

TOWN COUNCIL WORK SESSION
January 6, 2014

A work session of the Jamestown Town Council with audit firm Baxter Dansereau & Associates, LLP to review the FY 2013 audited financial statements (July 1, 2012 to June 30, 2013) was called to order in the Jamestown Town Hall Rosamond A. Tefft Council Chambers at 93 Narragansett Avenue at 6:04 p.m. by Council Vice President Meagher.

The following members were present:

Mary E. Meagher, Vice President
Thomas P. Tighe
Eugene B. Mihaly
Blake E. Dickinson

The following members were absent:

Kristine S. Trocki, President

Also present:

Paul Dansereau, CPA/Partner, Baxter Dansereau & Associates
Christina D. Collins, Finance Director
Cathy Kaiser, School Committee Chair
Peter D. Ruggiero, Town Solicitor
Kevin E. Paicos, Town Administrator
Cheryl Fernstrom, Town Clerk

Review of FY 2013 Audited Financial Statements. Auditor Paul Dansereau of Baxter Dansereau & Associates referenced this year's audited statements. He thanked the Town for the privilege of performing the audit. Also thanked were Finance Director Christina Collins and staff for providing the information needed and keeping the books in good order, and School Department Director of Finance Jane Littlefield, for doing a fine job. Their performance allowed the auditing staff to do their jobs and complete the work in the proper time period.

Mr. Dansereau reviewed the summary portion of the audit. The audit is actually performed as two audits: an audit on the financial statements and a Federal compliance audit (single audit). Both audits were unmodified for FY 2013, with no material weaknesses or misstatements that needed to be disclosed.

Mr. Dansereau explained the Statement of Net Position (formerly Statement of Net Assets) done on the full accrual basis of accounting (Page 14). Cash, assets and liabilities are demonstrated. Page 15 is a Profit and Loss Statement that reflects how the Town did on a full accrual basis. The surplus/change in net assets for the total primary government for the year is \$385,054. GASB 54 regulations enacted last year determine how special revenue funds are reflected in the statements (Page 16).

Revenues and expenditures and changes in fund balances for the year appear on Page 17 and reflect excess revenues over expenditures for the year of \$496,242, including capital

improvements. Page 18 is a reconciliation of the statement of revenues and reflects \$430,792 (as outlined on Page 15). Page 19 shows the statement of net assets for the enterprise funds. Page 20 reflects the revenues, expenses and changes in fund net assets for the enterprise funds. Finance Director Collins noted the \$82,000 transferred out for the Dumpling Drive and East Ferry Seawall projects. Page 21 reflects the statement of cash flow for the enterprise funds (cash basis presentation).

Page 22 reflects the fiduciary net assets for the non-town fiduciary funds, including the Town's police pension plan assets. Page 23 reflects the net changes in the net assets of the private police pension plan, which is 103% funded. Employee pension information begins on Page 45. Town employees are part of the MERS (state plan). Page 57 reflects the \$819,979 net pension benefit for the police pension plan. Page 68 reflects the Town and School pension plans and excess revenues over expenditures of \$808,417. The harbor seawall capital expenditure of \$571,798 on Page 74 was reviewed. Lengthy discussion ensued.

Pages 116 and 117 are the Independent Auditor's Report on Internal Control over Financial Reporting, Compliance and Other Matters, and Purpose of the Report. The purpose of this report is to describe the scope of testing of internal control and compliance in accordance with Government Auditing Standards. Pages 118 and 119 are the Independent Auditor's Report on Compliance for the Major Federal Program, Management's Responsibility, Opinion on Each Major Federal Program, and Report on Internal Control Over Compliance. The purpose of this report is to describe the scope of testing of internal control and is based on the requirements of OMB Circular A-133. Discussion continued.

Mr. Dansereau noted the Town is in good financial condition. Jamestown does not face many of the serious financial issues faced by other communities. The Council thanked Paul Dansereau for coming this evening. Tina Collins and Jane Littlefield were thanked for their efforts.

Questions, Answers, Comments.

The Council has no questions at this time, and will forward questions to Auditor Dansereau after they have further review of the statements.

Adjournment. There being no further business to discuss, the work session was adjourned at 6:44 p.m.

Attest:

Cheryl A. Fernstrom, CMC
Town Clerk

Copies to: Town Council (5)
Town Administrator
Finance Director
Town Solicitor