



MINUTES
AUDIT COMMITTEE
October 26, 2016

Attendees: Mike Barbaro (Selectman), Roger Doucet (Community), Ulysse Maillet, Vice Chair (Community), Moe Ward, Chair (FinCom).

Public: William Scholosstein (Town Accountant), Greg Vine (Newspaper), Austin Cyganiewicz (BOS), Barbara Anderson (BOS), Steve Haddad (Superintendent of Schools), Christian Orobello (FinCom), Rick Ward.

Invited Guest: Tony Roselli of Roselli and Clark Accounting Firm.

Dr. Ward opened the meeting at 6:30 by reading the charge of the Audit Committee as described in the Bylaws of the Town of Winchendon 38.1-38.4.

The Committee was introduced to the public. It was noted that the School Committee had not yet appointed a replacement for Mr. Vine, who resigned at the end of September.

Mr. Roselli was introduced and asked to explain the process and procedures undertaken to complete an audit of the town and school finances.

Mr. Roselli explained:

- There are four parts to an audit: A Financial Statement (an audit of all the numbers), A Single Audit (more than \$750,000 received needs a single audit which in our town is the school side, A Management Letter (this will not happen until early February and the School is in transition with a new Business Administrator), An Audit of the End of Year Report – both school and town.
- A review of the prior year's management letter was done with the following points:
 - o The town treasurer and accountant worked well together on cash reconciliations for 2016, the payroll is improving, numerous other accounts and coding errors were reconciled during 2016,
 - o There are still some concerns with payroll but they are being addressed on both the school and town side,
 - o Tax collection during 2016 was much more aggressive,
 - o Title V Betterments deficiency from 2015 was corrected,
 - o Standardization of retiree health insurance premiums is better,
 - o Still need to work on approximately 30% of town inactive accounts (approximately 200 need to be reconciled and closed,
 - o The town did a good job of calculating compensated absence liability but the school still has some work to do,
 - o The ambulance receivables needs more review,
 - o A study on the transfer station is in process but it was noted that 2016 did not have a deficit,
 - o Public trash costs the town approximately \$1,000 every month. DPW and the Winchendon Police Department are working together on this,
 - o Bernie Lynch is working on an update to the policies and procedures manual for the town.

Mr. Roselli noted that the audit for the 2016 year showed that the town IS solvent. Stabilization Fund Balance at June 30, 2016 was \$1,075,811; Encumbrances from Town Meeting are \$191,142; \$961,764 positive variance of all financing sources over expenditures.

Mr. Roselli answered questions from the committee and from the public.

MOTION to approve the minutes of Sept. 26, 2016 by Mr. Barbaro, seconded by Mr. Maillet. Vote: 4 – 0

Discussion on date of next meeting. As the single audit for the school will not be completed until January, Mr. Roselli will be contact with Dr. Ward as soon as that is complete and a meeting will scheduled for early February 2017 to review the management letter.

MOTION to adjourn at 7:54 by Mr. Barbaro, Seconded by Mr. Maillet. Vote: 4 – 0