

Audit Committee  
Minutes of Meeting held at 8:00 am, Sept. 10, 2014

In attendance: Michael Young (Chairman), Jack Haley, Joe Tierney and Larry Petzing (Members). Committee member Ed Nelson was not in attendance. In addition, Town Officials Hans Larsen, Sheryl Strother and Marc Waldman were in attendance, along with Michael Nelligan, Partner in the firm of Powers & Sullivan, LLC and Todd Jurczyk, Manager in the firm, which is retained to perform the Audit of Town financial statements.

Mr. Young called the meeting to order. Mr. Young opened the Citizen Speak portion of the meeting and noted that there were no citizens who sought to speak.

Mr. Young noted that the minutes of the meeting of June 6, 2014 will be presented for approval at the next meeting of the committee.

A motion was made to nominate Mr. Young as the Chair of the committee for the audit cycle period extending through March 31, 2015, to nominate Ed Nelson as the Vice-Chair for the period and to nominate Joe Tierney as the Secretary for the period. The motion was seconded and was unanimously approved by the Committee.

Mr. Young asked that Powers & Sullivan discuss the status of their audit of the Wellesley Municipal Light Plant (MLP) for the period ending June 30, 2014. Mr. Richard Joyce, Director of the MLP and Mr. Joe Bisal, Accountant for the MLP joined the meeting for this discussion. Powers & Sullivan noted that the draft audit report available for the Committee's review was essentially complete and that they had not observed any matters that required follow-up. There was some discussion about various footnote disclosure statements, including the data presented regarding the market value of future purchase commitments and a discussion about the final accounting for the construction of new facilities for the MLP. The Committee approved the MLP audit report.

Powers & Sullivan discussed the Special Purpose report prepared for the Wellesley Contributory Retirement System. Management of the Contributory Retirement System prepares the financials in accordance with the reporting standards of the Commonwealth of Massachusetts' Public Employee Retirement Administration Committee (PERAC). Powers & Sullivan applies generally accepted accounting standards and the PERAC standards in conducting its review. Sullivan & Powers noted that their review was essentially complete and that the report fairly presents in all material respects the financial position of the Contributory Retirement System.

There was a discussion about the actuarial assumption changes which the Town has recently adopted and how these have impacted the unfunded liability of the System. Powers & Sullivan will review the footnote disclosure statements related to this topic and report back to the Committee whether any modifications should be considered. There was a discussion about how to best integrate the auditing work which needs to be done to meet the separate requirements of the Management of the Contributory Retirement System and the Commonwealth of Massachusetts PERAC. Powers & Sullivan will consider this and report back to the Committee.

Powers & Sullivan reviewed the Audit Plan they have prepared for their audit of the Financial Statements of the Town of Wellesley for the period ending July 30, 2014. Field work for the audit commenced on Monday, Sept. 8, 2014. In addition, they have been periodically reviewing the status of work undertaken by the School Department Business Office and other town offices to implement suggestions made the Management Letter issued with the FY 2013 Audit Report. Powers & Sullivan anticipate that they will have a draft report ready for review around Oct. 15, 2014.

The Committee scheduled its next meeting for Monday, Nov. 3, 2014 at 8:00 am

Mr. Young inquired whether any citizens were in attendance who wished to address the committee. Noting that no one asked to speak, Mr. Young adjourned the meeting.