

**TOWN OF BELMONT  
PERMANENT AUDIT COMMITTEE**

Minutes: Tuesday, November 23, 2004, Town Hall Conference Room 1, 4:00 p.m.

Present: Members Ernest E. Fay, Robert Keefe, Henry Hall, ex-officio members  
William Brownsberger, Barbara Hagg and Daniela Boccia

Also Present: Brock Romano from KPMG, David Gurtz from KPMG and Frank Martin,  
Staff Accountant for the Town of Belmont

Absent: Member Frank Caruso

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The meeting was called to order at 4:00 p.m.

The committee discussed issues relating to the 2004 Town Audit with representatives from KPMG. Mr. Romano gave a detailed report of the work that has been done on the FY 2004 audit and the work remaining for the audit to be complete. There were several issues brought up:

Audit adjustments for investment income: The Town records its investment income from May to May and in order to accurately reflect investment for the fiscal year ending June 30<sup>th</sup>, the income will be brought in from July through June starting with FY06. For FY05, Ms. Hagg will be making adjusting journal entries to capture and report this activity, including fair value changes.

Audit adjustments for lockbox payment: Light and Water payments processed by Century lockbox on June 30<sup>th</sup> were recorded by the Treasurer Department on a July cash sheet. Ms. Hagg will be making adjusting journal entries to capture and report this activity.

GASB 40:

In March 2003, the Governmental Accounting Standards Board issued GASB Statement No. 40, Deposit and Investment Risk Disclosures. Mr. Romano briefly touched on the subject.

Early funding of liability of post employee health insurance benefit: The Town currently has an unfunded liability health insurance benefit for retirees. Ms. Hagg's suggestion to the Town is to adopt a policy to change it to a funded health insurance benefit. This will be done by yearly accrual of health benefit for each working employee.

Mr. Brownsberger asked to go into Executive Session.

The meeting was adjourned at 5:15 p.m. A meeting will be scheduled for January 2005 upon the notification from KPMG that the audit has been completed and a draft ready for Management's discussion and analysis.

Respectfully submitted,

Daniela Boccia  
Clerk