



Proven Expertise & Integrity

January 11, 2024

Selectboard
Town of Acton
35 H Road
Acton, ME 04001

MANAGEMENT LETTER

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Acton as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Acton's internal control. We did so to determine our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for expressing our opinion on the effectiveness of the Town of Acton's internal control over financial reporting or compliance.

During our audit we became aware of several matters referred to as "management letter comments" that offer opportunities for strengthening internal control and improving operating efficiencies of the Town of Acton. The following pages summarize our comments and suggestions on those matters.

This report is intended solely for the information and use of the Selectboard, management, and others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

These matters do not modify our opinion on the financial statements for the year ended June 30, 2023, where we expressed an unmodified opinion on our independent auditors' report dated **January 10, 2024**.

General Ledger:

While performing the audit for the above-mentioned fiscal year, we noted that general ledger accounts were not being reconciled in a timely manner throughout the year. We recommend that all general ledger accounts be reconciled on a monthly basis within 30 days from the date of the month end and, when, necessary to subsidiary ledgers, to help ensure accuracy and completeness of transactions in the correct reporting period and to help avoid material misstatements in the financial statements.

While performing the audit for the above-mentioned fiscal year, we noted that some transactions were posted directly to fund balance accounts. We recommend that management review and revise its procedures to help ensure that routine operational transactions are posted to the appropriate applicable accounts instead of directly to fund balance accounts in order for those transactions to be in compliance with generally accepted accounting principles (GAAP) and to help avoid material misstatements in the financial statements.

While performing the audit for the above-mentioned fiscal year, we noted that financial transactions identified as revenue or expense were posted to accounts that are not designated as revenue or expense accounts in the Town's financial accounting software. We recommend that management review and revise its procedures to help ensure that all revenue and expense transactions are properly recorded in its financial accounting software in compliance with generally accepted accounting principles (GAAP) and to help avoid material misstatements in the financial statements.

We would like to thank Jennifer, Tom, Kelly and all of the staff at the Town of Acton for their cooperation throughout this audit process.

If there are any questions regarding this letter, please do not hesitate to call.

Very Best,

DRAFT

RHR Smith & Company, CPAs