

TOWN OF SOUTHAMPTON, MASSACHUSETTS

**INDEPENDENT AUDITORS' REPORTS PURSUANT
TO *GOVERNMENT AUDITING STANDARDS*
AND UNIFORM GUIDANCE**

FOR THE YEAR ENDED JUNE 30, 2022

TOWN OF SOUTHAMPTON, MASSACHUSETTS

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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 Select Board
Town of Southamptton, 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 Southamptton (the Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated July 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's 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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We identified a deficiency in internal control, described in the accompanying Schedule Findings and Questioned Costs as item 2022-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's 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 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*.

Town's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Town's 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 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.

Marcum LLP

Greenfield, MA
July 25, 2024



**INDEPENDENT AUDITORS' 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 Select Board
Town of Southamptton, Massachusetts

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Town of Southamptton, Massachusetts' (the Town) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2022. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Qualified Opinion on the Coronavirus State and Local Fiscal Recovery Fund Major Federal Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Coronavirus State and Local Fiscal Recovery Fund for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Town 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 other major federal programs identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2022.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on the Coronavirus State and Local Fiscal Recovery Fund

As described in finding number 2022-002 in the accompanying Schedule of Findings and Questioned Costs, the Town did not comply with requirements regarding Reporting for Assistance Listing No. 21.027, Coronavirus State and Local Fiscal Recovery Fund.

Compliance with such requirements is necessary, in our opinion, for the Town to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material, noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the Town’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Town’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed another instance of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2022-003. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Town’s response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The Town’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors’ Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-002 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The Town's response was not subjected to the other 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 Town of Southamptton, Massachusetts as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated July 25, 2024, 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.

Marcum LLP

Greenfield, MA
July 25, 2024

TOWN OF SOUTHAMPTON, MASSACHUSETTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

<i>Federal Agency</i>	Federal	Pass Through	Federal	Passed
Cluster	Assistance	Identifying	Expenditures	Through to
Pass-through Agency	Listing	Number		Subrecipient
Program Title	Number	Number		
<i>U.S. Department of Agriculture</i>				
Child Nutrition Cluster				
Passed Through the Massachusetts Department of Elementary and Secondary Education				
School Breakfast Program	10.553	08-275	\$ 15,983	\$ --
National School Lunch Program - Cash Assistance	10.555	08-275	198,224	--
National School Lunch Program - Non-Cash Assistance	10.555	08-275	4,044	--
National School Lunch Program - Emergency Operating	10.555	08-275	7,574	--
National School Lunch Program - Supply Chain Assistance	10.555	08-275	<u>13,986</u>	<u>--</u>
Total Child Nutrition Cluster			<u>239,811</u>	<u>--</u>
Total U.S. Department of Agriculture			239,811	--
<i>U.S. Department of the Treasury</i>				
Passed Through the Massachusetts Executive Office for Administration and Finance				
COVID-19 - Coronavirus Relief Fund	21.019	COVID19 276	102,506	--
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	ARPACNTYSH276	<u>335,363</u>	<u>22,500</u>
Total U.S. Department of the Treasury			437,869	22,500
<i>U.S. Department of Education</i>				
Special Education Cluster				
Passed Through the Massachusetts Department of Elementary and Secondary Education				
Special Education Grants to States	84.027	240-529141-2022-0683	<u>34,683</u>	<u>--</u>
Total Special Education Cluster			34,683	--
Passed Through the Massachusetts Department of Elementary and Secondary Education				
Title I Grants to Local Educational Agencies	84.010	305-555983-2022-0275	19,794	--
Rural Education	84.358A	Unavailable	46,378	--
Student Support and Academic Enrichment Program	84.424A	309-555984-2022-0275	10,461	--
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	115-505398-2021-0275	101,686	--
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief (ESSER III - ARP) Fund	84.425U	119-510903-2022-0275	<u>74,287</u>	<u>--</u>
Total U.S. Department of Education			<u>287,289</u>	<u>--</u>
Total Federal Expenditures			<u>\$ 964,969</u>	<u>\$ 22,500</u>

See accompanying notes to this schedule.

