



We'll get you there.

Town of Manchester, Connecticut June 30, 2022 Audit Presentation

February 7, 2023

CPAs | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.claglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. ©2022 CliftonLarsonAllen LLP



The information herein has been provided by CliftonLarsonAllen LLP for general information purposes only. The presentation and related materials, if any, do not implicate any client, advisory, fiduciary, or professional relationship between you and CliftonLarsonAllen LLP and neither CliftonLarsonAllen LLP nor any other person or entity is, in connection with the presentation and/or materials, engaged in rendering auditing, accounting, tax, legal, medical, investment, advisory, consulting, or any other professional service or advice. Neither the presentation nor the materials, if any, should be considered a substitute for your independent investigation and your sound technical business judgment. You or your entity, if applicable, should consult with a professional advisor familiar with your particular factual situation for advice or service concerning any specific matters.

CliftonLarsonAllen LLP is not licensed to practice law, nor does it practice law. The presentation and materials, if any, are for general guidance purposes and not a substitute for compliance obligations. The presentation and/or materials may not be applicable to, or suitable for, your specific circumstances or needs, and may require consultation with counsel, consultants, or advisors if any action is to be contemplated. You should contact your CliftonLarsonAllen LLP or other professional prior to taking any action based upon the information in the presentation or materials provided. CliftonLarsonAllen LLP assumes no obligation to inform you of any changes in laws or other factors that could affect the information contained herein.

Agenda:

- Terms of the Engagement
- Executive Summary
- Financial Highlights
- Federal and State Single Audit
- Governance Communication
- Upcoming GASB Pronouncements





Terms of the Engagement

Financial Statement and Single Audit

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.claglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. ©2022 CliftonLarsonAllen LLP

Terms of the Engagement:

- Express opinions on whether the basic financial statements are presented in accordance with GAAP
- Express an “in relation” to opinion on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance.
- Express an opinion on compliance related to major federal and state award programs
- Provide a report on internal control over financial reporting and compliance with laws, regulations, contracts and grants
- Provide a report on internal control over compliance related to major federal and state award programs





Executive Summary

Audit Results

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.claglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. ©2022 CliftonLarsonAllen LLP

Executive Summary

- Financial Statements

- Unmodified opinion on the financial statements
- No findings reported in report on internal control and compliance

- Federal Single Audit

- Still in process
- Due March 31, 2023

- State Single Audit

- Unmodified opinion on the major state programs
- No compliance findings or significant deficiencies in internal control over compliance





Financial Highlights

Overview

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.claglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. ©2022 CliftonLarsonAllen LLP

Financial Highlights

— Government Wide Financial Statements

	Governmental Activities		Business-Type Activities	
	2022	2021	2022	2021
Assets:				
Current and Other Assets	\$ 124,413	\$ 123,744	\$ 70,827	\$ 71,348
Capital Assets	253,753	244,593	89,929	94,611
Total Assets	378,166	368,337	160,756	165,959
Deferred Outflows of Resources:				
Deferred Outflows of Resources Related to Pensions	20,802	12,413	719	621
Deferred Outflows of Resources Related to OPEB	38,358	51,680	-	-
Deferred Charge on Refunding	873	1,108	-	-
Total Deferred Outflows of Resources	60,033	65,201	719	621
Liabilities:				
Long-Term Debt Outstanding	421,487	424,427	53,049	53,607
Other Liabilities	36,729	27,975	15,542	17,848
Total Liabilities	458,216	452,402	68,591	71,455
Deferred Inflows of Resources:				
Advance Property Tax Collections	3,948	5,785	-	-
Lease Receivable	1,553	-	972	-
Deferred Inflows of Resources Related to Pensions	10,170	22,648	232	2,371
Deferred Inflows of Resources Related to OPEB	159,527	149,292	-	-
Total Deferred Inflows of Resources	175,198	177,725	1,204	2,371
Net Position:				
Net Investment in Capital Assets	108,876	116,206	52,594	52,945
Restricted	26,771	21,917	-	-
Unrestricted	(330,862)	(334,712)	39,086	39,809
Total Net Position	\$ (195,215)	\$ (196,589)	\$ 91,680	\$ 92,754



