

Select Board
Tuesday, June 2, 2022
Town Hall – Heald Room
66 Westford St., Carlisle, MA 01741

The Carlisle Select Board met on Tuesday, June 2, 2022, at 10:00 AM at the Carlisle Town Hall (Heald Room) located at 66 Westford Street.

Those present were Vice-chair David Model and members Kate Reid and Travis Snell.

Also present:

Kimberly Kane, Finance Director & Treasurer/Collector
Kelly Beyer, Town Accountant
Interim Town Administrator Steve Ledoux
Matt Hunt, Auditor – Clifton Larson Allen, LLP (CLA)

Purpose: Exit Conference Fiscal Year 2021 Audited Financials

Financial Statements

Financial statements are free of material misstatements.

GF Fund Balance - \$6.6M – Decrease of \$1.1M

Restricted - \$233k (debt service)

Committed - \$1.4M

\$867k - continuing appropriations

\$500k – FY 22 expenditures

Assigned - \$127k (encumbrances)

Unassigned - \$4.9M

Consistent with prior year

- Includes \$1.2M of general stabilization fund balance
- 14.0% of GF revenues and other financing sources
 - 13.9% in FY 20
 - 11.9% in FY 19
 - 12.3% in FY 18
 - 13.0% in FY 17

GAAP Revenues/Expenses - Net change in fund balance – (\$1.1M)

Primarily caused by transfer out of \$2M of OPEB funds – trust fund reorganized in FY 21 – funds transferred to Fiduciary Funds

Budgetary Revenues/Expenses - The net change in fund balance – \$772k

Anticipated change in fund balance - (\$1.4M)
Positive Revenue variance of \$340k
Positive Expenditure variance - \$1.8M (before encumbrances)
Encumbrances and carryforwards - \$994k
Total Positive variance - \$1.2M©2022 CliftonLarsonAllen LLP

CPA Fund Balance - \$3.1M

Revenues - \$635k
Surcharges - \$492k
State Funding - \$141k
Expenses - \$23k

OPEB Trust Fund - 1st year being reported as a trust fund

Fund Balance - \$2.6M
Revenues - \$2.9M
Town Contributions - \$2.4M
\$2.0M represents "transfer" from general fund for balance in the fund as of June 30, 2020
\$403k represents "gross-up" of benefits expenses
Investment Income/Gains - \$531k
Expenses - \$403k©2022 CliftonLarsonAllen LLP

Long-Term Debt - Total LT Debt - \$14.0M

New Debt - \$74k (Building Remodel)
Small portion of October 2020 debt issuance.
majority recognized in FY 20 financial statements
Debt Principal Payments - \$680k
Debt service (principal and interest) represented approximately 3% of FY21 general fund expenses

OPEB

Liability - \$10.8M
Prior year - \$20.3M

A key reason for decrease: \$2.6M of trust funds off-set against liability

Trust fund assets recognized in discount rate calculation – 3% increase in the discount rate

Net Pension Liability

Liability - \$10.3M
Prior year - \$11.1M

A key reason for the decrease is positive investment markets during the year ended 12/31/20

Single Audit

Federal regulations require municipalities that expend \$750,000 or more in federal grants in a fiscal year to undergo a grant compliance audit.

The town spent \$980k in federal grants during FY 21

- The CARES Act grants were audited (\$534k of expenses)
- There were no findings identified

Management Letter

1-Information Technology Controls - Some of the areas for improvement from prior years remain. CLA is working with the Town to get an update on actions taken since the IT portion of the audit.

CLA recommends another meeting with Town officials to discuss a strategic plan to implement any improvements not yet addressed

2-Financial Policies and Procedures Manual - Preparation of a formal policy and procedures manual would improve and standardize the Town's key internal controls. Such a manual would also assist in times of employee turnover.

The Town has made progress in this area.

3-GASB 87 – Establishes new financial reporting requirements for governments with lease contracts.

Implementation Date: Fiscal Year 2022

On the motion of David Model and seconded by Travis Snell, it was unanimously VOTED to accept the Fy21 Audit Report as presented.

On the motion made by Kate Reid and seconded by Travis Snell, it was **VOTED** to adjourn the meeting.

MEETING ADJOURNED

Prepared by
J. Gibbons