

## **September 22, 2021 BOS meeting**

### **June 2021 Financials and Audit**

- BOE/SES reconciliation was completed, and once several journal entries were posted to to reflect shifts of funds between the BOE's general fund and their grant funds, Quickbooks and Accufund were in balance to within \$750, which is the closest they have ever come. We are keeping a manual balance sheet for the BOE (which is in balance), but will need to post a clean-up entry to Accufund at some point. Prior to audit adjustments, SES' surplus stands at \$55k.
- 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).
- Overall, our P&L currently reflects a surplus in the range of \$167k, vs. a budgeted deficit of \$106k. Reminder that the positive variance vs. budget is driven by the RD11 surplus return, BOE/SES surplus and savings throughout departments in the General Government.
- The auditors will book entries to "true-up" the balance sheet accounts related to Tax Revenues, which will likely change our P&L - reducing tax revenues by ~\$15k. We have adjusted the accounting approach used for these balance sheet accounts, so in future years, the year end adjustment will only impact Receivables and Deferred Revenues, and will have no impact on the P&L.
- The auditors had their last day of on-site fieldwork on Sept 21, with most audit areas completed and partner review underway. There may be a couple of follow-ups with the BOE, which will be addressed this week. The auditors will then expedite report delivery this year so we can get this wrapped up.

### **July & August 2021 financials**

- Monthly financials for July & August are complete, bank statements for July reconciled and August underway. Quickbooks for the General Fund updated. Department heads will receive their reports shortly.
- Tax collections totalled \$1.8M for July and \$0.6M for August, \$2.4M year to date. This is \$240k higher than the same period last year, mainly in the Current Year levy. Back tax collections have also been quite strong, and we've already exceeded our budget for the year in this category.
- 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 30% of budget, driven by strong starts in Building Fees and Conveyances.
- No state funding has been received through August, with first payments expected in October.
- General Government expenditures have totaled \$225k year to date, including our first \$22.5k debt payment.
- At August 31, the Town General Fund had \$3.1M in cash, \$2.9M of which was held in interest-bearing accounts

- **CAPITAL:** No July or August spend from CNR funds, current balance \$113.5k. FY22 contributions will be transferred in September. TAR carryover from FY21 of \$87.2k plus \$76.9k received in August (one-half of FY22 expected revenue). No spend from the BOE CNR account this year, balance stands at \$96.6k. The Board will need to make a decision about the BOE CNR funding based on the school's final surplus later this fall (which will get booked back into FY21 financials)

#### **Other Key activities**

- Tropical Storm Isaias expenses - FEMA payment of \$8k received, expecting final \$1500 soon.
- 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.

#### **Upcoming due dates and activities**

- State UCOA reporting for the year ended June 30, 2020 has been extended again (until August/September) 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.