

CITY OF EASTHAMPTON, MASSACHUSETTS

**INDEPENDENT AUDITOR'S REPORTS PURSUANT
TO GOVERNMENTAL AUDITING STANDARDS
AND UNIFORM GUIDANCE**

FOR THE YEAR ENDED JUNE 30, 2021

CITY OF EASTHAMPTON, MASSACHUSETTS

**Independent Auditor's Reports Pursuant
To Governmental Auditing Standards
And Uniform Guidance**

For the Year Ended June 30, 2021

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**INDEPENDENT AUDITOR'S 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 Mayor
City of Easthampton, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Easthampton, Massachusetts, as of and for the year ended June 30, 2021, (except for the Easthampton Contributory Retirement System, which is as of and for the year ended December 31, 2020), and the related notes to the financial statements, which collectively comprise the City of Easthampton, Massachusetts' basic financial statements, and have issued our report thereon dated June 27, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Easthampton, Massachusetts' internal control over financial reporting (internal control) to determine the 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 City of Easthampton, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Easthampton, Massachusetts' 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 entity's 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. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Easthampton, Massachusetts' 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 statement amounts. 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*.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Scanlon and Associates, LLC

Scanlon & Associates, LLC
South Deerfield, Massachusetts

June 27, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor
City of Easthampton, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the City of Easthampton, Massachusetts' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Easthampton, Massachusetts' major federal programs for the year ended June 30, 2021. The City of Easthampton, Massachusetts' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Easthampton, Massachusetts' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Easthampton, Massachusetts' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Easthampton, Massachusetts' compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Easthampton, Massachusetts, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City of Easthampton, Massachusetts, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Easthampton, Massachusetts' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Easthampton, Massachusetts' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

The City of Easthampton, Massachusetts' response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Easthampton, Massachusetts' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Easthampton, Massachusetts, as of and for the year ended June 30, 2021, (except for the Easthampton Contributory Retirement System, which is as of and for the year ended December 31, 2020), and the related notes to the financial statements, which collectively comprise the City of Easthampton, Massachusetts' basic financial statements. We issued our report thereon dated June 27, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the

responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Scanlon and Associates, LLC

Scanlon & Associates, LLC
South Deerfield, Massachusetts

June 27, 2022

**CITY OF EASTHAMPTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of Agriculture				
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Child Nutrition Cluster:				
School Breakfast Program - COVID-19	10.553	08-086	\$ -	\$ 210,160
National School Lunch Program - COVID-19	10.555	08-086	-	393,639
Non-Cash Financial Assistance - Commodities	10.555	08-086	-	34,682
Total Child Nutrition Cluster			-	638,481
Total U. S. Department of Agriculture			-	638,481
U. S. Department of Housing and Urban Development				
Passed Through Commonwealth of Massachusetts				
Executive of Communities and Development:				
Community Development Block Grants/State's Program				
FFY 2018 Community Development Fund	14.228	CDF-2018-00815	-	118,545
FFY 2019 Community Development Fund	14.228	CDF-2019-00847	-	462,184
FFY 2020 Community Development Fund	14.228	CDF-2020-00880	-	1,158
Community Development Block Grant/Coronavirus (CDBG-CV)	14.228	B-20-DW-25-0001	-	121,183
Program Income	14.228		-	36,610
Total Community Development Block Grants/State's Program			-	739,680
Total U. S. Department of Housing and Urban Development			-	739,680
U. S. Department of the Interior				
Direct Program:				
Fish and Wildlife Service				
ARRA Cooperative Agreement No. 50181-R-J010				
Manhan River Fish Ladders	15.656		-	338
Total U. S. Department of the Interior			-	338
U. S. Department of Justice				
Direct Programs:				
COPS Hiring Grant No. 2020UMWX0376	16.710		-	45,395
Drug Forfeiture	16.922		-	17,465
Passed Through Commonwealth of Massachusetts				
Executive Office of Public Safety and Security:				
Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-0436	-	2,025
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-DJ-BX-0076	-	9,834
Total U. S. Department of Justice			-	74,719
TOTAL PAGE 1 OF 4			\$ -	\$ 1,453,218

