

CITY OF NORTHAMPTON, MASSACHUSETTS

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

FOR THE YEAR ENDED JUNE 30, 2021

CITY OF NORTHAMPTON, MASSACHUSETTS

**Independent Auditors' 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 Northampton, 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 Northampton, Massachusetts, as of and for the year ended June 30, 2021, (except for the Northampton 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 Northampton, Massachusetts' basic financial statements, and have issued our report thereon dated March 8, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Northampton, 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 Northampton, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Northampton, 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 Northampton, 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

March 8, 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 Northampton, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the City of Northampton, 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 Northampton, Massachusetts' major federal programs for the year ended June 30, 2021. The City of Northampton, 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 Northampton, 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 Northampton, 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 Northampton, Massachusetts' compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Northampton, Massachusetts, complied, in all material respects, with the types of compliance requirement 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 Northampton, 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 Northampton, 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 Northampton, 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Northampton, Massachusetts, as of and for the year ended June 30, 2021, (except for the Northampton 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 Northampton, Massachusetts' basic financial statements. We issued our report thereon dated March 8, 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
March 8, 2022

**CITY OF NORTHAMPTON, 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:				
Northampton Public Schools:				
Summer Food Service Program - COVID-19	10.559	08-210	\$ -	\$ 1,122,751
Smith Vocational and Agricultural High School:				
School Breakfast Program - COVID-19	10.553	08-210A	-	20,955
National School Lunch Program - COVID-19	10.555	08-210A	-	96,660
National School Lunch Program Assistance	10.579	722-505644-2021-0406	-	2,954
Non-Cash Financial Assistance:				
Commodities - Northampton Public Schools	10.555	08-210	-	64,246
Commodities - Smith Vocational and Agricultural High School	10.555	08-210A	-	5,485
Total Child Nutrition Cluster			-	1,313,051
Total U. S. Department of Agriculture			-	1,313,051
U. S. Department of Housing and Urban Development				
Direct Programs:				
Community Development Block Grants/Entitlement Grants:				
Community Development Block Grant	14.218		376,437	625,027
Community Development Block Grant - COVID-19	14.218		43,749	61,971
Program Income	14.218		-	1,000
Total Community Development Block Grant - Entitlement Grants			420,186	687,998
Total U. S. Department of Housing and Urban Development			420,186	687,998
TOTAL PAGE 1 OF 6			\$ 420,186	\$ 2,001,049

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

**CITY OF NORTHAMPTON, 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 Justice				
Direct Programs:				
Bureau of Justice Assistance				
High Risk Offenders	16.590		\$ -	\$ 84,852
Bulletproof Vests Partnership Program	16.607		-	13,950
Justice Assistance Grant	16.738		-	6,509
Comprehensive Opioid Substance Abuse	16.838		-	30,847
Passed Through Hampshire County Sherriff's Office:				
Opioid Task Force	16.610		-	66,453
Passed Through Berkshire Regional Planning Commission:				
Overdose to Data Action Project	16.610		-	20,204
Passed Through Commonwealth of Massachusetts				
Executive Office of Public Safety and Security:				
Edward Byrne Memorial Justice Assistance Grant	16.738		-	17,545
Passed Through Commonwealth of Massachusetts				
Northwest District Attorney:				
Anti-Crime Task Force	16.738		-	21,895
Total U. S. Department of Justice			-	262,255
U. S. Department of Transportation				
Passed Through Commonwealth of Massachusetts				
Department of Transportation:				
Pioneer Valley Regional Bike Share Program - Phase II	20.505	110585	-	896,494
Passed Through Commonwealth of Massachusetts				
Executive Office of Public Safety and Security:				
State and Community Highway Safety:				
Traffic Enforcement	20.600		-	1,202
Enforcement and Equipment	20.600		-	15,178
Pedestrian/Bike Safety	20.600		-	1,683
Total State and Community Highway Safety			-	18,063
Total U. S. Department of Transportation			-	914,557
TOTAL PAGE 2 OF 6			\$ -	\$ 1,176,812

