



Town of Concord
Minutes of the February 26, 2026
Financial Audit Advisory Committee Meeting
Hybrid Meeting

Members Present

Wendy Rovelli, Select Board Representative; Brian Waterson, Concord-Carlisle Regional School Committee Representative; Court Booth, At-Large Member; Bruce Button, At-Large Member; Brehm Feigh, At-Large Member

Members Absent

Sandeep Pisharody, School Committee Representative; Bianca Taylor, Municipal Light Board Representative

Others Present

Kerry Lafleur, Town Manager; Jennifer Barrett, Chief Financial Officer (CFO); Ryan Ferrara, Assistant CFO; Richard Delorey, Town Accountant; Jason Bulger, Director of the Concord Municipal Light Plant (CMLP); Nan Okarma, CMLP Financial Manager/Accountant; Scott McIntire (remote), CBIZ, external audit firm; Richard Mathieu (remote), Concord-Carlisle Regional School District

1. Call to Order

Select Board Representative Wendy Rovelli called the Financial Audit Advisory Committee meeting to order at 1:01 p.m.

Prior to proceeding with the agenda, the Chair noted that Bob Conry, Assistant Superintendent of Finance and Operations, was unable to attend the meeting. A request had been received from the Superintendent to delay the review of the FY24 Concord-Carlisle Regional School District audit. Richard Mathieu attended on behalf of the District but indicated he was not in a position to respond to detailed questions. The Committee agreed to defer the CCRSD audit review to a future meeting and to coordinate scheduling with the external auditor accordingly. Following confirmation from Mr. Bulger, Ms. Rovelli announced that Bianca Taylor has resigned from the CMLP Board and the CMLP Board will discuss an FAAC nomination at their next meeting.

2. Public Comment

No public comments were received.

3. Minutes

A motion was made to approve the minutes of February 11, 2026 Financial Audit Advisory Committee meeting.

Vote: Unanimous. Motion passed.

4. FY24 Audits

CY24 Concord Municipal Light Plant (CMLP) Audit: Scott McIntire of CBIZ presented the results of the CY24 CMLP audit. He noted that the audit resulted in an unmodified

opinion on the CMLP's financial statements. No opinion was expressed on management's discussion and analysis, required supplementary information, or the supplementary combining schedules for light plant operations and the Broadband Fund.

Mr. McIntire provided an overview of the CMLP's financial statements. As an enterprise fund, the CMLP reports using a statement of net position, a statement of changes in net position, and a statement of cash flows. He noted that the statement of cash flows is particularly important, as it demonstrates whether net cash provided by operations covers principal and interest on debt, payments in lieu of taxes returned to the Town, and capital costs. For calendar year 2024, net cash provided by operations covered all three items.

Key financial results included an unrestricted net position of \$7.7 million as of December 31, 2024, an increase of approximately \$600,000 over the prior year, with total net position increasing approximately \$3.1 million, consistent with the prior year. Pension liabilities were reported at approximately 90 percent funded and OPEB liabilities at approximately 68 percent funded, with full funding projected by 2039.

Mr. McIntire identified one material weakness related to cash reconciliation controls. The CMLP's standalone general ledger cash accounts are required to reconcile to the corresponding funds within the Town's general ledger, which holds all pooled cash. This control broke down during calendar year 2024, resulting in a variance of approximately \$170,000 as of December 31, 2024. He noted this was not identified as a finding in prior CMLP audits, and that the broader cash reconciliation challenges at the Town level contributed to elevating the finding to a material weakness. He also noted that this audit resulted in no adjusting journal entries, which he described as a positive outcome.

Jason Bulger, Director of the Concord Municipal Light Plant, provided management's response. He described the operational complexity of reconciling the CMLP's system with the Town's general ledger, noting that the Town records many individual CMLP transactions as a single aggregated journal entry, making one-to-one matching difficult. Further complexity arises on the accounts payable side, where multiple bills in the CMLP system correspond to a single payment entry on the Town side, and adjustments are sometimes recorded in the general ledger module rather than the accounts payable module. Delays in the Town's posting of transactions further complicated the CMLP's ability to close monthly periods on a timely basis. A staff vacancy within CMLP's finance department also contributed to the challenge.

Mr. Bulger reported that the CMLP engaged Clifton Larson Allen (CLA) to conduct a month-by-month cash reconciliation. He expressed confidence that the Town's renewed commitment to a 45-day monthly cash reconciliation cycle would substantially improve the CMLP's ability to maintain timely reconciliation on an ongoing basis.

Committee members raised questions regarding the nature of the variance, whether it reflected a categorization issue or an actual cash discrepancy, and how CBIZ became comfortable issuing an unmodified opinion. Mr. McIntire confirmed that the \$170,000

variance was below the materiality threshold, which supported the issuance of the unmodified opinion. Discussion also touched on potential system improvements, including an import function from NISC to Munis and opportunities to better integrate the Town's and CMLP's financial systems.

Ms. Rovelli noted several observations on the audit report, including missing column titles on pages 8 and 9, which Mr. McIntire acknowledged. She inquired about lease management; Mr. McIntire indicated no concerns were identified. She also raised a question about GASB 103 and its implications for the CMLP's financial model. Mr. McIntire provided an overview of expected changes to the presentation of financial statements and the management's discussion and analysis and noted he would have additional details to share following an upcoming professional presentation on the topic. Ms. Rovelli also noted that the Light Plant's Operating Margin is healthy at over 6% and that the DPU operating return on net assets was below the 8% compliance threshold. Mr. Bulger clarified that the Department of Public Utilities oversees the rate of return and requires annual financial filings but does not set rates for municipal light plants. Rates are established by the Light Board.

The Committee also briefly discussed Energy New England (ENE), a cooperative through which the CMLP manages power supply functions, including real-time reconciliation of power contracted, consumed, and produced, on behalf of multiple municipal light plants across New England.

5. Discussion

Ms. Rovelli invited Mr. Bulger to speak to CMLP's experience with CBIZ and the decision to engage a new audit firm. Mr. Bulger described a series of scheduling delays experienced during the FY23 and CY24 audits, including missed start dates attributed to staffing issues at CBIZ, which ultimately resulted in the CY24 audit not being finalized until February 2026. He noted that CBIZ's concurrent work on the Town audit created interdependencies that affected the timeliness of the CMLP engagement.

After surveying peer municipal light plants and conducting reference checks, the CMLP engaged Goulet, Salvidio & Associates, PC of Worcester under a two-year agreement covering calendar years 2025 and 2026. The new firm conducted an inventory review in early January 2026 and is committed to a May site visit, which is expected to allow CMLP to return to its historical audit schedule and allow sufficient time for annual DPU filings. Mr. Bulger noted that CBIZ would typically start inventory work in November that resulted in challenges.

Committee members confirmed that Goulet, Salvidio & Associates, PC is a different firm from Roselli, Clark & Associates, engaged for the Town audit. A request was made for a copy of the CMLP's auditor qualification materials. The Committee noted it would evaluate the new auditor following the completion of its first engagement.

6. Other Business

The Committee discussed the need for a follow-up meeting to continue the review of FY24 Town audit matters, including outstanding items related to staffing and organizational structure, system complexities, and internal control timelines. The CCRSD audit review would be scheduled separately, pending confirmation of availability from the district's representative and CBIZ.

The next meeting was scheduled for March 9, 2026, at 1:00 p.m.

7. Adjournment

A motion was made to adjourn the meeting. The meeting was adjourned at 2:09 p.m.