

TOWN OF AMHERST, MASSACHUSETTS

Management Letter

For the Year Ended June 30, 2018

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY LETTER	1
CURRENT YEAR ISSUE	
1. Prepare Meeting Minutes in a More Timely Manner	3
2. Prepare for GASB Statements 84 and 87	3

Additional Offices:

Nashua, NH
Manchester, NH
Andover, MA
Ellsworth, ME

To the Town Council
Town of Amherst, Massachusetts

In planning and performing our audit of the basic financial statements of the Town of Amherst, Massachusetts as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit we became aware of other matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The recommendations that accompany this letter summarize our comments and suggestions concerning those matters.

The Town's written responses to our comments and suggestions have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance, including those overseeing the financial reporting process, the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Melanson Heath

February 22, 2019

CURRENT YEAR ISSUES:

1. **PREPARE MEETING MINUTES IN A MORE TIMELY MANNER**

Our review of the Select Board's meeting minutes, which took place in January 2019, found that the majority of the minutes from November 2017 through June 2018, were not yet finalized and, therefore, were unavailable to be reviewed.

Massachusetts General Laws Chapter 39, Section 23B "the open meeting law" requires that "a governmental body shall maintain accurate records of its meetings, setting forth the date, time, place, members present or absent, and actions taken at each meeting". These records become public documents required to be safeguarded and accessible for review by interested parties.

We recommend the Town record and maintain a record of all former Select Board proceedings for public inspection. We further recommend that boards and committees review and accept previous meeting minutes on a timely schedule. This will ensure compliance with the Commonwealth's open meeting law as well as provide an accurate, approved and chronological transcript of meetings.

Town's Response:

Agreed. The Town will ensure that all past and current minutes are prepared and posted.

2. **PREPARE FOR GASB STATEMENTS 84 AND 87**

GASB Statements No. 84 and 87 will apply to the Town in fiscal years 2020 and 2021, respectively. Statement No. 84 addresses fiduciary activities and may require a change in how the Town accounts for and reports these activities. Statement No. 87 addresses leases and significantly changes the accounting standards related to them, including requiring various operating leases to be reported on the Town's balance sheet.

We recommend the Town prepare for these accounting changes by ensuring all departments are aware of the pending changes. The Town should also consider updating its lease accounting policy to ensure all material leases are properly identified.

Town's Response:

Agreed. The Town will prepare for these changes.