Agenda

1. Call to Order & Roll Call

Melissa Lennon, Chair, called the meeting to order at 7:03 pm

Members
Melissa Lennon – Chair
Jerry Grabarek – arrived at 7:05 p.m.
Stacey Becker – Clerk
Sandra Allyn-Gauthier
Keith Wucik - excused
Ken Zachem - excused

Alternates
Lennie Spencer – seated for Keith Wucik
Ian Stammel - excused

Also Present
Bob Congdon – 1st Selectman
John Spang – Finance Director
Sue Nylen – Treasurer
Andy Depta
Ed Gauthier

2. FY18 Audit Report – Sandra Welwood

- The audit went well despite new accounting rules and requirements as well as the length of time it took the State to provide necessary information.
- Items of Interest
  - GASB #75 was implemented this year, which is related to OPEB (other post employment benefits) - both the Town and now the teachers have a pension plan, which required new supplemental schedules and new lengthy footnote disclosures
  - Changes coming in the next several years
    - Capital Asset Impairments for FY19
    - Fiduciary Funds for FY20, which will have a small impact as Preston only has the Student Activity Fund
    - Lease Accounting for FY21, which will have a HUGE impact
      - Recommend start record keeping all Town & BoE leases: what it is, what it is for, and the terms
- Have all leasing documents in one place for reference
- Also list any easements to/from... like the power company

- Results – reviewed FY18
  - Good year
  - Had planned on using $432,000 from Unassigned Fund Balance (surplus) and only used $358,388.
  - Property Tax Revenues were high due to the incinerator switching from PILOT payments to property taxes
  - Intergovernmental Grants were down due to the decrease in funding from the State
  - Local Revenue was down due to the incinerator switching from PILOT payments to property taxes
  - All expenditures had positive variances (savings)

- Unassigned Fund Balance
  - No one should tell the Town what percentage of the annual expenditure budget should be kept as “surplus.” Need to look at all factors such as Town's comfort, the risks in the event of an emergency, etc.
  - Preston has been consistent over time with the amount in the Unassigned Fund Balance, which is good.

- Overall, Town is pretty much status quo. No surprises.

- Considerations for Improvement
  - Formal monthly & annual close-out process
    - Recommend a bullet point check list that shows what needs to be done and in what order
  - Capital Assets
    - Someone good at Excel needs to create a detail list for both Town and BoE that shows what Capital Assets are owned (value of $5000 or more) and then update the list annually to show what was added in the year, deleted in the year, and compute the depreciation value
  - Interfund Activity (transactions moving between General Fund and PRA or Capital)
    - Must show the balance from one fund to another; make sure moving funds from one to another balances; need to reconcile with BoE
  - Bank Accounts
Important to make sure monthly reconciliation is done monthly in a timely manner and documented (sign and date)

If an account draws only once a year, write in the process that it is done quarterly

- **Segregation of Duties**
  - What is the process? How can you strengthen segregation?
  - Ex. Parks & Rec is reviewed by Sue; someone else needs to review the books & document (sign and date)

- **Grant Accounting**
  - Town is supposed to complete page 5 in the State Single Audit; it is a record of expenditures; Town needs to start working on it, but may need some help; need to go on the website to gain the CORE CT Numbers

- **PRA**
  - Need to have numbers reviewed outside of PRA
  - PRA should be reporting numbers to Board of Finance

- **Unified Chart of Accounts**
  - Preston has not gone to the Unified Chart of Accounts (UCOA)
  - Munis may not be a good choice for Preston as it costs $40-60K annually to maintain beyond the initial software purchase

- **OPM Grants**
  - OPM is requiring a new Excel report to be filled out by the Town that shows OPM grants only and will be due shortly after FY19 closes.

3. **Public Comment & Questions (per posted Town Ordinance)**

   None

4. **Adjourn**

   A motion was made by S. Becker and seconded by S. Allyn-Gauthier to adjourn at 8:48 p.m.
   All in favor. Motion carries.

Respectfully submitted,

Melissa Lennon
Board of Finance Chair