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF EASTHAMPTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of Transportation				
Passed Through Commonwealth of Massachusetts				
Executive Office of Public Safety and Security:				
Highway Safety				
Traffic Enforcement - 2020	20.600		\$ -	\$ 934
Traffic Enforcement - 2021	20.600		-	7,532
Pedestrian and Bicycle Safety - 2020	20.600		-	5,675
Total Highway Safety			-	14,141
Passed Through Commonwealth of Massachusetts				
Emergency Management Agency:				
Hazardous Material Emergency Preparedness	20.703		-	4,179
Total U. S. Department of Transportation			-	18,320
U. S. Department of the Treasury				
Passed Through Commonwealth of Massachusetts				
Department of Revenue:				
COVID-19 CARES Act - Coronavirus Relief Fund Municipal Aid	21.019		-	590,067
Passed Through Commonwealth of Massachusetts				
Office of the Secretary of the Commonwealth:				
CvRF CARES Act Elections Postage Reimbursement	21.019		-	2,581
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
CvRF School Reopening - 2021	21.019	102-400913-2021-0086	-	316,879
CvRF Remote Learning Technology Essentials - 2021	21.019	118-400910-2021-0086	-	62,896
CvRF School Nutrition - 2021	21.019	CSN	-	11,225
Total Department of Treasury			-	983,648
Institute for Museum and Library Services				
Passed Through Commonwealth of Massachusetts				
Board of Library Commissioners:				
Library Services and Technology Act - Serving Teens and Tweens	45.310	19.15.01	-	4,322
Total Institute for Museum and Library Services			-	4,322
TOTAL PAGE 2 OF 4			\$ -	\$ 1,006,290

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF EASTHAMPTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of Education				
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Title I Grants to Local Educational Agencies:				
Title I - 2019	84.010A	305-217108-2019-0086	\$ -	\$ 3,744
Title I - 2020	84.010A	305-304330-2020-0086	-	63,857
Title I - 2021	84.010A	305-400916-2021-0086	-	97,263
Total Title I Grants to Local Educational Agencies			-	164,864
Special Education Cluster:				
Special Education PL 94-142 Allocation - 2020	84.027A	240-292525-2020-0086	-	317,948
Special Education PL 94-142 Allocation - 2021	84.027A	240-401087-2021-0086	-	15,644
Systems for Student Success - 2020	84.027A	248-377207-2020-0086	-	35,000
Systems for Student Success - 2021	84.027A	248-413455-2021-0086	-	24,215
Significant Disproportionality in Special Education - 2020	84.027A	258-373352-2020-0086	-	1,500
Special Education Program Improvement - 2021	84.027A	274-483948-2021-0086	-	12,780
Special Education Early Childhood - 2020	84.173A	262-292526-2020-0086	-	6,802
Special Education Early Childhood Learning Together - 2021	84.173A	298-484432-2021-0086	-	937
Total Special Education Cluster			-	414,826
Improving Teacher Quality State Grants:				
Teacher Quality - 2019	84.367A	140-217110-2019-0086	-	745
Teacher Quality - 2020	84.367A	140-304329-2020-0086	-	6,994
Teacher Quality - 2021	84.367A	140-400915-2021-0086	-	22,788
Total Improving Teacher Quality State Grants			-	30,527
Student Support and Academic Enrichment Program:				
Student Support and Academic Enrichment Grant - 2021	84.424A	309-400917-2021-0086	-	15,214
Total Student Support and Academic Enrichment Program			-	15,214
COVID-19 Education Stabilization Fund:				
Governor's Emergency Education Relief - 2021	84.425C	423-484452-2021-0086	-	16,250
Elementary and Secondary School Emergency Relief I - 2021	84.425D	113-378242-2021-0086	-	164,429
Total COVID-19 Education Stabilization Fund			-	180,679
Total U. S. Department of Education				
			-	806,110
TOTAL PAGE 3 OF 4				
			\$ -	\$ 806,110

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF EASTHAMPTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of Health and Human Services				
Direct Programs:				
Drug Free Communities Support Grants:				
Easthampton Healthy Youth Coalition - Grant No. 2H79SP081967-06	93.276		\$ -	\$ 55,658
Easthampton Healthy Youth Coalition - Grant No. 6H79SP081967-06M001	93.276		-	26,550
Total Drug Free Communities Support Grants			-	82,208
COVID-19 Provider Relief Fund	93.498		-	24,990
Passed Through Highland Valley Elder Services, Inc.:				
Aging Cluster:				
Title III-B-Community Program on Aging	93.044		-	14,472
COVID-19 Title III-B-Community Program on Aging	93.044		-	3,500
Total Aging Cluster			-	17,972
Passed Through City of Northampton, Massachusetts:				
Substance Abuse and Mental Health Services:				
Hampshire Hope - 2020	93.243		-	140
Total Substance Abuse and Mental Health Services			-	140
Total U. S. Department of Health and Human Services			-	125,310
U. S. Department of Homeland Security				
Direct Programs:				
Assistance to Firefighters COVID-19 Supplemental Funding				
Grant No. EMW-2020-FG-05173	97.044		-	2,857
Staffing for Adequate Fire and Emergency Response				
Grant No. EMW-2018-FH-00023	97.083		-	151,145
Passed Through Commonwealth of Massachusetts				
Emergency Management Agency:				
Emergency Management Performance Grants:				
Emergency Management Performance Grant - 2020	97.042		-	2,623
Emergency Management Performance Grant - 2021	97.042		-	4,600
Total Emergency Management Performance Grants			-	7,223
Total U. S. Department of Homeland Security			-	161,225
TOTAL PAGE 4 OF 4			-	286,535
TOTAL PAGE 3 OF 4			-	806,110
TOTAL PAGE 2 OF 4			-	1,006,290
TOTAL PAGE 1 OF 4			-	1,453,218
TOTAL FEDERAL AWARDS EXPENDED			\$ -	\$ 3,552,153

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF EASTHAMPTON, MASSACHUSETTS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the City of Easthampton, Massachusetts, under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Easthampton, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Easthampton, Massachusetts.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COSTS

The City of Easthampton, Massachusetts, did not use the de minimis cost rate. The City of Easthampton, Massachusetts, has not charged any indirect costs to any of its federal awards.

