

PERMANENT AUDIT COMMITTEE

The Permanent Audit Committee was established pursuant to Article 16 of the Town's General By-Laws. The Committee is charged with assisting the Selectmen in the selection of an independent auditor to perform an audit of the Town's financial statements, monitor the work of the auditor and participate in a review and discussion of the audit's results and findings.

Town By-Laws require that an audit be carried out not less than triennially. The Town, however, undertakes an annual audit to comply with federal regulations which call for an annual audit for recipients of certain federal funds. Additionally, it is essential that audits be completed in a timely fashion in order to ensure the maintenance of the Town's Aaa credit rating, which is the highest rating category of Moody's Investors Service. The Town's credit rating has resulted in favorable rates and lower borrowing costs. The Aaa rating was last affirmed on June 14, 2006.

The Town's general financial statements for the fiscal year ending June 30, 2006 were audited by Powers & Sullivan. This will be the fourth year that the Town has been required to be in full compliance with the reporting requirements of the new regulations of the Governmental Accounting Standards Board (GASB No. 34), including comprehensive reporting of all town-owned fixed assets. The report complies with Governmental Accounting, Auditing and Reporting Standards. The final report also stated that the Town was in compliance with the requirements of the Federal Single Audit Act of 1984. Copies of these financial statements may be obtained from the Town Accountant and they are posted on the Town Treasurer's web site.

The fiscal year 2006 audit was the second year of a three-year contract with Powers & Sullivan. The Committee expresses its sincere appreciation to Town Accountant Barbara Hagg for her work and to Treasurer Floyd Carman who serves as Clerk of the Committee. The Committee also thanks Town Administrator Thomas Younger for his participation on this Committee.

The financial statements of the Belmont Contributory Retirement System for the year ending December 31, 2005 were audited by Powers & Sullivan. Copies of these financial statements may be obtained from the Town Accountant and they are posted on the Town Treasurer's web site.

The Municipal Light Department's financial statements for the year ending December 31, 2005 were audited by Goulet, Salvidio & Associates, P.C.

Respectfully submitted,
Ernest E. Fay, Chairman