

**Town of Wellesley  
Audit Committee  
Meeting Minutes  
September 11, 2023  
Meeting held at Wellesley Police Station Training Room**

Attendees: Members of the Audit Committee (“Committee” or “AC”): Tim Egan (Chair), Lacey Brandt (Secretary), Charlie Cassidy and Chris Canavan. Rusty Kellogg was not in attendance. Also present by invitation was Sheryl Strother (Finance Director/CFO, Town of Wellesley), and Jim Powers, Partner (Powers & Sullivan), Laura Stone, Audit Manager (Powers & Sullivan), Colette Au Franc (AC liason to the Select Committee), Phil Jameson (AC liason to the Advisory Committee), Megan Jop (Executive Director, Town of Wellesley), Donald Newell, (Director, MLP), Ann Collins (Accounting Supervisor, MLP), Lynn Whynot, (Retirement Administrator, Wellesley Contributory Retirement System ) and Cindy Mahr, (Assistant Superintendent for Finance and Operations - Wellesley Schools)

Call to order and introductions:

Mr. Egan called the meeting to order at 4:04 PM as there was a quorum of 4 of the 5 members present.

Citizen Speak:

Mr. Egan opened the Citizen Speak portion of the meeting and noted that there were no citizens present.

Review and approval of minutes:

Mr. Egan asked if there were comments on the previously circulated draft minutes for the May 8, 2023 Audit Committee meeting prepared by Ms. Brandt. As there were no further comments, a motion to approve the minutes was made by Mr. Egan, approved by Ms. Brandt and seconded by Mr. Cassidy and the minutes for the May 8, 2023 meeting were approved.

Overall Update from Management:

Ms. Strother reported that the Town's financials for audit year ending June 2023 will reflect favorable results having exceeded budgeted revenue primarily due to higher interest income than budgeted paired with lower operating costs due to inability to fill open headcount positions, leaving the town with reserves favorable to budgeted. She then walked us through other pertinent parts of the financial year including the fact that all Union contracts are up for renewal this year requiring the town to recast 2024 expenses based on the outcome of these contracts before finalizing planning for 2025.

Update from Powers & Sullivan:

Mr. Powers introduced himself as the concurring partner from Powers & Sullivan on the engagement and reviewed his extensive background in auditing town governments. He was filling in for Renee Davis, the engagement partner, who had a conflict and could not attend the meeting. He then introduced Ms. Stone who described the status of the town audit. Ms. Stone updated us that her team is in the second week of the audit for the town and mentioned that there was good cooperation and no material weaknesses or control issues found during the audit and she remarked generally good financial closing processes.

Ms. Stone then remarked that the Annual Comprehensive Financial Report (ACFR) produced by the town last fiscal year once again received a certificate awarded to it by the Government Financial Officers Association of America and Canada (GFOA) for excellence in financial reporting for the 2022 report.

Wellesley Municipal Power and Light (MLP) Financial Statements:

Ms. Stone walked us through the draft MLP financial statements previously delivered to the Audit Committee. Ms. Stone noted that the draft MLP financials were in good shape and should be ready to be approved at the upcoming October 16<sup>th</sup> Audit Committee meeting. She commented that Mr. Newell and Ms. Collins were cooperative during the audit and that no control issues or deficiencies were found and no significant adjustments to the presented financials were required. The draft financials show a clean audit opinion.

Ms. Stone walked us through the MLP MD&A and financial statements, highlighting variances from prior year. Mr. Newell and Ms. Collins answered questions and added commentary.

Wellesley Contributory Retirement System (“Retirement Plan”) financial statements:

Ms. Stone walked us through the draft Retirement Plan financial statements previously delivered to the Audit Committee. She commented that the audit ran smoothly with good cooperation from Ms. Whynot. Ms. Stone then walked us through the MD&A and significant items in the financial statements. Ms. Whynot added commentary and answered questions. The draft audited financials have a clean opinion.

FY Audit Plan and Timing update on ACFR – Powers & Sullivan

Ms. Stone updated us that the town audit is going smoothly and is on track to be reviewed by the Committee at the long meeting on November 13<sup>th</sup>.

Mr. Egan then indicated our next meeting was October 16, 2023 at 4:00 at the Wellesley Police Department conference room on Washington Street

Other business:

None.

Motion to Adjourn:

Mr. Egan made a motion to adjourn the meeting at 5:45 p.m. which was seconded by Mr. Canavan and approved unanimously.

Respectfully submitted,

Lacey Brandt

Secretary