

**CHARLOTTE SELECTBOARD  
MINUTES OF MEETING  
TOWN HALL  
JUNE 16, 2014**

**APPROVED**

**SELECTBOARD MEMBERS:** Lane Morrison, Chair; Charles Russell, Ellie Russell, Fritz Tegatz

**ADMINISTRATION:** Dean Bloch, Town Administrator.

**OTHERS:** Mary Mead, Jenny Cole, Peter Trono, Nancy Wood, Sharron Balaban, and Rick Brigham from Sullivan, Powers and Co.

**ITEM TAKEN UP:**

- **Financial controls**
- **Merits of cash basis vs. modified accrual basis of accounting**

**CALL TO ORDER**

Lane called the meeting to order at 4:00 PM.

**Financial Controls**

The list of capital assets was discussed.

Jenny Cole asked whether items on the capital asset list are listed at cost, or replacement value. Rick said at cost.

Charles said a goal we should have is to understand the revenue when setting the tax rate. The Selectboard was surprised three years ago when there was a large surplus that was not anticipated.

Rick said the \$133,000 “surplus” (as indicated in the Town Report) is not tied to the budget. Mary said the surplus was partly because Thompson’s Point lots were reassessed after bills went out, which contributed \$300,000, and from a delinquent tax payment from Dick LeBoeuf (\$150,000).

**Merit of cash basis vs. modified accrual basis of accounting**

A concern was raised whether going to a cash basis would be a concern for the Vermont Bond Bank or the Vermont Community Development Program. Rick said he’s done single audits for FEMA grants/loans for towns that operate on a cash basis, and there hasn’t been a problem.

Rick said that there should be a Journal Entry Book (binder) with supporting information for every journal entry. Somebody should sign off on each journal entry.

He said on cash basis, there are much fewer journal entries

This is to be an action item on the agenda for June 23<sup>rd</sup>.

**No action was taken.**

**ADJOURNMENT**

**MOTION by Mr. Russell, seconded by Mr. Tegatz, to adjourn the meeting.**

**VOTE: 4 ayes; motion carried.**

The meeting was adjourned at 5:00 PM.

Minutes respectfully submitted, Dean Bloch