

Woodstock Board of Finance Minutes

Tuesday, February 6, 2024

Town Hall Room 1

7:00 pm

SPECIAL MEETING

1. **Call to order:** Chairman Michael Dougherty called meeting to order at 7:06 pm

2. **Roll Call**

- a. **Members Present:** Michael Dougherty (Chairman)
David Fortin
Philip Parizeau
Julie Marcotte
Jeffery Kelleher
Charlene Perkins Cutler
Marilyn Barker

Members absent: Fred Chmura, excused
Michele Woz, excused

Others Present: Finance Director Karen Fitzpatrick, Lauren Messina and Michael VanDeventer of Mahoney Sabol, David Richardson

- b. **Noted for the Record:** Quorum

3. **Seat Alternate if Necessary:**

- a. Marilyn Barker and Charlene Perkins Cutler were seated by request of the member absent.

4. **Public Comment**

- a. Dave Richardson voiced his concerns with the Board of Education, Board of Finance and the Audit. He shared several questions which he hoped would be answered by the audit presentation.

5. **Audit Presentation**

- a. Lauren Messina and Michael VanDeventer are present on behalf of Mahoney Sabol to review the audit presentation including financial highlights from Fiscal Year 2023 and any answer questions about the audit.
- i. Both Federal and State Audits were performed as well as an audit to meet Connecticut Board of Education standards for the FY 23.
 - ii. The report of Financial Statements concluded that all standards were met
 - iii. The Federal and State Single Audit concluded significant deficiencies.
 - iv. Finding 2023-001: Significant Deficiency in Internal Control over Financial Reporting – Reconciliation of the School District’s General Ledger with the Town General Ledger. Repeat Finding.
 - v. Finding 2023-002: Significant Deficiency in Internal Control over Financial Reporting – School District’s Accounting and Reconciliation Controls over the Education Grant and Cafeteria Funds. Repeat Finding.
 - vi. Finding 2023-003: Noncompliance – Connecticut General Statutes (CGS) Section 10-222 Appropriations and Budget. Expenditures reported by the school district for the year ending June 30, 2023 exceeded the appropriations made by the Town in the amount of \$31,207.

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- vii. Required Communications were reviewed including plan, scope and timing of the audit. It was noted that the Town of Woodstock was one of only 50 municipalities that filed the required audit on time.
- viii. Audit Findings for Town of Woodstock FY 23 were found reasonable and consistent with other municipalities.
- ix. Total Fund Balance ending June 30, 2023 is \$4,177,157 which represents 13.24% of the Town's total General Fund expenditure appropriations for fiscal year 2024.
- b. David Fortin inquired with the auditors to see if the corrective actions of the Board of Education from the previous year were considered implemented and effective. It was noted that improvements were made from the previous year but similar deficiencies did exist for second consecutive year. David Fortin requested information on what steps should be taken by the Town of Woodstock to address the reoccurring deficiencies. It was noted that an evaluation of the Board of Education corrective plan action should be performed.
- c. Phil Parizeau inquired if the found deficiencies could be considered mischaracterizations. It was noted that deficiencies result from system transactions that occur when both cash and accrual entries are used in accounting practices. The yearend transactions that combine both accounting types into one report are the cause of the found discrepancies. The auditors noted that this result is not uncommon when two different systems are being used in one municipality.
- d. Jeffrey Kelleher asked if the discrepancies are procedural or software driven. It was noted that both procedure and software play a role in creating the discrepancies.
- e. Julie Marcotte noted her concern with significant issues repeating year after year.

6. Public Comment

- a. Dave Richardson referred to his questions for a second time. The Board of Finance noted that transfers within the approved budget do not require a town meeting as an additional appropriation would.

7. Adjournment

- a. Jeffrey Kelleher made a ***Motion to Adjourn. *Seconded** by Charlene Perkins Cutler. ***The Motion Passed Unanimously.** Meeting Adjourned at 7:42 pm.

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Respectfully submitted by Amy Monahan, Recording Secretary. DISCLAIMER: These minutes have not yet been approved by the Board of Finance. Please refer to next month's meeting for approval/amendments.