

**TOWN OF BELMONT
PERMANENT AUDIT COMMITTEE**

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Minutes: Wednesday, November 15, 2017, BMLD Conference Room #1, 9:45 AM
Present: Members Frank Caruso, Robert Forrester, Robert Keefe, Glenn Logan, ex-officio member Town Accountant Chitra Subramanian, ex-officio member Town Treasurer Floyd Carman and ex-officio member Selectmen Adam Dash
Also Present: James Goulet and Heather Isaacs from Goulet, Salvidio & Associates, P.C. Craig Spinale and Maria Makar-Limanov from Belmont Municipal Light Department

Chairman Robert Keefe called the meeting to order at 10:00 AM.

Floyd Carman explained the reason for the Meeting:

- Explained the requirements of adhering to the Open Meeting Law
- The May 22, 2017 Meeting was not posted. It was an oversight due to a number of prior meetings being canceled.

Floyd Carman asked the attendees at the meeting if they had any questions about why the unposted May 22, 2017 meeting is being redone. The Committee and others did not have any questions.

Bob Keefe, including the Auditors from Goulet, Salvidio & Associates, P.C. and the Permanent Audit Committee, reviewed drafts of the 12/31/16 BMLD Financial Statements and Internal Control Report.

Attached is a copy of the May 22, 2017 meeting notes which was the basis to guide the meeting.

The meeting was adjourned at 10:45 AM.

Respectfully submitted,



Floyd S Carman

This Meeting was not posted

TOWN OF BELMONT PERMANENT AUDIT COMMITTEE

Minutes: Wednesday, May 22, 2017, BMLD Conference Room #1, 9:00 AM
Present: Members Robert Forrester, Robert Keefe, Glenn Logan, ex-officio member Town Accountant Chitra Subramanian, ex-officio member Town Treasurer Floyd Carman and ex-officio member Selectmen Adam Dash
Absent: Frank Caruso
Also Present: James Goulet and Heather Isaacs from Goulet, Salvidio & Associates, P.C.
Jim Palmer and Maria Klubnichkina from Belmont Municipal Light Department

Chairman Robert Keefe called the meeting to order at 9:00 AM.

James Goulet and Heather Isaac reviewed the 2016 Draft financial statements and Internal Control Report. Committee Members asked various questions which were responded to by Mr. Goulet and Ms. Isaacs and members of the BMLD.

Overall Results:

- Unmodified Opinion.
- Information received was accurate.
- Responses to audit inquiries were timely except for Belmont Retirement System 2015 and OPEB audit information.
- No material control weaknesses but two significant control deficiencies were identified including the matters covering the accounts and processes described below.
- Discussed required communications.
- The financial statements were subsequently updated through June 29, 2017 to reflect various changes after discussion which included disclosures related to the Transmission Project and final settlement with Eversource.

Other Matters and Follow up items:

- Accounts Receivable Collections – The Department will evaluate the outstanding balance of protected customer accounts on periodic basis to determine the appropriate action for collections.
- Customer Liens – The Department will reconcile customer accounts liens with the Town on a periodic basis in order to track customer liens receivable accurately.
- During the audit process delays were experienced obtaining requested Retirement Board final pension audit detail. This was due to retiring of the longtime Retirement Administrator. In addition to the Retirement staffing transitions, - it was also the first year of implementing GASB 67 & 68. This involved considerable email conversations and coordination among the Town and Light auditors, and the Pension Actuary to incorporate the Actuary information into the audited financials of the Town of Belmont, the Belmont Retirement System, the Belmont Light Department and the Belmont Housing Authority and to meet the deadlines for the varying year ends of these entities. The new Retirement Administrator has been onboard for past eighteen months.
- Timing issues between OPEB committee's Request for Proposal for OPEB study as of 12/31/16 and the Light department's need for a study to be incorporated in their financial report as of 12/31/16. The Light department had already used the previous OPEB study for the prior two annual financial reports which was the extent of reliance permitted

under the existing accounting rules. On 3/8/17 the Town got approval from the Board of Selectmen to do an OPEB study as of 6/30/16 with KMS Actuaries. The OPEB study was completed by 3/30/17 and the report was sent to the Light department on 3/31/17 and again on 6/6/17.

- Final settlement with Eversource on the Transmission Project (which occurred May 2017) and the related audit testing of the transaction.

Copy of the Belmont Light Financial Statements for 2016 and 2015 is on file with the Light Department

The meeting was adjourned at 11:35 a.m.

Respectfully submitted,

Floyd S Carman