

**BARNSTABLE COUNTY ASSEMBLY OF DELEGATES**  
**Standing Committee on Finance**  
**Minutes**  
**May 20, 2015**

The Standing Committee on Finance met to review the FY 2014 financial statements with the County's auditing firm of CliftonLarsonAllen on May 20, 2015 at 3:05 p.m.

Committee members present: Chairman John Ohman, Teresa Martin, Suzanne McAuliffe, and Deborah McCutcheon.

Chair Ohman invited Matthew Hunt from CliftonLarsonAllen to participate in the exit conference for the annual audit dated June 30, 2014. Robert Lawton and Joanne Nelson were also present.

**BASIC FINANCIAL STATEMENTS**

Matthew Hunt highlighted and summarized the information contained in the financial reports that the committee (and all Assembly Delegates) received.

Matthew Hunt stated that the County received an unqualified opinion of its financial statements for FY14 and this is the best type of opinion to receive. It means that the County's financial statements for FY14 were free from any materials errors or misstatements and the County was in compliance with generally accepted accounting principles (GAAP). This is the best type of opinion to receive.

**General Fund**

The general fund had a fund balance of 5.8 million dollars.

It was made up of:

- Restricted fund balance of 747,000 (made up of two components)
- Committed fund balance of continuing appropriations of approximately \$1,900,000
- Assigned encumbrances of \$915,000
- Unassigned fund balance of \$2,200,000 (a slight decrease from prior year)

The general fund balance as compared to appropriations for total expenditures had a ratio of about 13.5% (as compared to 16.5% for prior year). Maintaining a 5% - 10% range is a good goal. If you have strong reserves you could use these funds to fund budget items or put funds aside in a trust for a different purpose.

The net change in fund balance was approximately \$3,200,000. Expenses were less than anticipated and came in at approximately \$1,600,000 which is consistent with previous years. Revenues were less than anticipated (due to deeds revenues being lower than anticipated) and came in at about \$1,400,000. Therefore there was a slight decrease in the general fund balance of approximately \$200,000. The amount going to fund balance was consistent with prior years.

### **Other Major Governmental Funds**

**Cape Cod Commission Fund** had a balance of approximately \$2,800,000 and consistent with previous years.

**Septic Loan Program Fund** had a fund balance of approximately \$26,000,000.

**Dredge Enterprise Fund** had net assets of \$1,600,000. The changes in revenue and expenditures resulted in an increase in net assets of \$57,000 due to an increase in revenues.

### **Footnotes**

**Long Term Debt Outstanding** represents long term debt totaling approximately \$26,000,000 and is all related to the Septic Loan Program. This debt will be funded by septic loan paybacks.

**OBEB (Other Post-Employment Benefits)** calculation was based on an updated actuarial evaluation for FY14. There was an \$11,000,000 net OPEB liability at the end of FY14. It increased by \$1,500,000. The annual OBEB contribution would be approximately \$2,200,000. This type of unfunded liability does not have a negative impact on bond ratings but some municipalities are starting to fund their liability.

**Interfund Transfers** reflecting a temporary cash advance of \$1,700,000 represents all the cash combined of all other funds. It is a negative largely due to capital project spent in previous years but had not devoted cash funding source. Cash was available but bonds not yet issued. Bonds will be issued in June of 2015 for previous year.

Cape Light Compact is reported as an agency fund. There are no expense or revenue statements associated with the county audit. Cape Light Compact conducts its own individual audit.

### **FEDERAL AWARDS REPORT**

Matt Hunt stated that the County needed to have this report completed because the County spent more than \$500,000 on grants in FY13. Federal expenditures were \$2,900,000 in FY14. Three different programs were selected and audited for compliance:

- HOME Investment Partnerships Program
- Highway Planning and Construction, and
- AmeriCorps

There were no findings on these programs and all were in compliance.

**MANAGEMENT LETTER**

No significant deficiencies or material weaknesses in financial controls were noted. In FY14 there were two comments and recommendations. One was informative in nature and relates to GASB Statement No. 68 (pension benefits) and the second comment relates to bank account reconciliations for the Mitigation Fund.

**Suzanne McAuliffe motioned, and was seconded, to adjourn.**

The meeting adjourned at 3:55 p.m.

Respectfully submitted by:  
Janice O’Connell, Assembly Clerk