TOWN OF SOUTHAMPTON, MASSACHUSETTS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Town of Southamptton, Massachusetts (the Town) under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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 Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified 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 to reimbursement.

The amounts reported for the National School Lunch Program – Non-Cash Assistance represent the fair value of commodities received.

NOTE 3 - DE MINIMIS COST RATE

The Town has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 - DONATED PERSONAL PROTECTIVE EQUIPMENT (PPE) (UNAUDITED)

During fiscal year 2022, the Town did not receive donated PPE from federal sources.

TOWN OF SOUTHAMPTON, MASSACHUSETTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' 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?

Yes

None reported

Non-compliance 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?

Yes

None reported

Type of auditors' report issued on compliance for major federal programs:

Child Nutrition Cluster

Unmodified

COVID-19 Coronavirus State and Local Fiscal Recovery Fund

Qualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes

No

Identification of major federal programs:

NAME OF FEDERAL PROGRAM OR CLUSTER

ASSISTANCE LISTING NUMBER(S)

Child Nutrition Cluster

10.553/10.555

COVID-19 Coronavirus State and Local Fiscal Recovery Fund

21.027

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes

No

TOWN OF SOUTHAMPTON, MASSACHUSETTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

2022-001 Improve Controls Over Cash Reconciliations, Receipts, and Receivables (Material Weakness)

Criteria or Specific Requirement

Reconciliation of cash, receipts, and receivables are critical internal control procedures necessary to ensure that the Town's balances are properly reported and controlled.

Condition and Context

The Town has difficulty performing timely and accurate reconciliations, as made apparent by the delay in obtaining reconciliations for the audit.

Cause and Effect or Potential Effect

The Town has not established adequate procedures to reconcile bank accounts between the individual balance statements and the general ledger, to post receipts to the general ledger, or to reconcile receivables between the general ledger and the Tax Collector. This increases the risk that undetected errors or irregularities may occur or go undetected.

Recommendation

We recommend the Town formally reconcile cash between the Accountant and Treasurer on a monthly basis. We recommend the Treasurer's monthly receipt information be reported to the Town Accountant on a monthly basis. We recommend the Town formally reconcile between the general ledger and the Tax Collector at least quarterly.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2022-002 Improve Oversight of Reporting Over Federal Awards (Material Weakness)

Federal Agency: Department of Treasury

Cluster/Program: Coronavirus State and Local Fiscal Recovery Fund

AL Number: 21.027

Compliance Requirement: Reporting

Type of Finding

Compliance

Internal Control over Compliance – Material Weakness

Criteria or Specific Requirement

The Town is required under American Rescue Plan Act (ARPA) guidelines to submit an annual project and expenditure report by April 30 each year. This reporting should include current period

TOWN OF SOUTHAMPTON, MASSACHUSETTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

2022-002 Improve Oversight of Reporting Over Federal Awards (Material Weakness) (Continued)

obligations, cumulative obligations, current period expenditures, and cumulative expenditures for each approved ARPA project.

Management of the Town is also responsible for establishing and maintaining effective internal control over compliance with federal requirements that have a direct and material effect on a federal program. 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.

Condition and Context

The Town did not submit an annual report to the Department of Treasury by April 30, 2022.

Cause

The Town has not established adequate procedures to ensure that reporting requirements are adhered to.

Effect or Potential Effect

Non-compliance with ARPA reporting requirements can result in loss of funding and administrative burdens due to audit findings.

Questioned Costs

There are no known questioned costs.

Recommendation

The Town should establish effective internal controls to ensure the accurate completion and timely submission of all mandatory compliance reporting.

Views of Responsible Official

Management agrees with the finding.

Planned Corrective Action

Management's corrective action plan is included at the end of this report after the Schedule of Prior Year Findings.

