TOWN OF CLARKSBURG, MASSACHUSETTS

MANAGEMENT LETTER

June 30, 2025

Table of Contents

	Page
Cover Letter	2
Comments and Recommendations	3

Adelson & Company PC
CERTIFIED PUBLIC ACCOUNTANTS
Established 1938
AUDIT | TAX | ADVISORY

To the Select Board of
TOWN OF CLARKSBURG, MASSACHUSETTS

Dear Members of the Select Board:

In connection with our audit of the financial statements of the Town of Clarksburg, Massachusetts as of June 30, 2025, we have made a review of the Town's accounting procedures and internal control. While the primary objective of such a review is to afford us a basis for determining the scope of our audit procedures, it nevertheless presents us with an opportunity to submit, for the Town's 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 purpose 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.

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 yours,

Adelson + Company PC

ADELSON & COMPANY PC

April 9, 2026

Comments and Recommendations

1. As of June 30, 2025, the Sewer Fund charges receivable balance totaled $186,684. Of this amount, $142,175, or approximately 76%, related to charges assessed in fiscal years 2020 through 2024. The age of these outstanding balances increases the risk that amounts due to the Town may become more difficult to collect.

   Recommendation:

   The Town should review the sewer charges receivable balance on a regular basis and evaluate overdue accounts for further collection action. For significantly aged balances, the Town should consider placing liens on the related properties, as permitted under Massachusetts General Laws Chapter 83, Section 16A, to help secure collection of amounts owed.

2. During our review of the Town's Schedule A, we noted that the Enterprise Funds included an "Electric" fund with a negative ending fund balance of $276,296 as of June 30, 2025. Because the Town does not operate an electric department, this presentation is not appropriate. Further review indicated that the negative balance resulted from prior-year sewer fund expenditures that were mistakenly reported in the Electric Fund column rather than in the Sewer Fund.

   Recommendation:

   The Town should correct the misclassification by reclassifying the prior-year sewer fund expenditures from the Electric Fund column to the Sewer Fund column.

3. The Town's School Department maintains a Student Activities Fund that is currently reported in the general ledger as a Special Revenue Fund (Fund 35). Although the Town acts as custodian of these resources, the monies are held on behalf of the students and must be used solely for student-related purposes. Accordingly, these funds are not available to support the Town's general operations. As of June 30, 2025, the Student Activities Fund had a balance of $9,502.

   Recommendation:

   The Town should report the Student Activities Fund as a custodial fiduciary fund rather than as a Special Revenue Fund.

4. During our review of payroll expenditures, we noted that certain payroll-related expenditures were recorded in the same general ledger accounts as non-payroll expenditures.

   Recommendation:

   The Town should establish separate general ledger accounts for payroll and non-payroll expenditures to improve the clarity and usefulness of its accounting records. The Town should also perform reconciliations of payroll expenditures recorded in the general ledger to quarterly payroll tax filings to help ensure payroll activity is recorded accurately and completely.