

Longmeadow Audit Committee

Minutes of the October 27, 2021 meeting

Adopted at the November 29, 2021 meeting

Members Present: Rose Bernal-Larioza, Pete Landon, PJ Nassar, Matthew Schoen
Members Absent: Andre Greco
Others Present: Jennifer Leydon, Town Finance Director; Paul Pasterczyk, Town Finance Director (ret'd); Tanya Campbell, Melanson

Meeting called to order by Mr. Schoen at 6:03 P.M. This meeting was conducted remotely via Zoom.

Melanson Ongoing Audit Report

Ms. Campbell updated the Committee on the progress of the ongoing audit. The auditors have completed their field work in town. The auditor sent a list of remaining open items to the town on October 26. Based on the audit plan, data for the statistical tables section will be due from the town by the end of the week. Mr. Pasterczyk stated the town was on track to complete those submittals on time. Ms. Campbell estimated that a draft audit report should be available for review by November 19.

Ms. Leydon stated the next Select Board meeting had a full agenda and therefore anticipates that the Select Board will review the completed audit at its December 20, 2021 meeting. The Audit Committee will need to review and consider the audit report prior to that date.

Ms. Campbell suggested that the Audit Committee accept GASB Statement No. 98 which calls for the Comprehensive Annual Financial Report to be renamed to the Annual Comprehensive Financial Report (ACFR). Mr. Schoen moved to adopt the name change. Mr. Nassar seconded the motion. The motion was passed unanimously by roll call vote.

Mr. Landon stated the ACFR should be provided to each committee chair in Town when it is published.

Melanson shared documents describing the GASB 14 and 61 Statements with the Committee. Criteria for including reporting entities includes 1) the appointment process for potential component unit governing board; 2) whether the primary government can impose its will on potential component unit; 3) whether the potential component unit can impose a financial benefit or burden on the primary government; 4) whether the potential component governing board is financially dependent on a primary government; and 5) whether the primary government is responsible for payment of outstanding debt of a potential component unit.

Mr. Landon suggested that Longmeadow disclose its financial dependency as defined by GASB criteria on existing and future component units, including the Lower Pioneer Valley Educational Collaborative, the Hampden County Regional Retirement Board, Westcomm Regional Dispatch, OPEB liabilities, self-insurance related to the Scantic Valley Regional Health Trust, and Eastern Hampden Shared Health Services. Mr. Landon stated that these organization's legal agreements should be reviewed under the GASB 14 criteria.

Mr. Landon noted that Westcomm Regional Dispatch should be included in the Town's ACFR as a reporting entity because Westcomm meets the standard (participation in a joint venture) consistent with GASB Statement No. 14. The Westcomm agreement was signed on June 28, 2017 and is up for renewal on or around June 28, 2022. Mr. Landon stated Westcomm is planning for \$13 million in financing for building and equipment acquisition. Mr. Landon noted that Sullivan and Powers is

conducting an independent audit of Westcomm. Next, Mr. Landon requested that the auditor provide some language in the ACFR explaining the Pioneer Valley Regional Transit Authority line item which appeared on p. 114 of last year's ACFR. Additionally, Mr. Landon provided a suggested format for including financial reporting of Community Preservation Act funding in the statistical section of the ACFR.

Independent Auditor Contract

The Committee discussed with Mr. Pasterczyk and Ms. Leydon that the town was overdue to issue a Request for Proposal to secure a new contract with a qualified independent auditor. The existing contract concludes with the current audit underway. By-Law 2-316(c) places the authority to retain an independent auditor with the Select Board, with advice and counsel of the Audit Committee. The Audit Committee will advise the Select Board to authorize the Finance Department to issue an RFP for a new independent auditor contract. The Audit Committee will provide support to the Select Board and Finance Director during the proposal review process by interviewing applicants as the Committee has done in the past.

Mr. Landon noted that the Town currently has two separate audits, one conducted for the school finances and an audit for everything else. Mr. Landon stated the Town would be better served by having one auditor conduct a single audit of the entirety of the Town's finances.

Additional Business

Mr. Landon recommended that the members of the Committee review the report, Public Infrastructure in Western Massachusetts: A Critical Need for Regional Investment and Revitalization, issued by State Auditor Suzanne Bump on October 5, 2021.

The Committee discussed the Town's involvement in a plan to combine local health departments into a regional health board. Mr. Pasterczyk stated that Ms. Simmons, Town Manager, has access to the proposed agreement which the Audit Committee will request for review.

The Town was briefed on an evaluation of 93 miles of roads by the Pioneer Valley Planning Commission. The PVPC presentation is accessible under the Longmeadow Select Board's October 18, 2021 meeting materials in the town's agenda center.

The Committee reorganized following recent membership changes. Mr. Schoen will serve as Chair. Mr. Landon will serve as Vice-Chair. Mr. Nassar will serve as Clerk. These positions were adopted by unanimous roll call vote.

The Committee reviewed the June 22, 2021 minutes. Mr. Schoen moved to adopt the minutes as presented. Mr. Nassar seconded. The Committee adopted the June 22, 2021 meeting minutes unanimously by roll call vote.

The next Committee meeting will be conducted in either the week of November 29 or December 6 in order to review the FY21 ACFR with the auditor.

The meeting was adjourned by Mr. Schoen at 7:43 P.M.

Respectfully Submitted,
Matthew Schoen
Chair