TOWN OF SOUTHAMPTON, MASSACHUSETTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

2022-003 Document Policies and Procedures Over Federal Awards

Cluster/Program: All federal programs

Type of Finding

Compliance – Other Matters

Criteria or Specific Requirement

OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (UG) established significant requirements related to federal awards. The requirements stipulate that federal award recipients must document their policies and procedures over certain aspects of financial program management. Specifically, written policies are required for the following compliance requirements:

- Cash management
- Determination of allowable costs
- Program income
- Eligibility determination
- Equipment and real property management
- Period of performance
- Procurement
- Subrecipient monitoring and management

Condition and Context

The Town does not have written policies and procedures related to federal awards, as required under the Uniform Guidance. Specifically, there are no formalized written policies for cash management, allowable costs, program income/requesting reimbursement, eligibility determination, equipment and real property management, period of performance, procurement, or subrecipient monitoring.

Cause

Weaknesses in the design of internal controls.

Effect or Potential Effect

The Town is not in compliance with the Uniform Guidance requirements for written policies and procedures.

TOWN OF SOUTHAMPTON, MASSACHUSETTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

2022-003 Document Policies and Procedures Over Federal Awards (Continued)

Questioned Costs

There are no questioned costs as a result of this finding, as there are no costs directly associated with this compliance requirement and this is a procedural requirement under the Uniform Guidance.

Recommendation

The Town should develop and implement written policies and procedures that are in compliance with the requirements of the Uniform Guidance.

Views of Responsible Official

Management agrees with the finding.

Planned Corrective Action

Management's corrective action plan is included at the end of this report after the Schedule of Prior Year Findings.

SECTION IV - SCHEDULE OF PRIOR YEAR FINDINGS

There was no single audit required in the prior year.

SELECT BOARD
Christine Fowles, Chair
Jon Lumbra, Vice-Chair
Stephen Johnson, Warrant Clerk
Daniel LaValley, Clerk
Cindy Palmer



TOWN ADMINISTRATOR
Scott Szczebak
ADMINISTRATIVE ASSISTANT
Judy Zedonis

TOWN OF SOUTHAMPTON

July 25, 2024

Re: FY 22 Audit Corrective Action Plan

This letter is in response to the recommendations contained in the FY 22 municipal audit Management Letter. The Town of Southamptton recognizes that there is a deficiency in several of our processes and procedures and is working to correct these issues.

Audit Finding Reference: 2022-001 Improve Controls Over Cash Reconciliations, Receipts, and Receivables

Planned Corrective Action: having up-to-date cash and receivable reconciliations has been a recurring issue for the Town. Factors that contribute to these issues include high turnover in employees in both the Accounting and the Treasurer/Collector departments, a tedious receipt posting process, and year-end closing issues (particularly with the school accounts).

Starting July 1st, we will be transitioning to the VADAR financial software. With the application's streamlined receipt posting, revenue will be posted faster. Once we are caught up with the revenue and expenses for a month, reconciliations may take place. Also, the Treasurer/Collector department is now fully staffed, which will free up the Treasurer/Collector to work with the Town Accountant on these processes.

Name of Contact Person and Completion Date: Scott Szczebak, Town Administrator and Bradley Okscin, Town Accountant. December 31, 2024.

Audit Finding Reference: 2022-002 Improve Oversight of Reporting Over Federal Awards

Planned Corrective Action: The Town will adopt policies pertaining to federal awards, specifically ARPA, that have been effective and useful in other municipalities. Using established policies from other municipalities will expedite bringing Southamptton into compliance.

The new policies will establish controls setting responsibilities and deadlines for timely and accurate submissions.

With ARPA funding moving towards an expiration date, these policies will be important to finalize and close-out any awards.

Name of Contact Person and Completion Date: Scott Szczebak, Town Administrator and Bradley Okscin, Town Accountant. December 31, 2024.

Audit Finding Reference: 2022-003 Document Policies and Procedures Over Federal Awards

Planned Corrective Action: The Town shall establish standard procedures and policies over the acceptance and use of federal funding awards. These policies will focus on ensuring that the funds are used for allowable costs, how requesting reimbursements is administered, eligibility of a program or service, and the management of property and equipment received.

Similar to the corrective action in finding 2022-002, the Town will base the new policies on proven and established policies that have been adopted and used by other municipalities.

Name of Contact Person and Completion Date: Scott Szczebak, Town Administrator and Bradley Okscin, Town Accountant. December 31, 2024.

Sincerely



Scott Szczebak
Town Administrator