

Budget Advisory Committee

Town of Temple, NH

Meeting Minutes

4:30 PM, 2 October 2018, Town Hall Annex

BAC Attendees: Gary Scholl, John Kieley, Gail Cromwell (BoS), Christine Robidoux, Steve Concordia

Auditor: Jen Reddington, Melanson Heath

Meeting called to order at 4:34 PM

Annual Financial Statement Discussion

A copy of the Annual Financial Statements For the Year Ended December 31, 2017 is available in the Town of Temple Municipal Office.

Review of Narrative Overview, page 3.

Page 9 shows the “long term look” of assets and liabilities.

Question regarding retiring Road Agent and how to pay out remaining funds due upon retirement. Do we need to budget for that, and where? Answer: We do not need to add to the liability this year but will need to add to the liability in 2020 after 2019 retirement payouts. This should be budgeted under Personnel – Employee Benefits.

Ms. Reddington indicated that our current fund balances are good, at around 17%.

Cromwell noted that tax lien properties are way down. This accounts for the non-cash portion of the town’s fund balance.

Cromwell noticed that only one property is listed in the “Tax Deeds to Retain” line of our town report (*see attached*). The town owns several other properties; where are they listed, and when is it appropriate to move this property to that account? Answer: They are listed under fixed assets. This property can now be moved to that list. Ms. Reddington provided a list of all the properties to the municipal office. Cromwell will follow-up.

Accrued Vacation/Sick Days should not put listed under salary, but rather as a separate line item under Personnel Administration. Only the Highway Department is currently affected.

We need more details on Health Insurance.

Page 15 Transfers In and Transfers Out refers to Trust Funds.

Page 16 Refers to the Bi-Centennial Scholarship Trust. It is for private use and is the only trust we hold that is not for the benefit of the town of non-major government funds.

*Note: Every Trust Fund is accounted for in the Audit Report.

Budget Advisory Committee

Town of Temple, NH

Meeting Minutes

4:30 PM, 2 October 2018, Town Hall Annex

Question on the Cash and Short Term Investments bank balance as of December 31, 2017. Jen Reddington will research (Page 23).

Taxes Receivable narrative needs to be updated (p. 24-25).

Discussion of Letter from Melanson Heath dated May 29th, 2018 to the Board of Selectman (*see attached*).

The letter highlights suggested improvements. Cromwell gave updates on each item:

- New Admin Tara will make sure that all invoices are verified and signed. Ms. Reddington noted that “fake” invoice are being reported in other towns so we need to be vigilant.
- Recreation Account still needs some review. Should it be a separate account? BAC would like to meet with the Recreation Committee to discuss.
- Bookkeeper will request that People’s United accounting report closes as of December 31, 2018. This does not happen automatically and needs to be requested.
- Attempts have been made to update the Cash Collateralization agreement to the current Treasurer without success. Suggestion to go directly to the Bank Manager.
- All payroll manifests will be signed by at least 2 BoS members.
- The two new employees did not have rate agreements on file. Minutes from the meeting showing the rate will be added as official documentation of their rate.
- Journal entry support is not been retained.
- Final adjusted balance update is in process as training on the new system for new employees continues.
- Procurement reporting is difficult for some departments. A notebook or sheet of paper with notes of attempts to get quotes is sufficient. Ms. Reddington suggested that the BoS needs to set a policy on what they find as acceptable.
- The BoS is working on job descriptions and they get updated regularly.

Ms. Reddington and Melanson Heath were thanked for their work and professionalism on behalf of the Town of Temple, BoS, and BAC.

Motion to adjourn at 5:39PM by Cromwell, Second by Kieley. Unanimous approval.

May 29, 2018

Board of Selectmen
Town of Temple
P.O. Box 191
Temple, New Hampshire 03084

Additional Offices:
Andover, MA
Greenfield, MA
Manchester, NH
Ellsworth, ME

Dear Board of Selectmen:

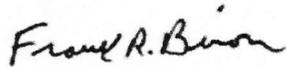
During the course of our 2017 audit we identified certain areas where improvements and/or efficiencies could be made that were not included in a formal management letter. The following summarizes these issues very briefly:

- Disbursement testing results showed 6 out of 25 selected invoices not having signed documentation of approval. We recommend all invoices be signed by a knowledgeable individual.
- The recreation special revenue fund bank account reconciliation retained no formal list of outstanding checks. We recommend that a list of issued, cleared, and outstanding checks be maintained for the recreation checking account.
- People's United bank accounts did not cut off at December 31. We recommend that all bank accounts run through the end of the month to create a smoother reconciliation process at year-end.
- The cash collateralization agreement with Citizens Bank was addressed to the former Treasurer. We recommend that this be updated to the current Treasurer.
- Payroll manifests were not signed for approval by the Board of Selectmen. We recommend that all manifests be signed documenting approval to pay.
- Payroll testing results showed 2 out of 25 employees not having approved rate agreements for the pay periods selected. We recommend that an approved rate agreement be retained in each employee's personnel file.
- Journal entry support was not retained for all journal entries. We recommend that the journal entries be printed and retained in a bound book and contain dual signatures.
- Final adjusted budget was not updated in the general ledger system. We recommend that the final budget be updated in the system to allow for budget versus actual reports to be generated.

