TOWN OF PLAINFIELD
BOARD OF FINANCE
MINUTES

The Board of Finance for the Town of Plainfield held a Special Meeting on Wednesday, December 8, 2021 at 6:30 p.m. The meeting was called to order by Chairman Dean Gorman.

Members present: Dean Gorman, Gary Stalaboin, Linda Fedor, Adrian Ferrari, and Don Kivela. Kevin Cunningham, First Selectman, Scott Gardiner, Selectman, Kelly Vachon, Finance Director.
Member absent: Keith Sheeley, Ted Dumaine, and Tom Sinkewicz.

Dean Gorman appointed Linda Fedor for voting.

Minutes of November 17, 2021 meeting
Donald Kivela motioned to accept the minutes of November 17, 2021. Gary Stalaboin seconded. Motion passed.

New Business

Item 1. To discuss and accept the FY 2021 Audit Report. Auditor, Kyle Conner from Marcum is present to discuss.
Every member got a copy of the Marcum audit presentation and Financial statements of June 30, 2021. Kyle started the presentation stating unrestricted fund balance is $8.4 million which represents 17.3% of operating budget. Dean Gorman asked how many other municipal audits does Marcum audit. Kyle said he has about 12 municipal audits. Dean Gorman asked what percentage are other towns. Kyle stated they are between 8% and 16%. Kyle stated Plainfield is doing well with their fund balances. Kyle noted the school reserve account if BOF grants the audit of 2021 education underspent to this account, the new balance would be $1.4 million. This is assuming BOF transfers the money to the 2% reserve account. This will be voted on at a later date. Kyle noted Property Taxes were $455 thousand above what was budgeted. Tax collection is at 98.1% collection. State Aid was $306 thousand lower than budgeted due to adult education and locip improvements. Water pollution control revenue amounted to $2.46 million an increase from prior year revenue of $1.78 million. An operating income of $89 thousand was the net result with operating expenditures of $2.37 million. The town's private pension plan and other post-employment benefits were discussed and noted in the presentation. Auditor's recommendation is for the Town and BOE is create a formal fraud risk assessment document. This will be created with guidance from the auditing firm. State Single audit is in the process of being completed. The end date is by mid-January 2022 or end of December 2021. This concluded the presentation of the audit by Kyle Connors. Dean Gorman asked if there is anything the BOF needs to be aware of in this audit. Kyle stated there were no surprises in this audit. Adrian Ferrari asked Kyle if there are any recommendations the board needs to address with this audit. Kyle said no. Kyle stated a fraud risk assessment policy is recommended to be created. Gary Stalaboin asked about the school 2% carryover and how it affects the MBR. Kyle stated it does not affect the MBR. Don Kivela asked if there were any problems in the audit the board shall be aware of. Kyle stated no, this audit was a good audit. Dean Gorman asked when will the state single audit be completed. Kyle stated he is requesting documentation from the town and school now. Once the documentation is reviewed, the audit can be completed hopefully before Christmas. Dean Gorman asked if BOE budget collects out of town tuition and the funds received is invoiced pension contributions to the school shouldn't that be recorded as

pension payment not revenue. Kyle said he will keep an eye on that for the next audit. Dean Gorman asked if an employee is paid 40 hours per week but does not work 40 hours is that considered to be fraud. Kyle said yes, you could view that as fraud.

Don Kivela motioned to accept FY 2021 audit. Adrian Ferrari seconded. All in favor, motion carried.

Citizens Participation

No Citizens participation.

Adjournment

Gary Stalaboin motioned to adjourn the meeting at 7:00 P.M. Linda Fedor seconded. All in favor, motion carried.

