

TOWN OF BELMONT PERMANENT AUDIT COMMITTEE MEETING

March 13, 2025 – 10:00 AM

Permanent Audit Committee Meeting

DATE: October 22, 2025  
TIME: 3:18 PM

Minutes: March 13, 2025, 10:00 AM

Present: Robert Keefe, Robert Forrester, Glen Logan, Frank Caruso, ex-officio member  
Town Treasurer Leslie Davidson, and ex-officio member Town Accountant  
Donna Tuccinardi

Also Present: Director of Finance/Assistant Town Administrator Jennifer Hewitt, Craig Peacock  
and Dan Johnson from CBIZ LLC

Absent: Ex-officio member of the Select Board Roy Epstein

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

Craig Peacock provided an update on the merger of Marcum LLP with CBIZ LLC. There were no significant changes in the financial statements but completion of the audit took longer due to the merging of the firms and the review process. CBIZ also does not typically issue a management letter and required auditor communications are only issued in writing at final completion.

Craig Peacock presented the report on the FY24 Town wide Audit results. He also reviewed the required auditor communications noting no specific issues of concern and that the audit went well.

Financial Audit

1. Audit Team – Craig, Dan and Maria were the core team members
  - a. Prelim – June 2024 – one week
  - b. Year end – October - two weeks
2. Audit Schedule
  - a. Prelim – Retirement; Cash and Receivables; GASB 54; Budget; LTD; Internal Control (JE's and transactions); Single Audit; Planning;
  - b. Year end – complete prelim work; trial balance; year-end balance sheet; perform flux analysis; compile statements
3. Overall Results
  - a. Unmodified Opinion.
  - b. More time spent in field this year and also received info electronically.
  - c. Information received was accurate.

- d. Responses to our audit inquiries were timely.
  - i. Cash was in good shape this year. Recons Completed and reconciling items account for.
- e. No material weaknesses, or significant deficiencies.

#### 4. Financial Highlights

GASB 75 – OPEB liability see page 59

- i. \$105.5 million total liability recorded as well as deferred outflows and inflows. \$3.1M increase in the liability Town. \$39k increase Light.
  - ii. Town put \$568,000 into the trust in 2024, Light \$24,000
  - iii. Discount rates slightly increased.
  - iv. Changes in deferred inflows/Outflows cause the largest swing in total OPEB liability.
- b. GASB 68 – Recorded deferred outflows, inflows and the net pension liability page 54
- i. \$59.2M liability
    - 1. \$52.1M Town
    - 2. \$7.1M light ONE YEAR BEHIND ON MEASUREMENT DATE
  - ii. \$5M decrease over PY
1. Calendar 2024 had investment performance gain of \$15.5M investment income
2. General Fund
- iii. Net budgetary decreases of \$5.9M
    - 1. \$11.2 million of free cash and overlay budgeted
    - 2. Revenues exceeded budget 1.1% (\$2.0M)
      - a. Strong revenue collections across all categories except real estate and PP tax
      - b. Investment income big driver
    - 3. Expenditures came in lower by .97% (\$3.4 mil) after carryforwards
    - 4. Unassigned fund balance – decreased to 10.9% compared to PY of 12.3% of revenues
      - Use of free cash to balance budget
- c. Structurally operations are sound
- i. Debt service is 9.7% of budget
  - ii. Increase due to substantial debt issued over last couple years mostly high & middle school project and small MWRA
  - iii. RE & PPT collections continue to be excellent – 99% of levy
- d. Enterprise Funds

1. Water Fund net assets decreased \$793K
    - a. Decrease in depreciation
    - b. Decrease in overall operating costs
  2. Sewer Fund net assets increased \$1.2M
    - a. Increase over budget in operating income
    - b. Rates are designed to cover all costs
    - c. Investment income increased
  3. Light Fund net assets increased by \$4.7M
    - a. Increase in KWH of electricity sold
    - b. Increase in investment income
- e. Pension Fund Total Net Assets – \$165.2 mil
1. \$15.5M increase in net assets, mostly investments
    - a. Mainly salaries, various consultant fees, rent, travel and administrative expense.
- f. OPEB Fund Total Net Assets – \$9.1M
1. \$593K of contributions
  2. \$783K of inv earnings –increase
  3. \$1.4M increase in net position
- g. Stabilization Funds
- i. General Stab Fund - \$3.7M at fiscal year end
    1. \$150 k investment income
    2. \$1.7M transferred in
  - ii. Ash Landfill Stab - \$3.0M at fiscal year end
    1. \$121K investment earnings
    2. No other activity
  - iii. NEW Capital Stab Fund
    1. \$728K Transferred in
    2. \$54K investment earnings
- h. Capital Assets
- i. Town – Net increase \$15.4M (infrastructure, machinery & Equipment, vehicles, buildings, high school construction, CIP)
  - ii. Water Fund – Net Increase \$138K (Mainly Infrastructure and machinery)
  - iii. Sewer Fund – Net increase \$302K (Infrastructure and vehicles)
  - iv. Light Fund – Net increase \$2.9M (Mainly distribution plan and CIP)
- i. OTHER TESTING
- i. Expenditures (30)
  - ii. Revenues (30)
  - iii. Journal Entries (30)

- iv. Payroll (25)
- v. OPEB & PENSION Census Data

#### Reports on Federal Awards

- 1. Unmodified opinions
- 2. \$5.2M of expenditures of federal awards – decrease due to reduction in COVID grant expenditures.
  - a. Tested – A total of \$2.7M or 52% of federal grant expenditures
  - b. ARPA American Rescue Plan Act
- 3. Test results
  - a. No findings or question costs.

#### Management Letter

- 1. Prior year Comments (8)
  - a. Unresolved or Partially
    - Documentation of Internal Controls – Document needs to incorporate COSO framework. Best practices to have Town and School approve and adopt policies. Following correct policies, just needs to be documented.
      - Policies in place, Town and School have decided to not have the policies signed off by Board and Committees.
  - b. Resolved
    - Cash Reconciliations – New treasurer found many errors that the previous cash team did not handle correctly. Worked to fix and implement monthly recons in FY 24
    - Belmont Contributory Retirement System – School is not perfect but moving in the right direction
    - Capital Asset Accounting – Develop procedures for the timely accounting of fixed asset deletions, worked through the listing and determining fully depreciated and other capital assets no longer used for deletion.

The members of the PAC asked various questions from their review of the audit reports as well as during the presentation which were responded to by Mr. Peacock and Town management. The status and disclosures of the now completed HS/MS project were discussed and subsequently updated after discussion. There has been no significant change in the IRS payroll withholding matter with all amounts owed paid. No material weaknesses or significant deficiencies were noted in the internal control comments. The cash reconciliations are now up to date and the prior year issue resolved.

After the CBIZ auditors left the meeting, the PAC discussed with Town management the performance of CBIZ. Town management remained satisfied with the auditors' work and support despite the delay in completing the 2024 audit. Timing of completion will be a point of focus for the 2025 audit.

The meeting was adjourned at approximately 11:15 am.

Respectively submitted

Donna Tuccinardi