

Town of Belmont
PERMANENT AUDIT COMMITTEE

Minutes: February 24, 2004, Town Hall Conference Room 4, 3:30 p.m.

Present: Members Frank Caruso, Ernest Fay, Henry Hall, Robert Keefe;
ex-officio members William Brownsberger, Barbara Hagg,
Susan Kendall Freiner; and Brock Romano KPMG

Also Present: Mel Kleckner, Town Administrator

Absent:

The meeting was called to order at 3:30 p.m. by Clerk Susan Kendall Freiner.

The Committee held an organizational meeting and elected as officers for the coming year Ernest Fay Chairman and Susan Kendall Freiner Clerk. Ernest Fay and Frank Caruso were welcomed as newly appointed members of the Committee. It was noted that the Town the FY2003 audit represents completion of the fourth year in a five-year contract with KPMG.

The minutes from the December 17, 2002 meeting were accepted to be placed on file.

The committee discussed the Town's compliance with GASB34. Mr. Romano and Ms. Hagg gave a detailed report of the work that has been done on the FY2003 audit and the work remaining for the audit to be complete. Mr. Romano and Ms. Hagg have been meeting weekly; internal financial statements had been developed for use in the Town's Annual Report and to satisfy continuing disclosure obligations with the credit ratings agencies. Because the Town Accountant has performed most of the conversion work herself future years will go smoothly. It was noted that the conversion is very time consuming and it is not unusual for a community to complete its first GASB34 audit after the usual audit completion date. An outside appraisal company was hired to assist with fixed asset valuation, and its work has also been completed using a separate software package. In conjunction with an evaluation of new town-wide financial software targeted for FY06 management will evaluate fixed asset software. Members of the

committee expressed concern that assets acquired each year be identified and included in the valuation. There was discussion of one-time entries made when converting to GASB34 standards; the Town Accountant will identify ground rules for the entries. Mr. Romano and Ms. Hagg expect to complete the remaining work and have a final product by April 7. It was suggested that copies of the final audit report be available on the website and at Town Meeting since the final audit report was not included in the Town's 2003 Annual Report.

The committee discussed holding planning meetings in May 2004 and November 2004 to plan for the Town's and Municipal Light Department's (MLD) next audits. It was also noted that the Retirement and MLD operate on a calendar year and will next have to comply with GASB40. The committee discussed communicating with the Municipal Light Board regarding the next audit.

The meeting was adjourned at 5:00 p.m. A meeting was scheduled for Wednesday April 7 at 3:30 p.m. to receive the audit results.

Respectfully submitted,

Susan Kendall Freiner
Clerk