

Middletown Springs Auditors Meeting

August 24, 2022 – 7:30 PM

Town Office

Approved Minutes

Auditors present: Juanita Burch-Clay (Nita), Sarah Grimm, Tracy Weatherhogg

Call to order: 7:40 PM.

1. Minutes: Minutes from the June 22, 2022 meeting were edited and approved.

2. Agenda review and adjustment: None.

3. Report on recent auditor activities

- **Reconciliation of town accounts** (Tracy) - done.
- **Select Board information** (Sarah) - SB has been working on the year end budget. A question arose (in June) about how surpluses are used in budget and if they can be moved from one line or fund to another. The equipment budget ran over by about \$11K, but personnel was under because of employee departure. This was discussed at some length.
- Auditors noted that we DO look at anomalies and discrepancies in the reports, and we ask for explanations when we see them.
- **Transfer station and town clerk fees** (Sarah): It's been suggested that it is time to review transfer station procedures and town clerk fees. We'll set up a meeting with the town clerk. (Emailed from meeting - proposed Sept. 13 at 9:00 AM)..
- **Comment** - We will ask the SB to let auditors know promptly and directly, in writing, if they have questions for us. The SB asked Sarah if the auditors look at the budget items mentioned above, but we didn't address their question until this evening.

4. Financial Records Review - We wanted to review the movement of funds to the restricted accounts which was done in June. We decided to look at the Equipment Reserve Fund (Capital Expenses): 1-1-01-01

- In June 2021 - \$31,737. June 30, 2022 - added \$20,000 plus \$83 interest = \$51,820
- July 22 - Moved \$43,610 to Highway Surplus. Uncertain where the \$20K came from for the Equipment fund.
- To continue - check on the movement of surplus to reserve funds, especially the \$11K deficit in Equipment. Check the SB minutes and speak with Treasurer if necessary.

6. Next Steps

- Set up a meeting with Patty to review cash procedures. [Done]
- Review SB minutes for info on surplus and transfer of reserve funds
- Ask Patty about "improved town procedures for documentation of material purchasing" re gravel.
- Continue with SB and building committee meetings
- Continue with monthly reconciliation.

- Continue with to-do list from previous months.

7. Future Meetings and Events:

- Next meeting - September 28, 2022

Meeting adjourned: 8:45 PM

Minutes submitted by Juanita Burch-Clay

To-do list from January 2021

- Town Trust Funds continue to need attention:
 - Compile the founding *documents from the various trust funds* and publish on the website, with a hard copy in the town office. (In progress)
 - Review Sullivan, Powers "*audit report*" – regard to trust funds and investments. This includes discussion of cost basis of funds.
 - Help the town funds recruit trustees, create clear annual reports, and communicate clearly. (In progress)
- Continue work on an *auditors' handbook*, with information such as list of town bank accounts, restricted funds, trust funds, reconciliation, etc. to support both current and future auditors.
 - 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)
- Continue to monitor progress on the Sullivan, Powers recommendations, including revisiting the financial controls checklist and supporting the SB in enacting financial policies. (in progress)