

**Litchfield Board of Finance
Regular Meeting Minutes
January 13, 2014**

Call to Order: Chairman David Geiger called the meeting to order in the LIS Art Room at 7:04pm with David W. Wilson, Ed Gadowski, Anne Dranginis, Ed Weik (Alt.) and Sky Post (Alt.) present.

Absent: Mitchell Fishman

Late: Brenda Barnes arrived at 7:08pm.

Also present were Rose Bouchard, Nancy Southard and Leslie Zoll of BlumShapiro.

Appointment of Alternates:

Chairman Geiger appointed Ed Weik to full member in place of Mitchell Fishman and appointed Sky Post to full member until Brenda Barnes arrived.

Approval of Minutes:

Motion: Ed Weik moved to accept the 12-9-13 regular meeting minutes. Anne Dranginis seconded the motion. All voted aye with Ed Weik abstaining and the motion carried.

First Selectman's Update:

Chairman Geiger said that Leo Paul was unable to attend tonight's meeting but had given Mr. Geiger information about the 1-7-14 BOS discussion about when to hold the annual meeting, which is customarily held on the second week in January. The bonding is usually done in February but the BOS is doing the bonding in May this year so Leo Paul postponed the annual meeting. Rose Bouchard will get clarification from the First Selectman on this.

Public Comment:

There was no public comment.

Finance Director's Monthly Report:

Rose Bouchard distributed the YTD Revenue Report as of December 2013, the YTD Expenditure Report as of December 2013, and a Financial Overview as of December 31, 2013.

On the Revenue Report, Rose noted that Nancy Southard has been doing an exemplary job collecting property taxes. Listed under Miscellaneous Revenue was a reimbursement from the Borough to the town of Litchfield for decorative pole lights and proceeds from the auction of disposed assets.

On the Expense Report, Rose noted there is a transfer request received from both Planning & Zoning and Inland Wetlands due to legal fees related to the Stop & Shop appeal.

In summary, as of December 31, the town has collected 62.2% of revenue and has spent 45.6% of the BOS budget 50% through the fiscal year and the town is also 58.2% committed.

BlumShapiro Audit Report 2012/2013:

Leslie Zoll, CPA, BlumShapiro Manager, distributed two cover letters and three reports: Financial Statements – June 30, 2013; State Single Audit Report – June 30, 2013; Federal Single Audit Report – June 30, 2013.

BlumShapiro audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Litchfield for the year ended June 30, 2013. Leslie Zoll reviewed key pages on the reports and answered questions from Board members, including questions about student activity fees. (Rose Bouchard will follow up with Jason Lathrop for clarification since Leslie said the laptop fees are included in the summary but not singled out.) Leslie said the \$188,000 listed for student activity fees were determined to have proper oversight and process, but she can seek more details on this item for the BOF on next year's audit.

Leslie said Litchfield compares favorably to other municipalities in their financial management. No significant deficiencies or material weaknesses were identified.

Current year recommendations to the town include the following:

- a. Revenue associated with state and federal grants should be recognized when earned and grant activity should be identifiable at year end within the financial management system.
- b. The Town should work with its financial management software providers to make changes as needed to ensure the proper calculation of depreciation of capital assets expense.
- c. A reconciliation should be performed between capital additions and capital outlay expenditures to ensure that all capital items purchased during the F/Y are capitalized on the yearly financial statements.

BlumShapiro's updated prior year recommendation is that year-end procedures be strengthened to provide a clear reconciliation by fund between the two bases of accounting.

Chairman Geiger asked Rose Bouchard for the percentage of revenue breakdown between state funds and local property taxes. She will prepare this report following her return from vacation.

Preparation of Annual Reports – 2010/11, 2011/12, 2012/13:

Chairman Geiger said that according to State of Connecticut statutes for municipalities, Sec. 7-406 states that the Board of Finance shall annually prepare and have published a town report. Brenda Barnes produced the last such annual report for 2009/10 so there are now three annual reports due. Brenda said the BlumShapiro audits would be in the report, plus the BOS minutes and 200 hard copies were made last time. Chairman Geiger asked Ed Gadomski to consider volunteering for this responsibility. He asked Brenda to bring all pertinent papers to the next meeting so that a decision can be made whether this will be done by a volunteer or Jo Ann Jaacks will be paid to produce the three reports.

New Business:

- a. **Financial Transfers:** There were no financial transfers.
- b. **Correspondence:** There was no correspondence.
- c. **Payment of Bills:** Rose Bouchard presented an invoice dated 11-18-13 from BlumShapiro in the amount of \$10,000.

Motion: Ed Weik moved to pay the \$10,000 invoice and David Wilson seconded the motion. All voted aye and the motion carried.

Rose Bouchard presented an invoice dated 12-13-13 from BlumShapiro in the amount of \$5,000.

Motion: Anne Dranginis moved to pay the \$5,000 invoice and David Wilson seconded the motion. All voted aye and the motion carried.

- d. Anne Dranginis asked about school security expenditures since state monies are available for this. Chairman Geiger will ask Chairman Frank Simone about the BOE plans for school security.

Adjournment:

Motion: Anne Dranginis moved to adjourn at 8:48pm and Ed Gadowski seconded the motion. All voted aye and the motion carried.

Respectfully submitted,

Jo Ann Jaacks
Recording Secretary