

**TOWN OF BELMONT
PERMANENT AUDIT COMMITTEE MEETING**

Minutes: Wednesday, April 30, 2025, Hybrid Meeting for the Belmont Municipal Light Department and other Town matters, 9:00AM

Present: Robert Keefe, Robert Forrester, Frank Caruso, Glenn Logan, ex- officio members Elizabeth Dionne, Select Board representative, Leslie Davidson, Town Treasurer and Donna Tuccinardi, Town Accountant

Also Present: Craig Spinale and Maria Maka-Limanov from the Belmont Municipal Light Department, Heather Isaacs and Adam Borbone from Goulet, Salvidio & Associates, P.C., David Beavers from the Belmont Light Board and Jennifer Hewitt, Assistant Town Administrator / Director of Finance

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

David Beavers attended the meeting as a representative for the Belmont Light Board.

Heather Isaacs reviewed the draft 2024 Financial Statements, Letter of Required Auditor Communications and Internal Control Report. Committee members had previously reviewed a draft of the financial statements and provided various comments and observations. The Committee members asked various questions which were responded to by Ms. Isaacs, Mr. Borbone and members of the BMLD. No significant matters were noted in the required communications and the audit went well. The pension and OPEB reports were received on schedule.

Discussion was held regarding BMLD's financial performance which continued to be positive but was impacted by the increase in the depreciation rate from 3% in 2023 to 5% in 2024. The rate change was approved by the DPU. The rate stabilization reserve increased by \$1.3 million to \$5.9 million in 2024 and is currently not expected to increase significantly in 2025.

The comments from the internal control letter were discussed. There was no change in the status of drafting financial statements which has been, and is expected to be a recurring comment reflecting the small size and related staffing of the Department. The status of overdue accounts receivables was discussed with the BMLD noting progress with adoption of a New Arrears Management Program policy in 2024 as well as developing further actions for improvement, although medically protected accounts continue to represent the majority of overdue balances.

The financial statements and internal control report were subsequently updated to reflect various changes after discussion and review.

Overall Results:

Unmodified opinion

No significant difficulties or disagreements during the audit

Information received was accurate and responses provided on a timely basis

No material control weaknesses but significant deficiencies noted as discussed above related to drafting of financial statements and accounts receivable collections.

After the representatives from the BMLD and the auditors left, the PAC discussed CBIZ staffing for the 2025 Town audit. Consideration had been given to potentially changing the lead auditor on the account, Craig Peacock, given his extended tenure on the audit. The current audit contract expires in fiscal 2025. The Town expects audit related changes for 2026 especially given the recent consolidation in the auditing industry as a number of smaller firms like Powers & Sullivan, which specialized in the municipal market, have been acquired. So, after further discussion, no changes were recommended for 2025 which reflected both the potential disruption a short-term change could lead to as well as the Town's positive experience with Craig Peacock.

The meeting was adjourned at approximately 10:30 am.

Respectfully submitted

Robert Keefe