

TOWN OF BILLERICA, MASSACHUSETTS
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
YEAR ENDED JUNE 30, 2024

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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**Independent Auditors Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Select Board
Town of Billerica, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Billerica, Massachusetts (“the Town”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Towns’ basic financial statements, and have issued our report thereon dated December 2, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Towns’ internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Towns’ internal control. Accordingly, we do not express an opinion on the effectiveness of the Towns’ internal control.

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 Towns’ financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as finding 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Towns' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Towns' Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Towns' response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Towns' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Towns' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Towns' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

Boston, MA
December 2, 2025

Town of Billerica, Massachusetts

Schedule of Findings and Responses

Year Ended June 30, 2024

2024-001 – School Department and Town Accounting Systems

Condition: The Town and School both use MUNIS Accounting software and for years have maintained separate accounting databases. The detail accounting transactions for non-education related activities are recorded in one database that the Town considers to be the official books and records of the Town as a reporting entity. School Department financial data is brought into the Town database on a summary level. Detail accounting transactions for the School Department reside in a separate database. The Town and school department have had procedures in place that reconciled the balances on a somewhat regular basis. During 2023 and 2024, the reconciliation of these separate ledgers was not completed timely and led to delays in closing on a monthly and yearly basis as there were material unresolved differences. This matter was also presented as a material weakness in 2023.

Criteria: Best practice internal control programs, and financial reporting accounting framework emphasize the perspective of maintaining one complete accounting ledger along with regular reconciliations between the ledger and subsidiary records or reporting systems.

Cause: Historical practice and decreased ability to completing timely and accurate reconciliations between the Town-wide ledger and the school department ledger.

Effect: The practice of maintaining a ledger system that creates unnecessary risks to internal controls, delays the ability to create timely and reliable financial information, and a duplication of efforts that comes with maintaining two separate databases.

Recommendation: It is recommended that the Town and the School Department begin the process of merging the two distinct databases into one database. For other municipalities that utilize a single MUNIS accounting system database, the unified chart of accounts meets the internal needs of the Town and School department. The unified chart of accounts also allows Town and various departments to comply with their State and Federal mandated reporting requirements and regulations.

Views of Responsible Officials: Town Management agrees with the recommendation and has started the process of integrating the two MUNIS databases into one comprehensive accounting ledger database. Management anticipates that the new chart of accounts and database will be “live” for the start of fiscal year 2027.