



**Powers &
Sullivan, LLC**
CPAs AND ADVISORS

TOWN OF PLYMOUTH, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2023



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To the Honorable Select Board
Town of Plymouth, Massachusetts

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Plymouth, Massachusetts, as of and for the year ended June 30, 2023 (except for the Plymouth Contributory Retirement System and the Plymouth Growth & Development Corporation which are as of and for the year ended December 31, 2022), 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.

However, during our audit we became aware of several matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions concerning other matters.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Town personnel and will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management of the Town of Plymouth, Massachusetts, and is not intended to be and should not be used by anyone other than these specified parties.

Powers & Sullivan, LLC

May 1, 2024

TOWN OF PLYMOUTH, MASSACHUSETTS

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JUNE 30, 2023

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PRIOR YEAR COMMENTS

FIXED ASSET ADDITIONS

Prior Year Comment

In prior years we noted the procurement division of the Town compiles a detailed listing of all fixed asset activity including additions, deletions, disposals, and transfers of fixed assets. The listing was, however, not reconciled to the general ledger of the Town, resulting in a large amount of the capital expenditures that were not included in the listing as fixed asset additions.

Current Status

The information received for fiscal year 2023 contained most of the required information to properly account for the capital asset activity of the Town.

Continuing Recommendation

We would recommend that the Town include the full account number when providing information on capital asset additions. This would make the process of tracing the items to the general ledger much more effective and efficient.

CENSUS DATA TESTING – OTHER POSTEMPLOYMENT BENEFITS LIABILITY

Prior Year Comment

With the implementation of Government Accounting Standards Board Statement #75 – Accounting and financial reporting for postemployment benefits other than pensions, there is greater emphasis on substantiation of the underlying census data which is the basis for the actuarially determined liability. Based on our testing of the census data and the supporting documentation maintained in employee files to support the census data, we found approximately 50% of active and retired employee files did not include a signature from the Town's benefits manager to support the eligibility for health insurance.

Current Status

The Town has implemented procedures to assure that all member enrollment forms are signed by the benefits manager. Active and retired employee files are reviewed to ensure that all necessary signatures have been obtained to support enrollment in Town health insurance plans. This comment is considered resolved.

OLD OUTSTANDING MOTOR VEHICLE EXCISE TAX RECEIVABLES

Prior Year Comment

In prior years we noted that the Collector's Office is carrying motor vehicle excise and boat excise tax balances that date back to fiscal year 2000. For receivables that cannot be liened, the likelihood of collection at this time has significantly diminished. This amount has been fully reserved for financial statement purposes.

Although there is still a chance to collect on accounts that have been flagged with the registry of motor vehicles, cleaning up the old balances will help to streamline the reconciliation process.

Continuing Recommendation

We recommend that the Collector's Office review the outstanding balances and work with the necessary officials to obtain the required authorization to write off the old balances or pursue collection. The Collector should continue to review and write off uncollectible receivables on an annual basis.

OLD OUTSTANDING REAL ESTATE AND PERSONAL PROPERTY TAX RECEIVABLES

Prior Year Comment

In prior years we noted that the Town is carrying personal property tax receivables that date back to 1998, and real estate tax receivables that date back to 1995. For receivables that cannot be liened, the likelihood of collection is significantly diminished the longer each receivable remains outstanding, in this case personal property taxes are not liened.

The process of writing off a receivable does not extinguish the taxpayer's obligation to pay, but it will help the Town by streamlining account management and the reconciliation processes.

Continuing Recommendation

We recommend that the Collector's Office review the outstanding balances and work with the necessary officials to obtain the required authorization to write off the old balances or pursue collection. The Collector should continue to review and write off uncollectible receivables on an annual basis.

Current Year Comments

ACCOUNTING FOR TOWN LEASES

Current Year Comment

With the implementation of Governmental Accounting Standards Board Statement #87 - *Leases*, there is a greater emphasis on identifying and reporting material leases that the Town is a party to.

During our review and discussions with management to identify leases that the Town is a party to, we noted that the information is not maintained in a centralized location. This makes the process of determining if all leases have been identified to evaluate materiality for financial statement purposes more cumbersome and inefficient to obtain all the required information for review.

Recommendation

We recommend that the Town implement policies and procedures to assign the responsibility to maintain a centralized location that would account for leases from all departments.