

## Longmeadow Audit Committee

Minutes of the January 10, 2023 meeting

Adopted at the May 17, 2023 meeting

Members Present: Carol Martucci, Dr. Rose Bernal-Larioza, Pete Landon, Matthew Schoen  
Others Present: Paul Pasterczyk, Interim Town Finance Director; Tanya Campbell, Marcum LLP (previously Melanson)

Meeting called to order by Mr. Schoen at 6:31 P.M. This meeting was conducted remotely via Zoom.

### Prior Minutes

The draft minutes of the October 11, 2022 audit committee meetings were reviewed. Dr. Bernal-Larioza moved to approve the minutes. Ms. Martucci seconded. The minutes were approved by roll call vote. (Schoen – aye; Landon – aye; Bernal-Larioza – aye; Martucci – aye)

### FY 22 Audit Report

Ms. Campbell shared a presentation outlining the results of the FY22 audit and the responsibilities of the auditors, Management, and the Audit Committee with regard to the FY22 audit and financial reports. Ms. Campbell discussed that the audit firm, Melanson, had merged with Marcum LLP effective January 1, 2023 and further explained that there would be no change in operations with respect to the Longmeadow audit, outside of a change in the name on the audit opinion in the ACFR and related correspondence from the auditors. Ms. Campbell will remain the contact for the audit and the existing contract with the auditors will be fulfilled under the Marcum name. Mr. Schoen inquired about potential conflicts of interest under the new expanded firm and Ms. Campbell responded that those had been thoroughly reviewed for prior to the merger being completed and that Marcum LLP will continue to meet its audit independence requirements as required under generally accepted auditing standards.

Next Ms. Campbell presented on the FY22 ACFR. She noted that the financial statements received an unmodified independent report from the auditors (or “clean opinion”). The language of the auditors’ independent report has changed from prior years due to updated requirements of generally accepted auditing standards. The auditors applied a materiality threshold of \$770,000 when auditing the General Fund. Ms. Campbell highlighted the Unassigned Fund Balance, which is split between the Stabilization Fund and the General Fund Unreserved. Both balances have increased from the prior year and Ms. Campbell characterized the balances as healthy. Mr. Landon asked Mr. Pasterczyk if budget performance had aided in increasing the fund balance and Mr. Pasterczyk replied that the budget underruns were driven by lower employee-related costs, such as benefits, due to vacancies at the town during the fiscal year.

Ms. Campbell also presented the draft management letter and informed the committee that there were no material weaknesses or significant deficiencies noted during the course of the audit.

There were, however, several recommendations noted that the Town should review:

1. Improve Controls Over Cash Reconciliations
2. Improve Procedures Over Receipts in Department of Public Works Office
3. Improve Procedures in Assessor’s Office
4. Establish an Ambulance Write-Off Policy and Write-Off Old Receivable Balances
5. Prepare for Governmental Accounting Standards Board Statements No. 94 and 96

Dr. Bernal-Larioza inquired about the management's response to the auditor recommendations and Mr. Pasterczyk replied that responses would be drafted by management before the final letter was issued, along with an audit correction report that would be used for tracking progress to the implementing the auditor recommendations during the next fiscal year.

The Committee than voted unanimously to recommend that the Select Board accept the Audited Financial Statements.

#### Audit Discussion Without Town Staff Present

Ms. Campbell did not note any additional issues outside of those outlined in the management letter. She stated that the town was lucky to have Mr. Pasterczyk return on an interim basis in order to assist with the audit and other financial business. After inquiries from Mr. Schoen, Ms. Campbell stated that she has noted financial staffing issues at other towns across Massachusetts and that the Town is not alone in facing this challenge.

#### Next Meeting

The next meeting of the Audit Committee will be held in May or June to review management's responses to the auditor recommendations in the management letter and related progress on implementing the recommendations prior to the end of the next fiscal year of June 30, 2023.

Mr. Schoen adjourned the meeting at 8:24 P.M.

Respectfully Submitted,

Carol Martucci  
Secretary