- Formal policies and procedures have not been adopted for procurement. We recommend that a Town-wide policy be implemented to provide guidance over procurement.
- Job descriptions and duties were unclear to new staff. We recommend that the Board, along with employees, document job descriptions and expectations for better clarification and understanding by all.

We encourage the Town implement these recommendations in order to improve controls and efficiencies. I will be available to discuss these with you in more detail at your convenience.

Sincerely,

A handwritten signature in cursive script that reads "Frank R. Biron".

Frank R. Biron, CPA
President

Financial Assets & Liabilities Report

Current Assets	Jan. 1, 2017	Dec. 31, 2017
Cash on Hand	\$ 1,700,691	\$ 958,050
Taxes Receivable	171,594	920,980
Tax Liens Receivable	8,939	89,180
Other Current Assets	5,477	4,112
Tax Deeds to Retain <i>HOLT PROP.</i>		24,823
Total Assets	\$ 1,886,701	\$ 1,997,145
Current Liabilities		
Accounts & Warrants Payable	\$ 49,718	\$ 20,072
Compensated Absences Payable	13,013	11,319
Contracts Payable <i>AUTOP.</i>	10,284	
Due to Conval School District	1,252,089	1,252,542
Other Payables	7,243	
Total Liabilities	\$ 1,332,347	\$ 1,283,933
Fund Balance		
Assigned Fund Balance-SB38 Grant		\$ 37,332
Other Assigned Fund Balance	\$ 30,540	
Unassigned Fund Balance	523,814	675,880
Total Fund Equity	\$ 554,354	\$ 713,212
Total Liabilities and Fund Equity	\$ 1,886,701	\$ 1,997,145

From: John Kieley
Sent: Wednesday, October 3, 2018 5:07 PM
To: gwscholl@gmail.com; gpierson@tiac.net; ricochetrobidoux@hotmail.com; lukepet@comcast.net; noche4444@yahoo.com
Subject: Fwd: Temple meeting

See attached from Jen answering the risk related question raised yesterday.

Sent from my iPhone

Begin forwarded message:

From: Jen Reddington <JReddington@MelansonHeath.com>
Date: October 3, 2018 at 3:20:01 PM EDT
To: 'John Kieley' <johnkieley574@gmail.com>
Subject: Temple meeting

Hi John,

I hope you are doing well. I wanted to answer the question that you had on the cash. Like I said during the meeting we take what is in the back at June 30th for the footnote.

There was a \$429K deposit in transit that was in the GL but not deposited until the next day, which is a normal reconciling item.

The other large chunk was that amount of funds that you have in the NHPDIP accounts \$322. As of right now we do not consider them collateralized or uncollateralized, but they are not really investments either, so they are not included at all. We have changed this part of the footnote for next year. We will have them included and then an additional line that says that a certain portion is deposited with NHPDIP.

Hope this helps!
Jen

Jennifer Reddington, CPA
Melanson Heath

Jreddington@MelansonHeath.com<<mailto:Jreddington@MelansonHeath.com>>

[cid:image001.png@01D45B2C.8CA96F70]<<http://www.facebook.com/MelansonHeath>>
> [cid:image002.png@01D45B2C.8CA96F70]
<<https://twitter.com/melansonheath>> [cid:image003.png@01D45B2C.8CA96F70]
<https://www.linkedin.com/company/melanson-heath-&-company-pc?trk=vsrp_companies_res_name&trkInfo=VSRPsearchId%3A1666269351401906700546%2CVSRPtargetId%3A1434098%2CVSRPcmpt%3Aprimary>

[cid:image004.png@01D45B2C.8CA96F70]<<http://www.melansonheath.com/>>

Nashua NH | Manchester NH | Andover MA | Greenfield MA | Ellsworth ME

To learn more about our firm visit: Melanson Heath<<http://www.melansonheath.com/>>

Office: 603.882.1111

Fax: 603.882.9456

Disclaimer: Any tax advice contained in the body of this e-mail was not intended or written to be used, and cannot be used, by the recipient for the purpose of avoiding penalties that may be imposed under the Internal Revenue Service Code or applicable state or local tax law provisions.

The information contained in this communication is confidential and may also be privileged information. The information is intended for the use of the individual or entity to whom it is addressed. If you are not the intended recipient, or an employee or agent responsible to deliver this information to the intended recipient, you are hereby notified that any use, distribution, or copying of this communication is strictly prohibited. If you received this communication in error, please notify us immediately by replying to the message and deleting the communication immediately.