Respectfully submitted,

Kelly Vachon

Kelly Vachon

Town of Plainfield 2021 Financial Statements

Date, December 8, 2021 | Presented by: Kyle J. Connors, CPA
Director

MARCUM
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Agenda

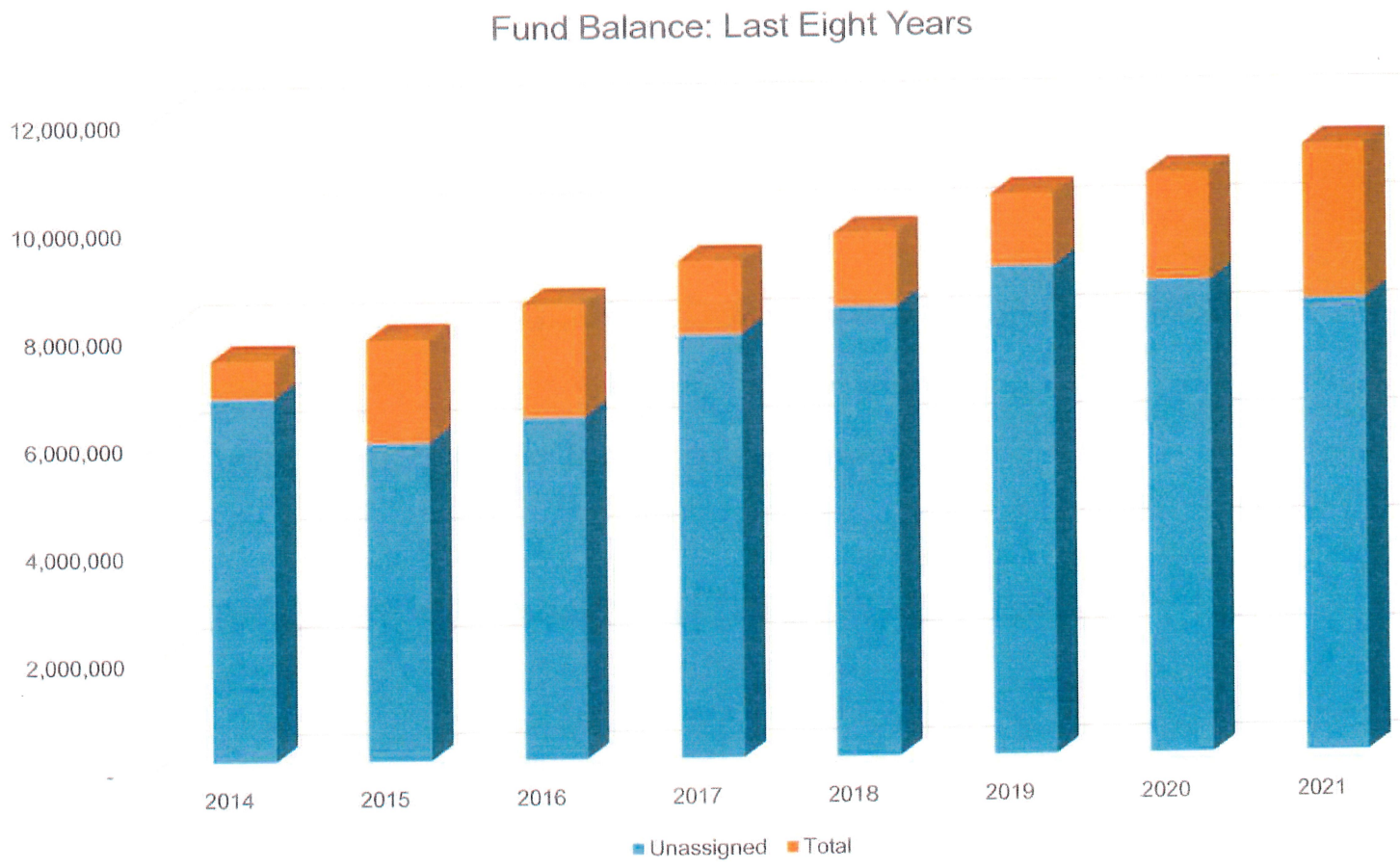
Presentation will review the Town's 2021 financial statement audit and financial results

Feel free to ask questions at any time

Town General Fund

- Total Fund Balance increased by $489 thousand
- Unassigned Fund Balance = $8.4 million
- Unassigned Fund Balance represents 17.3% of Operating Budget
- Healthy target is typically 8-16% of budgeted expenditures, Town is above that
- $1.4 million assigned for future education expenditures

Fund Balance: Last Eight Years



Results of Operations

- Revenues were under budget by $16 thousand
- Property taxes $455 thousand above what was anticipated
- Tax collection percentages:
  - *98.1% collection of current year assessment*
- State aid was $306 thousand lower than anticipated
  - Combination of Adult Education and local capital improvement funds

Results of Operations (Continued)

- Expenditures were $1.52 million below appropriated amounts
- Significant results in these areas:
  - Unfavorable
    - Employee Benefits of $415 thousand
  - Favorable
    - Capital Outlays of $846 thousand
    - Education of $876 thousand

Water Pollution Control Activity

- Operating revenues amounted to $2.46 million, an increase from prior year revenue of $1.78 million
- Operating expenses were $2.37 million, an increase from prior year amount of $1.98 million
- Operating income of $89 thousand in 2021 compared to loss of $205 thousand in 2020
- Fund has net position of $8.2 million – $776 thousand of which is unrestricted for operational use

Town Pension Plan

- Town's private pension plan funded at 109.99%
- The Town has made contributions to this plan of $1.76 million exceeding the required contribution of $1.36 million
- Total liability of $29.4 million with fiduciary assets of $32.4 million
- Assumptions look reasonable, mortality tables adjusted up to 2019 (previously 2017), investment rate of return of 6.50%

Other Post-Employment Benefits

- Town plan funded at 15.1% with a total net OPEB liability of $6.2 million
  - Funded 95% of the actuarial determined contribution of $719,331 in fiscal year 2021

Findings, Recommendations and Other

- BOE transitioned to new financial reporting system. Significantly improved audit process on our end and clarity of individual grants.
- Discussed the Town and BOE generating a formal fraud risk assessment document moving forward

Uniform Guidance

- In accordance with Uniform Guidance we selected one Federal programs for compliance testing
  - Coronavirus Relief Funds
  - Child Nutrition Cluster
- The Uniform Guidance audit is still ongoing, however as of today no noncompliance was noted during our testing.
  - Expect to have the Uniform Guidance audit complete by mid January

State Single Audit

- In accordance with Connecticut State Single Audit requirements we selected three State programs for compliance testing
  - Adult Education
  - Municipal Grants-In-Aid
  - Town Aid Road Grants
- Audit is still ongoing, however no noncompliance was noted during our testing
  - Expect to have the Single Audit complete by Mid January

Questions

Thank You!

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