MINUTES

BOARD OF FINANCE

SPECIAL MEETING

WEDNESDAY January 12, 2022

OXFORD TOWN HALL 7:00 p.m.

Members present: Chairman Jack Kiley, Sue Arpin, Dana Flach, Paula Jensen and Kathryn Dennen

Others Present: James Hliva (Finance Director) and Sean O'Grady of King and King CPA

The meeting was called to order at 7:02 p.m. by Chairman Kiley and all present stood for the Pledge of Allegiance of the Flag.

First Item on Agenda: Presentation of the audit for the Fiscal year ending June 30, 2021. Sean O'Grady of King and King CPA presented the audit. He stated that Oxford had an unqualified opinion which is what a Town would want. He explained that the first two pages were the auditors opinion. Then pages 3 through 9 are the Towns Management Discussion analysis which highlights certain areas of the audit and the finances of the Town. Sean the went through the audit explaining the reports, notes and supplemental information. A copy of King and Kings power point presentation is attached to and is a part of these minutes.

Sean then went through the Federal Single Audit and the State Single Audit, both of which are required as separate audits even though the numbers are included in the Town audit.

The Board did not have any recommended changes. Sean will print the reports and file with the appropriate Federal, State and Local authorities.

Second item on the agenda Transfers.

Item #		Department	Account Number	Account	Amount
1	**TO:**	Registrar of Voters	5465-585	Dues	$ 20.00
	FROM:	Finance	5320-560-5320	Contingency	$ 20.00
	Motion	Dana Flach			
	Seconded	Sue Arpin			
	Vote	Unanimous			
	Comments				

2	**TO:**	Selectmen	5480-570-129	Professional Services	$ 4,500.00
	FROM:	Finance	5320-560-5320	Contingency	$ 4,500.00
	Motion	Dana Flach			
	Seconded	Sue Arpin			
	Vote	Unanimous			
	Comments				
3	**TO:**	Selectmen	5480-585	Dues	$ 4,075.00
	FROM:	Finance	5320-560-5320	Contingency	$ 4,075.00
	Motion	Dana Flach			
	Seconded	Sue Arpin			
	Vote	Unanimous			
	Comments				
4	**TO:**	Town Attorney	5535-672-207	Legal Services Assessor	$ 6,750.00
	FROM:	Finance	5320-560-5320	Contingency	$ 6,750.00
	Motion	Dana Flach			
	Seconded	Sue Arpin			
	Vote	Denied Motion Fails.			
	Comments	Jack Kiley state that the reason the vote was to deny that he wanted additional information on the total paid to the attorney to date. He felt that the Town did not need to have an attorney and it could have been done with Town staff. In addition since action must be taken by the Board of Finance within 60 day of an affirmative vote of the Board of Selectmen that action needed to be taken tonight. He asked that it be denied and sent back to the Board of Selectmen for action			
5	**TO:**	Emergency Communications	5300-618	Code Red	$ 400.00
	TO:	Emergency Communications	5300-674	Maintenance Contract	$ 75.12
	FROM:	Finance Contingency	5320-560-5320	Contingency	$ 475.12
	Motion	Dana Flach			
	Seconded	Sue Arpin			
	Vote	Unanimous			
	Comments				

Third item on the agenda. Purchase of Pagers for the Fire Department.

Jack Kiley made a motion to approve the purchase of 12 pages at a cost of $7,200.00 with the funds coming from the Board of Finance Contingency. Seconded by Paula Jensen. The vote was unanimous.

The Board then discussed the Board of Finance Contingency report and the December 2021 Tax Collectors report.

Being not further business, Sue Arpin made a motion to adjourn, Seconded by Dana Flach. The meeting was adjourned at 9 :13 p.m.

Respectfully Submitted

James A. Hliva

Finance Director

King, King & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Town of Oxford, Connecticut

FY 2021 Audit

Presented by:

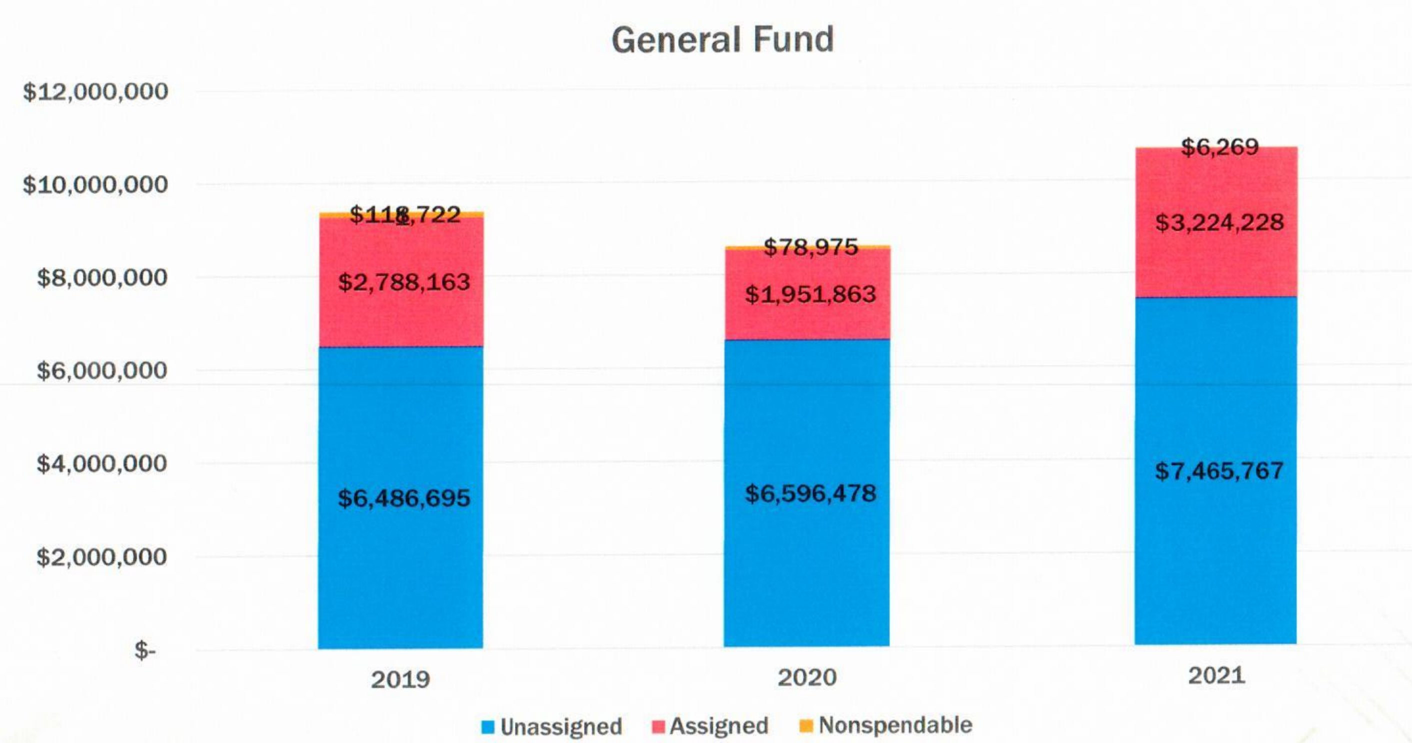
Sean O'Grady, CPA, CFE

Partner

Annual Financial Report - Highlights

- P.12 – GF total Fund Balance of $10,696,264. Components can be seen on page 31. Government Finance Officer's Association recommends two months of annual revenues kept in surplus (16.67%). Oxford's GF fund balance is 22.8% of annual budgeted revenues.
- P.12 – New major fund. ARPA Grant Fund. At 6/30/21, received $1.9 Million of the grant reported as unearned revenue.
- P.14 – Middle School Project – Previously BAN reported in the Fund financials due to the short-term nature. As described in Note 8, since the BAN was replaced with long-term financing upon maturity, the liability will be reported on the Government-wide financial statements as opposed to in the Fund financial statements, resulting in an increase in fund balance in the fund financial statements.
- P.15 – Increase in the General Fund fund balance of $2.1 Million.
  - Originally had anticipated using $1,305,000 from the General Fund fund balance, which was not needed.
  - Increase mainly due to large back tax collections resulting from personal property tax audit.
  - Expenditures for debt service were over budget (see single audit finding)
  - The Town has assigned $2,620,000 of fund balance to be used to supplement the FY2022 budget.

3-Year GF Fund Balance Trend



Annual Financial Report – Highlights (Continued)

- P.28-29 – Listing of outstanding bonds/loans payable and the annual debt service requirements.
  - Roughly $3 Million per year principal and interest payments.
- P.30 – Note 8 – Bond Anticipation Note – BAN converted into long-term bonds after year-end prior to audit issuance. See Note 14 for sub-events note.
- P.36 – Portion of Teachers Retirement Pension Liability associated with the Town is $59,878,928, Town is currently responsible for none. The on-behalf amount of pension contributions that was contributed by the State for Oxford was $3,840,729.
- P.43 – Portion of Teachers Retirement OPEB Liability associated with the Town is $8,930,944, Town is currently responsible for none. The on-behalf amount of OPEB contributions that was contributed by the State for Oxford was $92,690.
- P.44-46 – Upcoming GASB pronouncements and effective dates.
- P.61 – Outstanding Taxes Receivable balance at 6/30/21 is $1,595,592. This is roughly 4.2% of the Current Levy.

Federal and State Single Audits

Federal Single Audit

- P.6 – FY2021 expenditures of Federal Awards: $1.3 Million total assistance, of which $300,000 was Coronavirus Relief Funds, $355,000 was school lunch program, and $500,000 was education related.
- P. 9-10 – Budgetary Compliance Finding
  - Overspent the debt service line
  - Bank Reconciliation Review
    - Repeat finding. Management response is that a Deputy Treasurer was recently appointed and will review and sign-off on all bank reconciliations.
- P.11 – Summary Schedule of prior audit findings
  - Noncompliance over Town investments – corrected for FY2021. Investments closed to GF.

State Single Audit

- P. 6-7 – FY2021 expenditures of State Assistance: $8 Million total assistance, of which $4.3 Million is ECS and Excess Cost, and $2.4 Million is school construction grant.
- P.9-11 – Findings – See above, same as reported in Federal Audit

Management Letter Finding

- Additional findings and recommendations for strengthening internal controls.
  - Hourly Employee Timesheets – Board of Education
    - During our testing, it was noted that there are some hourly employees at the Board of Education who do not use timesheets to track hours worked and are paid a standard 40 hours per week.
    - We recommend that all hourly employees submit weekly timesheets to be reviewed and signed-off on by a supervisor prior to payment.
    - Management Response – The Board of Education will implement a new procedure requiring all hourly employees to submit a weekly timesheet and have it reviewed and signed-off on by a supervisor prior to the timesheets being forwarded to the payroll department for payment.

Verbal Recommendations

- We have a couple of verbal recommendations which were made as ways to strengthen controls and procedures:
  - Student Activity Funds – verbal comment discussed with Dr. Miller about getting evidence of approval on disbursements for all student activity fund accounts. The BOE would like to bring the Student Activity Funds into the InfiniteVision software and require the same controls as the normal budgeted expenditures.

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