



CITY OF BOSTON • MASSACHUSETTS

Audit Committee

The Audit Committee met on many occasions throughout the year, sometimes in person and sometimes via Zoom. We are now at a complement of four out of the maximum five members. Attendance has been extraordinarily good.

The city remains in very good financial shape, compared both to prior decades and to other major cities across America. We have reserves. We have a AAA bond rating. We have almost completely funded our pension obligations - a real accomplishment - and our debt service is within reason. Nevertheless the changing values of commercial properties, and a significant slowdown in new construction has resulted in a weakening of the tax base.


In addition, many housing units have been permitted, but are not being built as a result of ever-changing market conditions, caused by tariffs and interest rates which are higher than what we have become accustomed to in the past 15 to 20 years.

We expect that the snow budget was exhausted sometime in February. This will require some transfers in the coming months. Health insurance appears to be over budget by some \$15-\$20 million.

The Audit Committee believes that the Mayor and the City Council must be even more vigilant in the upcoming fiscal year than they may have been in recent times. Appropriations should be carefully reviewed.

Lastly, this was our first year working with a new independent auditor - CliftonLarsonAllen, LLP. Transitions are never easy. Many procedures and customs are not written down. This meant that the Audit Committee and the Auditor and his professional staff needed to show extraordinary patience to be sure that everything was done on time.

Very truly yours,


Lawrence S. DiCara
Chairman