

## **MINUTES OF THE BAT ADVISORY BOARD**

### **AUDIT AND FINANCE COMMITTEE**

September 24, 2020

In Attendance:

Frank Hegarty, Committee Chair, Town of Avon

Frank Lynam, Town of Whitman

Michael Dutton, Town of Bridgewater

Jennifer Cook, CliftonLarsonAllen, LLC

Linda Sacchetti, CFO

Michael Lambert, Administrator

Glenn Geiler, Grants Manager

Kathy Riddell, BAT

The virtual meeting was called to order by Mr. Hegarty at 9:30 AM for the purpose of discussing business brought before the Audit and Finance Committee in accordance with the agenda presented and the notice sent out on September 22, 2020.

Mr. Hegarty welcomed the group. No members of the public were present, therefore there were no public comments.

Next, minutes from the meeting of May 21, 2020 were presented. Mr. Lynam made a motion to accept the minutes, Mr. Dutton seconded and the motion carried. A roll call was performed and all were in favor.

Ms. Jennifer Cook of CliftonLarsonAllen, LLC, provided the Committee with a presentation on the results of BAT's FY20 Audit. She began with an overview of the presentation. She stated that the financial statement is final and unmodified. The Single Audit is presented in draft form due to wait for guidance regarding CARES Act funding which is expected to be released in early October. Under Financial Highlights, she noted that operating revenues were down, again due to decreased ridership and fares not being collected from mid-March to the end of the fiscal year. Operating expenses were only slightly up due to BAT's response to COVID. The trend for Net Cost of Service is consistent with only a slight increase in FY20 driven by COVID. BAT will receive a formal letter stating the Audit firm had no concerns or found no bias or material weaknesses. BAT is qualified as a "low risk auditee."

Ms. Cook mentioned the discussions with BAT regarding moving from utilizing excel for fixed asset management to an accounting fixed asset program. Several Committee members asked question regarding the benefits/determents of utilizing a fixed asset product. Ms. Cook said that the advantages of fixed asset software is in providing effective tracking of changes and assistance in administrative calculations. Mr. Lynam stated that he wanted assurance that there would be a variety of software products to choose from and BAT would have the ability to make their own decision. Mr. Lambert stated that MassDOT has a fixed asset option but BAT wants the data/information to reside with BAT.

Ms. Cook notified the Committee of upcoming GASB standards regarding Leases. Implementation of the standard is being postponed until fiscal years beginning after 6/15/21. She ended her presentation by thanking the BAT team for being so cooperative and easy to work with during these trying times. Mr. Hegarty thanked Ms. Cook and the accounting firm for their diligent work. A motion was made by Mr. Lynam to accept the Audited Financial Statements and Draft Single Audit as presented. Mr. Dutton seconded the motion. A roll call was performed and all were in favor.

Next on the agenda, Ms. Sacchetti presented the Committee with FY20 Local Assessments. She stated that assessments were increased by 2 ½% with the exception of the Town of Stoughton and Bridgewater that saw slightly higher increases due to new service that was added to the towns. Mr. Lambert gave the Committee an update on the FY21. He stated that BAT started collecting fares earlier than the budget projected to work out any problems that might arise. No significant issues surfaced and fare collection went smoothly. He also mentioned that the Revenue Anticipation Notes bidding went well and BAT borrowed less funds than last year at a better rate.

Mr. Lambert gave the group an update on State funding for FY21. The latest information from Secretary Pollack is that the state is waiting for the Legislature to act, but has no further information. BAT has spent \$1.37 million of CARES Act funds in FY20 and has \$7 million remaining to assist with the budget in FY21 and FY22 or until the funds are expended. On the Federal side, the RTAs expect to be level funded but that could change quickly in the present environment.

Mr. Lambert notified the committee that BAT is pushing forward with improving operational and long-term goals. He mentioned the mobile ticketing soft roll out. This will be especially helpful for Ashmont riders as there are no ticket vending machines at Ashmont. In a few weeks, signs will be posted on the buses and announcements will be added to the website. Additionally, BAT has moved to a cashless system for paratransit. As of 9/1 no cash or checks were being accepted on the DAB vans. The transition to account-based payments went very smoothly and will make reconciliation of fares to customers a much simpler process.

Mr. Lynam made a motion to adjourn the meeting. Motion was seconded by Mr. Dutton. A roll call was performed and all were in favor.

Respectfully submitted,

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Kathy Riddell, BAT

**List of handouts for 4/13/20 meeting:**

Agenda

Minutes – 5/21/20

FY20 Audit Presentation

FY20 Local Assessments