

Minutes December 1, 2015
Town of Wayland
Audit Committee

Date: December 1, 2015

Time: 7:00 pm

Place: Wayland Town Building

Members Present – Carolyn Bargoot, Paul Brennan, Chris Cullen, Inna Kisseleva, Randall Moore (by phone)

7:02 pm - Chair Chris Cullen called the meeting to order

7:02 pm - Paul Brennan assigned as minute taker

7:03 pm - Public comment: No public comment.

7:04 pm – Scott McIntire and Alina Korsak of Melanson Heath were invited to join the meeting; Chair introduced Scott and Alina to the two new AC members, Carolyn B. and Randall M.

7:05 pm - Discussion topics with M&H

1. Summary comments by Scott M. about the FY '15 audit
 - Scott noted that while there were challenges in the audit, they had completed work and were reviewing financial statements with us on Dec 1st and that the Town had expanded the financials to a full CAFR (Comprehensive Annual Financial Report). He further noted that cash reconciliations had been a challenge and that the Town had also implemented GASB #68 requiring the recognition on our balance sheet of the net pension liability for the first time. He further complimented the work done in connection with the audit in the Treasurer's department (both by the new Treasurer and outside consultant engaged this year).

2. CAFR review by MH
 - Scott indicated that despite some challenges in the audit, the CAFR was completed and it represents both a current and historical look at the Town's financial picture. The report will be sent to the GFOA (Government Financial Officers Assn) to see if it qualifies for a Certificate of Achievement in Financial Reporting.
 - Scott proceeded to walk the AC through the report. He highlighted that the Town received an unqualified opinion from MH; he also highlighted that in the FY June 30, 2018, the OPEB unfunded liability will come on to the Town's books in accordance with accounting standards (much like the net pension liability had been recorded in FY '15). He went on to describe

the Management Discussion and Analysis, the long term perspective section of the financials, the “business” portion of the financials, and the Unrestricted Net Position. He noted that this is the first time that number is negative due to the recording of the net pension liability.

- There ensued a review of various sections with Scott answering questions from the Committee. Scott then transitioned from the long term section to the short term perspective of the report. He highlighted the Unassigned Fund Balance of \$9.9 million, about 14% of expenditures. He proceeded to explain various fund balance movements and answer a number of general inquiries from the Committee. Specifically, he noted that some revolving funds continued to have revenues in excess of expenditures, which might suggest that not all related expenses are being captured. Scott suggested that the Town might want to focus on these during the current year.
- At the conclusion of the CAFR review, Paul offered some words of praise to Brian Keveny and the Finance Dept. for a job well done in assembling the document. Chris asked Scott if he wished to comment about how the audit process went for the year on a high level basis. Scott reviewed the timetable and said that a great deal of work went into the cash reconciliation process. He said he was optimistic that the process put into place in Treasury would provide positive results going forward.

3. MH review of the 2015 Management Letter

- Scott highlighted the need for automation in the Tax Collectors office, referencing the IT assessment which concurred with his comment. He also noted here the need for better matching of revenues and expenses in the revolving accounts. Within this general comment, he noted the need for tighter accuracy in the school lunch program due to the requirements of federal funding in this area.
- Scott noted changes under federal law for recordkeeping going forward. He recommended that the Town become very familiar with the new “uniform guidance” so as to be in compliance in 2016.
- Also in attendance at the meeting were Nan Balmer (TA), Brian Keveny (Finance Dir) and Zoe Pierce (Treasurer); Chris opened comments to them and specifically asked Zoe if she had comments re the Treasures area. She indicated that all cash is now being tracked and she is continuing to keep up with new systems implemented, with cash done through October.
- Inna asked about timing for final financial statements. Scott said they were being expedited. Paul asked about any separate school related management letter, and Scott said we would see any such letter in draft.
- Chris opened the meeting to Nan and Brian if they had any comments. Chris thanked both Scott and Alina for their work and for attending and they departed at 8:46.

4. With no prior meeting draft minutes available, Chris concluded we needed to pass on that agenda item.

5. There was a brief discussion of logistics for getting final statements and management letter. Chris agreed that he would distribute the final form prior to AC sign off to go to the BOS.
6. The next meeting was targeted for December 10th.
7. Paul suggested next meeting agenda items to include review of final financial statements; review of final management letter; and review of prior meeting minutes.

9:00 pm – Paul moved that the meeting be adjourned; Inna seconded; unanimous approval.