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

**CITY OF NORTHAMPTON, 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 the Treasury				
Coronavirus Relief Fund:				
Passed Through Commonwealth of Massachusetts				
Department of Revenue:				
Coronavirus Relief Fund Municipal Aid	21.019		\$ 130,000	\$ 1,976,421
Passed Through Commonwealth of Massachusetts				
Office of the Secretary of the Commonwealth:				
Coronavirus Relief Fund Election Postage Reimbursement	21.019		-	4,643
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Northampton Public Schools:				
CvRF School Reopening - 2021	21.019	102-394509-2021-0210	-	550,697
CvRF Remote Learning Technology Essentials - 2021	21.019	118-401465-2021-0210	-	51,525
CvRF School Nutrition - 2021	21.019	CSN	-	11,145
Smith Vocational and Agricultural High School:				
CvRF School Reopening - 2021	21.019	102-389029-2021-0406	-	155,412
CvRF School Nutrition - 2021	21.019	CSN	-	2,260
Total Coronavirus Relief Fund			<u>130,000</u>	<u>2,752,103</u>
Total U. S. Department of the Treasury			<u>130,000</u>	<u>2,752,103</u>
Institute for Museum and Library Services				
Direct Program:				
Accelerating Promising Practices for Small Libraries				
Grant No. LG-27-19-0281-19	45.312		-	14,963
Passed Through Commonwealth of Massachusetts				
Board of Library Commissioners:				
Library Services and Technology Act:				
Go Local	45.310	LS-246159-OLS-20	-	7,500
COVID-19 CARES Act - Virtual Programming for Distance Learning	45.310	LS-246539-OLS-20	-	2,350
Total Institute for Museum and Library Services			<u>-</u>	<u>24,813</u>
TOTAL PAGE 3 OF 6			<u>\$ 130,000</u>	<u>\$ 2,776,916</u>

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

**CITY OF NORTHAMPTON, 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:				
Northampton Public Schools:				
Title I - 2020	84.010	305-291377-2020-0210	\$ -	\$ 21,785
Title I - 2021	84.010	305-391595-2021-0210	-	446,108
Turnaround Assistance - 2021	84.010	325-450634-2021-0210	-	10,059
Smith Vocational and Agricultural High School:				
Title I - 2019	84.010	305-209245-2019-0406	-	1,824
Title I - 2020	84.010	305-292396-2020-0406	-	29,726
Title I - 2021	84.010	305-400677-2021-0406	-	55,545
Total Title I Grants to Local Educational Agencies			-	565,047
Special Education Cluster:				
Northampton Public Schools:				
Special Education 94-142 Allocation - 2020	84.027	240-344997-2020-0210	-	64,841
Special Education 94-142 Allocation - 2021	84.027	240-405608-2021-0210	-	416,702
Leading Educational Acces Project - 2021	84.027	231-396155-2021-0210	-	3,750
Special Education Early Childhood Allocation - 2019	84.173	262-212599-2019-0210	-	1,361
Special Education Early Childhood Allocation - 2021	84.173	262-405609-2021-0210	-	22,871
Special Education Early Childhood Program Improvement - 2021	84.173	298-488617-2021-0210	-	2,024
Smith Vocational and Agricultural High School:				
Special Education 94-142 Allocation - 2020	84.027	240-291563-2020-0406	-	82,461
Special Education 94-142 Allocation - 2021	84.027	240-391620-2021-0406	-	127,676
Special Education Program Improvement - 2021	84.027	274-483221-2021-0406	-	5,860
Total Special Education Cluster			-	727,546
Career and Technical Education - Basic Grants to States:				
Smith Vocational and Agricultural High School:				
Occupational Education-Vocational Skills - 2020	84.048	400-291823-2020-0406	-	3,885
Occupational Education-Vocational Skills - 2021	84.048	400-388974-2021-0406	-	75,663
Total Career and Technical Education - Basic Grants to States			-	79,548
TOTAL PAGE 4 OF 6			\$ -	\$ 1,372,141

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

**CITY OF NORTHAMPTON, 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:				
Improving Teacher Quality State Grants:				
Northampton Public Schools:				
Teacher Quality - 2020	84.367A	140-291378-2020-0210	\$ -	\$ 1,781
Teacher Quality - 2021	84.367A	140-391598-2021-0210	-	69,926
Smith Vocational and Agricultural High School:				
Teacher Quality - 2019	84.367A	140-209313-2019-0406	-	1,513
Teacher Quality - 2020	84.367A	140-292397-2020-0406	-	3,204
Teacher Quality - 2021	84.367A	140-400678-2021-0406	-	11,873
Total Improving Teacher Quality State Grants			-	88,297
Student Support and Academic Enrichment Program:				
Northampton Public Schools:				
Student Support and Academic Enrichment - 2020	84.424	309-291564-2020-0210	-	1,530
Student Support and Academic Enrichment - 2021	84.424	309-391599-2021-0210	-	29,207
Smith Vocational and Agricultural High School:				
Student Support and Academic Enrichment - 2019	84.424	309-209314-2019-0406	-	259
Student Support and Academic Enrichment - 2020	84.424	309-292398-2020-0406	-	6,353
Student Support and Academic Enrichment - 2021	84.424	309-400679-2021-0406	-	4,451
Total Student Support and Academic Enrichment Program			-	41,800
Education Stabilization Fund:				
Northampton Public Schools:				
Governor's Emergency Education Relief - 2021	84.425C	423-490057-2021-0210	-	15,263
Emergency and Secondary School Emergency Relief I - 2021	84.425D	113-394508-2021-0210	-	33,411
Smith Vocational and Agricultural High School:				
Emergency and Secondary School Emergency Relief I - 2020	84.425D	113-378379-2020-0406	-	86,175
Emergency and Secondary School Emergency Relief II - 2021	84.425D	115-495505-2021-0406	-	87,632
Total Education Stabilization Fund			-	222,481
TOTAL PAGE 5 OF 6			-	352,578
TOTAL PAGE 4 OF 6			-	1,372,141
Total U. S. Department of Education			\$ -	\$ 1,724,719

