

**TOWN OF WILLIAMSTOWN, MASSACHUSETTS**

**Management Letter**

**June 30, 2023**

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# Adelson & Company PC

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March 21, 2024

To the Select Board of  
**TOWN OF WILLIAMSTOWN, MASSACHUSETTS**

Dear Members of the Select Board,

In connection with our audit of the financial statements of Town of Williamstown, Massachusetts as of June 30, 2023, we have made a review of the Town's accounting, financial, and administrative policies and procedures. While the primary objective of such a review is to afford us a basis of determining the scope of our audit procedures, it nevertheless presents us with an opportunity to submit, for your consideration, suggestions for changes in procedures, which in our opinion, would strengthen internal control or contribute to the improvement of operating efficiency.

The comments and recommendations in this letter are based upon observations made in the course of such review. The review was not designed for the purposes of expressing an opinion on internal accounting control, and it would not necessarily disclose all weaknesses in the system. The matters discussed herein were considered during our examination of the above mentioned financial statements, and they did not modify the opinion expressed in our report on those financial statements.

Please indicate in the "Action Taken" space of the letter, what corrective measures the Town intends to implement with regard to each recommendation, which will be part of the final letter. After you have had an opportunity to consider our comments and recommendations, we shall be pleased to discuss them further with you.

We would like to express our thanks and appreciation to the Town and its personnel for the cooperation given us during the course of our examination.

Sincerely,

ADELSON & COMPANY PC

## Comments and Recommendations

1. The depreciation schedules for the governmental and enterprise funds are currently maintained in Excel spreadsheets, which require many manual inputs and are manually rolled forward each year.

### Recommendation:

The Town should consider purchasing Asset Keeper, a software designed to track and maintain capital assets and related depreciation. Year-end reports from Asset Keeper, and invoices for the current year capital asset additions, should be provided to the auditors during the annual audit to aid in the preparation of the financial statements.

### Action Taken:

The Town agrees with this recommendation. We have historically used the Excel spreadsheet for the calculation, but it makes more sense and would simplify asset tracking to use a software program as suggested. The Town will investigate and purchase an asset tracking/depreciation program before the end of the fiscal year to use for fiscal year 2024 depreciation calculations.

2. The Town receives a large number of grants and contracts, which includes federal, state, and private funding sources. Currently, the Town has no master list summarizing the grants and contracts in one file.

### Recommendation:

The Town should maintain a master listing, such as an Excel spreadsheet, of all its grants and contracts by fiscal year. This schedule should be provided to the auditors at year-end. The schedule should include the following information:

- Funding Agency / Awarding Organization;
- Program name;
- Period of contract performance;
- Maximum funding amount;
- Contract number (if applicable);
- Funding source (federal, state, private);
- If the funding source is federal, then also include the federal assistance listing number.

The Town should also maintain copies of all grant and contract agreements in the same location and provide these agreements to the auditors at year-end.

### Action Taken:

The Town agrees with the recommendation and has developed a spreadsheet to track and summarize the grants and contracts awarded to the Town. The spreadsheet will be provided to the auditors at year-end.

## **Comments and Recommendations**

3. The Finance Department’s accounting policies and procedures are currently documented in various files maintained in multiple locations on the Town’s server.

Recommendation:

The Town should formalize and centralize its Accounting Policies and Procedures manual.

Action Taken:

Although the accounting department has documented procedures, they are not formally consolidated into one document. We agree that the Town should pull the documents together into a cohesive accounting procedures manual.

4. The Town was the recipient of \$2,222,073 of State and Local Fiscal Recovery Funds (ARPA). The Town has spent \$503,551 (as of March 21, 2024), leaving an unspent balance of \$1,718,522. In accordance with the terms of the award, all funds must be spent and/or obligated by December 31, 2024.

The Federal government (Code of Federal Regulation) defines obligated as an “order placed for property and services and entering into contracts, sub-awards, and similar transactions that require payment”.

Recommendation:

The Town should put a plan in place to spend and/or obligate the remaining funds of \$1,718,522 before the deadline of December 31, 2024, to prevent having to return any unobligated funds.

If the Town is concerned about meeting the December 31, 2024 deadline, it should consider using the ARPA funds for general government services, which the Town elected under the “Revenue Replacement” option for ARPA funds up to \$10 million.

Action Taken:

The Town is aware of the December 31, 2024 deadline for ARPA spending or obligation, but appreciates the reminder about this in the management recommendation letter.

## **Status of Prior Year Recommendation**

1. As recommended, the Town has implemented a policy to identify and evaluate contracts for lease treatment in accordance with GASB 87.