

MINUTES

FINANCE COMMITTEE MEETING Monday, January 25, 2016 – 5 p.m. Town Manager's Office

Present: Councilor Ron Shepard, Chair; Councilors Bruce Roullard and Marla Stelk

Also Present: Town Manager David Cole; Finance Director Sharon Laflamme; Casey Lessard and Ryan Cormier from Runyon Kersteen Ouellette

1. Consideration of the minutes of October 27, 2015 and November 24, 2015 meetings.

A motion was MADE by Councilor Roullard, SECONDED by Councilor Stelk, and VOTED to approve the minutes of the October 27, 2015 and November 24, 2015 Finance Committee meetings as presented. Unanimous vote.

2. Discuss and review FY 2015 Town audit with representatives from Runyon Kersteen Ouelette.

Auditor Casey Lessard announced that the Town received an unmodified, or clean, opinion on both its financial reports.

The Committee recognized the Town's 2014 Certificate of Achievement of Excellence for its financial reports and extended a sincere thank you to the Finance Director for her work on the CAFR (Comprehensive Annual Financial Report).

Auditors Ryan Cormier and Casey Lessard presented a financial overview of the 2014-15 audit. The Committee reviewed and discussed handouts provided by the auditors explaining the Town's General fund (assets, liabilities and deferred inflows of resources, fund balance, revenues, expenditures, and 2015 revenues and expenditures) Total Net General Fund Balance, Tax Commitment, Property Tax Collection Rates, and Unassigned fund Balance as a Percentage of Budget.

The Town Manager explained the revenues and expenditures for the Recreation Department. He reported that Recreation programs are self-funded and that registration fees cover the program costs.

The auditors reported that Gorham appears to be fairly recession proof when it comes to the property tax collection rates, which do not vary significantly. The auditors also reported that the Town has a healthy fund balance which complies with the Town's fund balance policy.

Cormier and Lessard discussed the segregation of duties for both Town and School Department and noted that this area was identified as a significant deficiency. The auditors stressed that 70 to 75% of Maine governments receive this significant deficiency. The auditors reported that staff segregates duties as much as possible and recommended that the Committee continue to be vigilant about reviewing financial statements.

The Committee discussed financial internal controls and specifically journal entries. The Committee requested that staff run a journal report of the larger journal entries for the next meeting so that the Committee can determine whether additional controls should be set in place.

Staff left the meeting at 5:49 p.m. so that the Committee could meet with the auditors and ask questions. Staff returned to the meeting at approximately 6:05 p.m.

3. Review and discuss December financials.

The Committee reviewed and discussed December financials. It was noted that expenditures and revenues were on target. It was noted that the budget was looking fine overall.

4. Schedule next meeting.

Committee agreed that it will meet every other month. The next meeting of the Committee was scheduled for March 21, 2016 at 5:30 p.m.

5. Adjournment.

There being no further business, meeting adjourned at 6:35 p.m.

Respectfully submitted,

Jeri Sheldon, Ass't to the TM/HR Director