b>	<b>25,376</b>	<b>(5,790,665)</b>	<b>(147,733)</b>	<b>(545,022)</b>
<b>Other Financing Sources (Uses):</b>					
Issuance of debt			7,355,000		7,355,000
Bond premium				234,076	234,076
Transfers in	2,550		4,339,473	4,459,030	8,801,053
Transfers out	(4,379,030)		(80,000)	(4,327,023)	(8,786,053)
<b>Net other financing sources (uses)</b>	<b>(4,376,480)</b>	<b>-</b>	<b>11,614,473</b>	<b>366,083</b>	<b>7,604,076</b>
<b>Net Change in Fund Balances</b>	<b>991,520</b>	<b>25,376</b>	<b>5,823,808</b>	<b>218,350</b>	<b>7,059,054</b>
<b>Fund Balances at Beginning of Year</b>	<b>5,992,930</b>	<b>57,598</b>	<b>1,866,513</b>	<b>2,392,662</b>	<b>10,309,703</b>
<b>Fund Balances at End of Year</b>	<b>\$ 6,984,450</b>	<b>\$ 82,974</b>	<b>\$ 7,690,321</b>	<b>\$ 2,611,012</b>	<b>\$ 17,368,757</b>

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 33,649,960	\$ 33,649,960	\$ 33,939,379	\$ 289,419
Intergovernmental	17,602,050	18,812,130	18,615,431	3,301
Investment income	100,000	480,000	485,369	5,369
Charges for services	741,100	741,100	766,334	25,234
Other local revenues	17,500	17,500	23,520	6,020
<b>Total revenues</b>	<b>52,110,610</b>	<b>53,500,690</b>	<b>53,830,033</b>	<b>329,343</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,940,630	2,045,086	1,962,851	82,235
Public safety	4,340,620	4,272,462	4,187,356	85,106
Public works	3,227,610	3,228,250	3,130,591	97,659
Community services	1,682,050	1,635,560	1,609,497	26,083
Community development	865,180	863,276	831,721	31,555
Town-wide expenditures	3,034,520	3,045,956	3,021,650	24,306
Education	34,378,600	33,698,600	33,695,124	3,476
<b>Total expenditures</b>	<b>49,469,210</b>	<b>48,789,210</b>	<b>48,438,790</b>	<b>350,420</b>
<b>Excess of Revenues over Expenditures</b>	<b>2,641,400</b>	<b>4,711,480</b>	<b>5,391,243</b>	<b>679,763</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	2,550	2,550	2,550	-
Transfers out	(2,644,030)	(4,379,030)	(4,379,030)	-
<b>Net other financing uses</b>	<b>(2,641,480)</b>	<b>(4,376,480)</b>	<b>(4,376,480)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (80)</b>	<b>\$ 335,000</b>	<b>1,014,763</b>	<b>\$ 679,763</b>
<b>Fund Balance at Beginning of Year</b>			<b>5,847,133</b>	
<b>Fund Balance at End of Year</b>			<b>\$ 6,861,896</b>	

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<p><b>Financial Highlights</b></p> <p>OPEB</p> <p>Change in Net Position</p>		<b>Postemployment Healthcare Trust Fund</b>
	<p>Additions:</p>	
	<p>Contributions:</p>	
	<p>Employer</p>	\$ 210,334
	<p>Other contributions</p>	<u>29,426</u>
	<p>Total contributions</p>	239,760
	<p>Investment income:</p>	
	<p>Net change in fair value of investments</p>	<u>26,557</u>
	<p>Total additions</p>	266,317
	<p>Deductions:</p>	
<p>Benefits</p>	<u>187,326</u>	
<p>Change in Net Position</p>	78,991	
<p>Net Position at Beginning of Year</p>	<u>467,596</u>	
<p>Net Position at End of Year</p>	\$ <u>546,587</u>	

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<p><b>Financial Highlights</b></p> <p>City of</p>	<p>» Property Tax Collections – 98.88% compared to 98.87% in the prior year</p>
	<p>» MERS Pension Liability - \$17,746,025</p> <p>– 73.60% funded</p>
	<p>» OPEB Liability - \$2,439,562</p> <p>– 18.30% funded</p>

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## Single Audits

**Federal Single Audit**

- » Federal awards expended – \$1,019,297
- » Program tested:
  - » Special Education Cluster (IDEA)
- » Unmodified “clean” opinion on compliance
- » Significant Deficiency identified with respect to Procurement

**State Single Audit**

- » State awards expended – \$22,393,884
- » Programs tested
  - » Town Aid Road
  - » State Owned Property
  - » Mansfield Four Corners
  - » Child Day Care
- » Unmodified “clean” opinion on compliance
- » No material weakness identified on major programs

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## Required Auditor Communication

- » Significant Accounting policies described in Note 1 in the CAFR
- » New Standards Adopted:
  - None -
- » Significant Estimates
  - Capital Assets estimated useful lives to calculate depreciation expense
  - Allowance for uncollectible receivables
  - Net OPEB Liability
  - Estimates of Medical Claims Liability
  - Landfill post-closure monitoring Liability

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## Required Auditor Communication

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

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## Upcoming GASB Standards

- » Implementation Year - 2020
  - Statement 84 – Fiduciary Activities
  - Statement 90 – Majority 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

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**Contact Information**

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