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

**CITY OF NORTHAMPTON, 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:				
Substance Abuse and Mental Health Services Administration - Hampshire HOPE - Responding to the Opioid Crisis	93.243		\$ 31,500	\$ 398,336
Drug Free Communities Support Program Grants:				
Drug Free Communities - 2020	93.276		-	22,798
Drug Free Communities - 2021	93.276		-	137,960
Total Drug Free Communities Support Program Grants			-	160,758
COVID-19 Provider Relief Fund	93.498		-	55,355
Passed Through Commonwealth of Massachusetts				
Department of Public Health:				
Public Health Emergency Preparedness	93.069		-	90,459
Mass in Motion Program	93.757	INTF4200P01502925073	-	69,603
Opioid Abuse Prevention Collaborative	93.959	INTF2354M04301822075	-	87,009
Passed Through Commonwealth of Massachusetts				
Bureau of Substance Addiction Services:				
Overdose Data to Action Project	93.912		-	87,049
Passed Through National Association of County and City Health Officials:				
Overdose Prevention and Response Mentorship Program	93.008	6-HITEP-20045-01-01	-	82,095
Passed Through Franklin Regional Council of Governments:				
Hampshire Medical Reserve Corps	93.008		-	22,056
Passed Through Highland Valley Elder Services:				
Coronavirus Senior Services	93.044		-	3,500
Total U. S. Department of Health and Human Services			31,500	1,056,220
U. S. Department of Homeland Security				
Passed Through Commonwealth of Massachusetts				
Emergency Management Agency:				
COVID-19 Disaster Public Assistance	97.036	DR-4496	-	134,281
Emergency Management Performance Grants	97.042		-	6,500
Homeland Security Planning	97.067		-	5,535
Total U. S. Department of Homeland Security			-	146,316
TOTAL PAGE 6 OF 6			31,500	1,202,536
TOTAL PAGE 5 OF 6			-	352,578
TOTAL PAGE 4 OF 6			-	1,372,141
TOTAL PAGE 3 OF 6			130,000	2,776,916
TOTAL PAGE 2 OF 6			-	1,176,812
TOTAL PAGE 1 OF 6			420,186	2,001,049
TOTAL FEDERAL AWARDS EXPENDED			\$ 581,686	\$ 8,882,032

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

**CITY OF NORTHAMPTON, MASSACHUSETTS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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 Northampton, 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 for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Northampton, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Northampton, 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 Northampton, Massachusetts, did not use the de minimis cost rate. The City of Northampton, 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 NORTHAMPTON, 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 report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____Yes X No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? _____Yes X 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 X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559, 10.579	U.S. Department of Agriculture – Child Nutrition Cluster
20.505	U.S. Department of Transportation – Metropolitan Transportation Planning
21.019	U.S. Department of the 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 X No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV – PRIOR YEAR FINDINGS

Status of prior year finding is reported following on page 15.

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

Finding 2020-001

Non-Compliance/Significant Deficiency in Internal Control Over Compliance – U.S. Department of the Treasury – Coronavirus Relief Fund – (CFDA No. 21.019) – Allowable Cost/Cost Principles – Hazard Pay for City Employees Not Related to COVID-19 Duties

Passed Through Commonwealth of Massachusetts Department of Revenue

Condition:

The City charged hazard pay for employees' hours worked on-site to the Coronavirus Relief Fund, even though their work was not specifically COVID-19 related duties. The amount of \$197,669, which is the total hazard pay charged to the Coronavirus Relief Fund between March 17, 2020 and June 30, 2020 for employees not working on COVID-19 related duties, was questioned.

Current Status:

The City appropriated \$197,669 through a transfer from the City's Free Cash in the General Fund to cover the amount questioned. This amount was reversed on a subsequent quarterly report to the State of expenditures from the Coronavirus Relief Fund.