

Middletown Springs Auditors Meeting

July 22, 2020 – 7:30 PM

Middletown Springs Town Office

Official Minutes

Auditors present: Juanita Burch-Clay (Nita), Sarah Grimm. By Zoom – Tracy Weatherhogg

Call to order: 7:37 PM

1. Minutes:

- Minutes from the June 24, 2020 meeting were reviewed and approved.

2. Agenda review and adjustment: No additions.

3. Updates

- **Reconciliation of town accounts** (Tracy)
 - Tracy now has a computer that will access NEMRC and has made a start. She has come up against difficulties, and will continue to work through the complexities. It may not meet the timeline the treasurer needs this month, but we are hopeful that eventually this will be a smooth process.
- **Select Board information** (Sarah)
 - Attended three SB meetings since last auditor meeting.
 - The situation of the First Response is not resolved, and it looks like the recommendations of the auditors, treasurer, and others are not being followed. There is a concern about the emergency SB meeting held at the Fire House, which was not fully accessible to those wishing to participate online. (Open meeting law?) Written advice from the lawyer is expected. If “option 2” is taken, the auditors will be monitoring the account.
 - The town is over budget. Taxes are expected to increase by 12%. A lot is due to the school expenses. The town is under, but the highway over. They were counting on delinquent tax money that didn’t come in to make up the difference.
 - If delinquent tax money comes in late, can it be assigned to the FY20, even though the FY is over? Jenny will ask SB for a vote to do so.
 - Tax rate to be set at tomorrow’s meeting
 - Town bought a new 1 ton truck
 - Roadside mowing – the town bought a sickle attachment and used Bill’s private tractor to run it. This was noted publicly on FPF. (Follow up - check later on how it got billed.)
- **Town Trust Funds** (Nita)
 - Copeland Milk Fund
 - Information was requested from the trustees on the following items:
 - Meeting minutes, update on new investments, repayment schedule for Tarbell loan, and May 15 loan repayment amount.
 - Meetings: There have been no meetings since January. Terry Redfield sent an agenda for a June 25 meeting, which would address the above. No minutes received.
 - Investments: The new investments have only recently been finalized. They were delayed by various difficulties, including trustee illness and slow responses from National Life in closing that account. The investment strategy is for “High Dividend Yield”, involving some risk, which the trustees find acceptable.

- Mortgage payment: There was no payment made yet this year, as they are “running late.” Terry anticipates that payment will be made by signing over the distribution check, and that distribution has not been calculated yet.
- Mortgage repayment schedule: This was to have been set up at the June 25 meeting, but we have not received anything as of July 23.
- Copeland Cemetery Fund
 - No trustees are listed on the official list on the town website. Nita was able to contact Alice Hoisington, who confirms that she and Art Castle are still trustees. She will let Laura know.
 - The funds’ investments were changed in April 2019. Although Alice has not looked at statements in a long time, she reports that the fund manager has called and assured them that the funds are in good shape.
 - The Cemetery Fund did not submit an annual report for FY19, which should have been in the Town annual report booklet, distributed in February 2020. She seems to have been unaware of this, although Nita has sent emails. Perhaps this was an oversight because their treasurer (Kathy Colvin) stepped down from that position in 2019. A report for FY19 will need to be formulated, as well as for FY20.
 - Nita raised the question about using fund earnings instead of asking the town for \$1500 each year. This can be discussed more at a later date.
 - Alice will try to follow up on the above. Nita offered to help as needed.
- Trustees of Public Monies
 - Beth Miller has asked for assistance in sorting out accounts with the bank. There have been difficulties with bank mistakes, as well as timely responses from trustees. Nita has offered to help sort things out.
- Copeland Church fund – only Dan McKeen is listed as a trustee. The two church appointed slots are vacant on the website. Nita will follow up.

4. Review of Fiscal Year 2020 (FY20) - Next steps include sampling and testing accounts, to be done at a work session on August 3.

5. Other Business: None.

6. Next Steps – All - Work on review of FY20

- Nita – continue to work on trust funds. Provide trust fund info for town website. Confirm names of all trustees for all funds.
- Sarah – continue with SB and building committee meetings
- Tracy – continue with reconciliation. Send in hours worked/volunteered in FY20.

7. Future Meetings and Events:

- Work session - August 3, 2020. Meetings - August 26, 2020; September 23, 2020

Meeting adjourned: 8:35 PM

Minutes submitted by Juanita Burch-Clay

To-do list from February 2020 - items remaining:

- Compile the founding documents from the various trust funds and publish on the website, with a hard copy in the town office.
- Develop an auditors’ handbook, with information such as list of town bank accounts, restricted funds, etc. easy to access.

- Compile information with descriptions of each of the restricted funds for easy accessibility and understanding. (In progress)
- Create a web page for the miscellaneous financial information about the town and its funds, for greater transparency. (In progress)
- Review Sullivan, Powers “audit report” – particularly with regard to trust funds and investments
- Consider what external audit information should be posted on the town website and how people can access the full report. Maybe the town auditors’ summary and a reference to the full report in the town office.
- Work on recommendations from the Sullivan, Powers report, including following up with the new SB and the financial controls checklist. (Reconciliation – in progress)
- Continue testing finances for FY20. (In progress)
 - What has been done already includes
 - Taking action to do the monthly reconciliation of town bank accounts
 - Attending board meetings and reviewing board orders.
 - Work with trust funds
 - What should be done next includes reviewing:
 - Individual accounts, for example: dog licenses, delinquent taxes, overweight permits, cash flow
 - Library accounts
 - Testing of accounts (scheduled for work session)