

11/24/2015

To: Kristina Gossman, Chairperson of the Norridgewock Sewer Commission

Dear Kristina,

As you know, I'll be out of town for a few weeks and will not be able to attend local meetings. I do, however, want to share some of my thoughts with you and the board on our financial matters.

I made a complete 71 page copy of the town's 2014 audit report for my use and review. After reviewing the document in it's entirety regarding the sewer department's finances I did not find the information that auditor Rob Smith gave us at our last meeting which was that we "are broke and there are no funds at all in our capitol reserve accounts" and much more.. It seems that the discussion of the audit that he related to us that he had with the town manager was not passed on to us from the town manager nor were his comments included in the printed audit report. The question is why? Much of the wording in the audit report appeared to be of a "boiler plate" variety that is commonly used by accounting firms but what I think is sorely missing is a frank printed discussion of what he related to us at our last meeting. Basically he told us that we had no money, just debt.

During the year at our meetings we were presented with figures from our capitol accounts: 1. Collection system \$122,592. 2. Equipment (Plant & Pumps) \$90,154. as of 10/14/2015 and 3. Building (Plant) \$119,732. We had discussions as to what to pay from these accounts and did vote to pay some repairs from them. As such, it came as quite a surprise when the auditor told us that there were no monies in any of these accounts. If he is correct, why are the accounts empty? and why were we lead to believe there were real monies in each of these accounts? When and how were they emptied? Why did the sewer administrator provide us with capitol account balances that in reality, according to the auditor, had no positive funds in any of them? This is big money being over \$300,000. and should have our focus as to what has happened here.

The same accounting firm has done our audits for several years under our same sewer administrator (town Manager) and at our last meeting there seemed to be a "cozy" relationship that may have developed between them. Does this auditing firm audit the town of Fairfield or is soliciting their account? Does the relationship cloud the report of the auditor so that some of the important issues from the audit is only communicated verbally? Was the meeting of the town manager and the auditor recorded or were there other persons present at the time?

It would be my opinion that at least the finances of the sewer department be audited separately by an auditing firm other than the current one in order to obtain a fresh viewpoint.

When you review the audit report you'll find the sewer finances under the headings of "business type activities" or "enterprise funds" along with the finances of the Norridgewock Airport.

You will also find on page 38, note # 16 - Contingencies: a statement regarding legal claims against the town but does not specify that there are or are not such claims currently pending and if there are who the plaintiffs are. In years past there were such disclosures. Boiler plate statements are very uninformative.

After understanding my concerns that began at our June meeting where we were 1st informed by the sewer administrator that we had a large deficit annual carryover you might better understand why I became so concerned from that meeting forward about the integrity of the financial reports that we were being provided.

You are encouraged to provide a copy of this memo to the rest of our board and to the selectmen when you meet with them on Dec. 1st.

Keep up the good work Kristina and I'll be home again Dec. 22nd.

Kind Regards,


Ronald Currier, Vice Chairman