Financial Highlights – Governmental Funds

	General	Capital Projects	ARPA COVID Fund	Education Special Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 151,708	\$ 28	\$ -	\$ -	\$ 15,086	\$ 166,822
Intergovernmental	54,642	2,719	258	33,697	9,064	100,380
Investment Earnings	172	11	(401)	-	(946)	(1,164)
Licenses, Permits and Fines	3,103	-	-	-	-	3,103
Charges for Goods and Services	566	-	-	-	2,803	3,369
Other	268	2,575	-	-	340	3,183
Total Revenues	210,459	5,333	(143)	33,697	26,347	275,693
EXPENDITURES						
Current:						
General Government	6,001	-	236	-	721	6,958
Public Works	13,132	-	-	-	16	13,148
Public Safety	21,995	-	-	-	18,708	40,703
Human Services	3,110	-	-	-	1,868	4,978
Leisure Services	6,039	-	-	-	335	6,374
Employee Benefits	4,855	-	-	-	-	4,855
Education	136,784	-	-	36,155	4,543	177,482
Internal Service Fund Charges	2,884	-	-	-	748	3,632
Other	450	-	-	-	34	484
Debt Service	13,229	1,053	-	-	-	14,282
Capital Outlay	1,015	32,279	-	-	230	33,524
Total Expenditures	209,494	33,332	236	36,155	27,203	306,420
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	965	(27,999)	(379)	(2,458)	(856)	(30,727)
OTHER FINANCING SOURCES (USES)						
Transfers In	1,682	5,092	-	-	3,037	9,811
Transfers Out	(7,712)	-	(23)	-	(1,135)	(8,870)
Issuance of Bond	-	15,000	-	-	-	15,000
Notes Payable Proceeds	1,015	-	-	-	-	1,015
Bond Premium	-	1,334	-	-	-	1,334
Total Other Financing Sources (Uses)	(5,015)	21,426	(23)	-	1,902	18,290
NET CHANGE IN FUND BALANCES						
	(4,050)	(6,573)	(402)	(2,458)	1,046	(12,437)
Fund Balances - Beginning of Year	33,782	(3,138)	-	30	17,070	47,744
FUND BALANCES - END OF YEAR	\$ 29,732	\$ (9,711)	\$ (402)	\$ (2,428)	\$ 18,116	\$ 35,307



Financial Highlights

- General Fund

- Fund balance \$29.7M

- ◇ Nonspendable \$38K – Prepaid Expenditures
- ◇ Committed \$2.4M - Education
- ◇ Assigned – \$4.7M
 - ◇ \$471k Encumbrances
 - ◇ \$1.1M Appeals/Reimbursement Loss
 - ◇ \$630k Purchases/Other
 - ◇ \$2.5M – 2023 budget
- ◇ Unassigned - \$22.64M



Financial Highlights

— Pension and OPEB Trust Funds

	Pension Trust Fund	Defined Contribution 401 Pension Trust Fund	Retiree Health Care Trust Fund
ADDITIONS			
Contributions:			
Employer	\$ 7,214	\$ 1,927	\$ 9,260
Plan Members	1,982	2,006	37
Total Contributions	<u>9,196</u>	<u>3,933</u>	<u>9,297</u>
Investment Income (Loss):			
Net Change in Fair Value of			
Investments	(26,671)	(10,033)	(575)
Interest and Dividends	2,052	1,985	71
Income from Real Estate			
Investments	455	-	-
Total Investment Income	<u>(24,164)</u>	<u>(8,048)</u>	<u>(504)</u>
Total Additions	(14,968)	(4,115)	8,793
DEDUCTIONS			
Benefits	16,972	4,718	9,260
Administration	117	204	14
Total Deductions	<u>17,089</u>	<u>4,922</u>	<u>9,274</u>
CHANGE IN NET POSITION	(32,057)	(9,037)	(481)
Net Position - Beginning of Year, as Restated	<u>202,679</u>	<u>52,190</u>	<u>4,257</u>
NET POSITION - END OF YEAR	<u>\$ 170,622</u>	<u>\$ 43,153</u>	<u>\$ 3,776</u>



Financial Highlights

- Property Tax Collections – 98.27% compared to 99.94% in the prior year
- Net Pension Liability – Town
 - \$85.25M 66.68% funded
- Net Pension Liability – CMERS
 - \$11.2M 82.59% funded
- Net OPEB Liability
 - \$170.5M 2.17% funded





Federal and State Single Audit

Overview

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://www.claglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. ©2022 CliftonLarsonAllen LLP

Federal Single Audit (still in process due 3/31/23):

- Total federal awards expended - \$30.0M
- Major programs
 - ARPA
 - ESSER
 - Child Nutrition Cluster



State Single Audit:

- Total state awards expended - \$53.2M
- Major programs:
 - ◇ Alliance District
 - ◇ PILOT
- Unmodified opinion on major program compliance
- No compliance or internal control findings





Governance Communication

Summary

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.claglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. ©2022 CliftonLarsonAllen LLP

Governance Communication:

- New standard adopted – GASB 87 Leases
- Significant Estimates
 - Capital Assets – Useful lives
 - Net Pension, OPEB Liability
 - Allowance for Doubtful Accounts – Receivables
 - Landfill Closure Liability
 - Claims Incurred but not Reported
- No disagreements with management
- Management did not consult with other accountants



Governance Communication con't:

- No difficulties encountered in performing the audit
- Uncorrected misstatements – allocating of the MSIP “profit” to enterprise funds
- No adjusting journal entries
- No independence issues





Upcoming GASB Pronouncements

Summary

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.claglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. ©2022 CliftonLarsonAllen LLP

GASB Standards:

- Implementation Year 2023:
 - Statement 91 – Conduit Debt Obligations
 - Statement 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements
 - Statement 96 – Subscription-Based Information Technology Arrangements



GASB Standards:

- Implementation Year 2024:
 - Statement 99 – Omnibus 2022 (various)
 - Statement 100 – Accounting Changes and Error Corrections

- Implementation Year 2025:
 - Statement 101 – Compensated Absences





Questions?





CLA exists to
create opportunities —
for our clients, our people,
and our communities.



CLAconnect.com



CPAs | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global.

See [CLAglobal.com/disclaimer](https://www.claglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

©2022 CliftonLarsonAllen LLP