

**Town of Wellesley
Audit Committee
Meeting Minutes
Thursday, October 17, 2019
Wellesley Town Hall, Great Room**

Attendees: Members of the Audit Committee - Laura Ann McDonnell (Chair) Colette Aufranc (Secretary), Stephen St. Thomas (member) and Susan O'Shea (member). Renee Davis (partner) and Kyle Warne (manager) of Powers & Sullivan LLC. Sheryl Strother (Finance Director/CFO, Town of Wellesley). Representatives of Wellesley Municipal Light Plant - Don Newell (director), Ann Collins (accounting supervisor) and Joanne Scannell (business manager).

Call to order and introductions

Ms. McDonnell called the meeting to order at 4.05 p.m. and introductions were made.

Citizen Speak

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

Review and approval of minutes

Ms. McDonnell asked if there were comments on the previously circulated draft minutes of the September 16, 2019 meeting of the Audit Committee, prepared by Ms. Aufranc. Ms. McDonnell had submitted minor amendments. A motion to approve the minutes, as modified, was approved unanimously.

Review and Discussion of WMLP Financial Statements

Ms. McDonnell invited Ms. Davis to update the committee of the status of the audit and the opinion on the financial statements of the Wellesley Municipal Light Plant (WMLP). Ms. Davis outlined the timing of receipt of information required to complete the audit and that the audit has proceeded smoothly with a clean audit opinion. Ms. Davis noted the receipt of Other Post Employment Benefits (OPEB) is really key to complete the information required in the notes to the financial statements and was received on September 18th, 2019. Open audit work includes receipt of the census data from Kathy Reilly for final testing. Ms. Davis

noted an outstanding legal letter and management representation letter which were both expected to be received in due course without raising issues of concern for the audit.

Mr. St. Thomas asked a question about the regulatory environment of the WMLP and the requirement to produce “stand alone” financial statements. Mr. Newell discussed the regional transmission organization (ISO New England) and its reporting deadlines. Mr. Newell discussed the credit rating of the WMLP and the makeup of its board. Ms. Davis Discussed the second year implementing GASB 75 and the options as to when to measure the asset/liability and how comparable communities are considering the choice of measurement date. Mr. Newell discussed operational changes at WMLP surrounding the inclusion of Wellesley College as an “all requirements customer”. Mr. Newell discussed the installation of new street lights in Wellesley and the new business of internet service provision for business customers. Ms. McDonnell asked a question about the Management Discussion and Analysis with respect to the provision of internet services Ms. Aufranc asked a question about the appeal to the Federal Energy Regulation Commission. Ms. Strother suggested a small amendment to note 10. The committee commended the WMLP on their outstanding work attending to the recent storm damage, mitigating its impact on customer power supply.

The Committee then voted unanimously to approve the financial statements pending the census data testing, open legal and representation letters and several minor changes as discussed.

Update on Audit

Ms. McDonnell asked Ms. Davis for an update on the audit of the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. Ms. Davis noted that Other Post Employment Benefits (OPEB) information was received on Monday October 14th and with the receipt of that information the draft financial statements had been produced today, October 17th, for review by Ms. Strother and the Audit Committee. There are likely small grammatical changes forthcoming but otherwise ready for review. Open audit work includes receipt of the census data from Kathy Reilly for final testing.

Ms. Davis reported on the work conducted at the Council on Aging and the Senior Center. Ms. Davis noted that with the opening of the new senior center facility and increase in programs offered, there were some initial struggles in identifying standard reports to use in credit card reconciliations but with the implementation of a new credit card processing service in June/July, this has become much smoother. Ms. Davis did note that several staff

members were new to their positions and there was a lack of written policies and procedures to rely on in the case of training and staff turnover. Ms. Davis reported that the single audit and drafting of the management letter were open at this point.

Other business

The committee discussed whether the scheduled next meeting date of October 21st gave sufficient time for review of the CAFR and open items as previously discussed. It was decided to reschedule the next Audit Committee meeting to Monday November 4th, 4-6pm, location Great Hall unless it is unavailable.

Motion to adjourn

Ms. McDonnell made a motion to adjourn the meeting at 5.30 p.m., which was approved unanimously.

Respectfully submitted, Colette Aufranc