NOTE D – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

**CITY OF EASTHAMPTON, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of Auditor’s Report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? Yes None Reported

Type of Auditor’s Report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	U. S. Department of Housing and Urban Development – Community Development Block Grants/State’s Program
21.019	U. S. Department of Treasury – Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A significant deficiency in internal control over compliance for the Coronavirus Relief Fund is described following on page 14.

SECTION IV – PRIOR YEAR FINDINGS

Status of prior year finding is reported following on page 16.

**CITY OF EASTHAMPTON, MASSACHUSETTS
SUMMARY SCHEDULE OF CURRENT AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

Finding 2021-001

Significant Deficiency in Internal Control Over Compliance – U.S. Department of Treasury – Coronavirus Relief Fund – (CFDA No. 21.019) – Reporting

Passed Through Commonwealth of Massachusetts Department of Revenue

Criteria:

The U. S. Department of Treasury Office of Inspector General requires recipients of the CARES Act Coronavirus Relief Fund dollars to file periodic reports that describe the uses of these funds. The Massachusetts Executive Office of Administration and Finance requires that sub-recipient municipal governments (cities, towns, and regional school districts) submit quarterly reports on expenditures of the Coronavirus Relief Fund to the State administering agency. The reports should reflect the amounts expended on the municipal general ledger accounting records.

Condition:

The City of Easthampton, Massachusetts, filed the required quarterly reports. However, the reports were not reconciled to the City's general ledger. As of the date of our audit testing there was approximately \$442,675 more reported on the quarterly reports than was posted to the general ledger CARES account.

Cause:

The City does not have procedures in place to reconcile reporting filed with the State administering agency to the activity in the City's general ledger.

Effect:

The City could misstate or include unallowed costs in its financial reporting of grant funds.

Questioned Costs:

None reported.

Perspective Information:

Since the date of our review the City Auditor and the City Treasurer have taken steps to reconcile the reports to the general ledger.

Recommendation:

The City personnel should reconcile the reports to the City's general ledger. When expenses are reclassified from other accounts to the Coronavirus Relief Funds, a journal entry adjustment should be made to the general ledger and proper supporting documentation should be retained to have a proper audit trail.

**CITY OF EASTHAMPTON, MASSACHUSETTS
SUMMARY SCHEDULE OF CURRENT AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

Finding 2021-001

**Significant Deficiency in Internal Control Over Compliance – U.S. Department of Treasury –
Coronavirus Relief Fund – (CFDA No. 21.019) – Reporting (continued)**

Views of Responsible Officials and Planned Corrective Action:

As recommended by the independent audit team, the City Auditor and Treasurer will complete the reconciliation between the reports filed with the State administrating agency and activity in City's general ledger.

When expenses are reclassified from other accounts to the Coronavirus Relief Funds, a journal entry adjustment will be made to the general ledger and proper supporting documentation retained to have a proper audit trail.

The Mayor's Office will work with the City Auditor and Treasurer to create procedures to reconcile reporting filed with the State administering agency to the activity in the City's general ledger.

Nicole LaChapelle, Mayor

**CITY OF EASTHAMPTON, MASSACHUSETTS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

Finding 2020-001 – Significant Deficiency in Internal Control Over Financial Reporting – Cash and Investment Reconciliation Procedures

Condition:

During our audit we noted certain deficiencies with regard to cash and investment reconciliation procedures within the Treasurer's office.

Current Status:

Procedures have been implemented to correct the deficiencies noted in the prior year's audit report.

The condition has been rectified.

**CITY OF EASTHAMPTON, MASSACHUSETTS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2021**

Finding No. 2021-001

**Significant Deficiency in Internal Control Over Compliance – U.S. Department of Treasury –
Coronavirus Relief Fund – (CFDA No. 21.019) – Reporting**

Name of Person Responsible:

Mayor Nicole LaChapelle

Corrective Action Planned:

As recommended by the independent audit team, the City Auditor and Treasurer will complete the reconciliation between the reports filed with the State administrating agency and activity in City's general ledger.

When expenses are reclassified from other accounts to the Coronavirus Relief Funds, a journal entry adjustment will be made to the general ledger and proper supporting documentation retained to have a proper audit trail.

The Mayor's Office will work with the City Auditor and Treasurer to create procedures to reconcile reporting filed with the State administering agency to the activity in the City's general ledger.

Anticipated Completion Date:

By the start of the FY2022 audit, or August 31, 2022