

***TOWN OF HARWICH, MASSACHUSETTS***

***REPORTS ON FEDERAL AWARD PROGRAMS***

***YEAR ENDED JUNE 30, 2021***

**TOWN OF HARWICH, MASSACHUSETTS**  
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**YEAR ENDED JUNE 30, 2021**

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**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**

**Independent Auditor's Report**

To the Honorable Board of Selectmen  
Town of Harwich, 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 Town of Harwich, Massachusetts, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Harwich, Massachusetts' basic financial statements, and have issued our report thereon January 10, 2022.

**Internal Control Over Financial Reporting**

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

*Powers & Sullivan LLC*

January 10, 2022



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

**Independent Auditor's Report**

To the Honorable Board of Selectmen  
Town of Harwich, Massachusetts

**Report on Compliance for Each Major Federal Program**

We have audited the Town of Harwich, 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 Town of Harwich, Massachusetts' major federal programs for the year ended June 30, 2021. The Town of Harwich, 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Town of Harwich, 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 Town of Harwich, 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 Town of Harwich, Massachusetts' compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Town of Harwich, 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 Town of Harwich, 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 Town of Harwich, 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 Town of Harwich, 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 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 Harwich, Massachusetts, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Harwich, Massachusetts' basic financial statements. We issued our report thereon dated January 10, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the 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.

*Powers & Sullivan LLC*

January 10, 2022

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

FOR THE YEAR ENDED JUNE 30, 2021

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title                                 | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Amount Passed Through to Sub-Recipients | Expenditures |
|---|-----------------------------------|--|---|--------------|
| <b>HIGHWAY SAFETY CLUSTER:</b>  |                                   |  |   |              |
| U.S. DEPARTMENT OF TRANSPORTATION:  |                                   |  |   |              |
| <u>Passed through Massachusetts Executive Office of Public Safety and Security:</u>           |                                   |  |   |              |
| National Priority Safety Programs.....  | 20.616                            | 2021MRSPHARWICH                        | \$ -                                    | \$ 6,302     |
| <b>OTHER PROGRAMS:</b>  |                                   |  |   |              |
| U.S. DEPARTMENT OF HOMELAND SECURITY:   |                                   |  |   |              |
| <u>Direct Program:</u>  |                                   |  |   |              |
| Assistance to Firefighters.....   | 97.044                            | Not applicable                         | -                                       | 446,003      |
| <b>PASS-THROUGH PROGRAMS:</b>   |                                   |  |   |              |
| U.S. DEPARTMENT OF TREASURY:  |                                   |  |   |              |
| <u>Passed through Elder Services of Cape Cod:</u>   |                                   |  |   |              |
| COVID-19 - Coronavirus Relief Fund.....   | 21.019                            | Not available                          | -                                       | 1,250        |
| <u>Passed through Barnstable County:</u>  |                                   |  |   |              |
| COVID-19 - Coronavirus Relief Fund.....   | 21.019                            | Not available                          | -                                       | 22,157       |
| <u>Passed through Massachusetts Executive Office of Administration and Finance:</u>           |                                   |  |   |              |
| COVID-19 - Coronavirus Relief Fund.....   | 21.019                            | 21COVIDRELIEFFUND                      | -                                       | 641,277      |
| Total COVID-19 - Coronavirus Relief Fund.....   |                                   |  | -                                       | 664,684      |
| <b>ELECTION ASSISTANCE COMMISSION:</b>  |                                   |  |   |              |
| <u>Passed through the Secretary of State:</u>   |                                   |  |   |              |
| Help America Vote Act.....  | 90.401                            | SCSEC192021RPOSTAGE                    | -                                       | 2,334        |
| U.S. DEPARTMENT OF HOMELAND SECURITY:   |                                   |  |   |              |
| <u>Passed through Massachusetts Emergency Management Agency:</u>                              |                                   |  |   |              |
| COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters).....       | 97.036                            | CTFEMA4496HARWH00104                   | -                                       | 34,051       |
| COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters).....       | 97.036                            | CTFEMA4496HARWH00146                   | -                                       | 36,799       |
| Total COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)..... |                                   |  | -                                       | 70,850       |
| Emergency Management Performance Grants.....  | 97.042                            | FY20EMPG1900000HARWI                   | -                                       | 3,491        |
| TOTAL HOMELAND SECURITY.....  |                                   |  | -                                       | 74,341       |
| TOTAL.....  |                                   |  | \$ -                                    | \$ 1,193,664 |

See notes to schedule of expenditures of federal awards.

**Note 1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Town of Harwich, 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 Town of Harwich, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Harwich, Massachusetts.

**Note 2 – Summary of Significant Accounting Policies**

The accounting and reporting policies of the Town of Harwich, Massachusetts are set forth below:

- (a) Basis of Accounting – The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting. Accordingly, expenditures are recognized when the liability is incurred. 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.
- (b) Disaster Grants have been recorded the year the grant was approved.
- (c) The Town of Harwich, Massachusetts has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)**

After a presidentially declared disaster, the Federal Emergency Management Agency (FEMA) provides disaster grants to reimburse eligible costs related to the disaster. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds. The \$70,850 reported as expenditures under Federal Assistance Listing Number 97.036 was incurred in 2020.



**A. Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Town of Harwich, Massachusetts.
2. No material weaknesses or significant deficiencies relating to the audit of the basic financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Town of Harwich, Massachusetts, were disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs are reported in the 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.
5. The auditor's report on compliance for the major federal award programs for the Town of Harwich, Massachusetts, expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award programs for the Town of Harwich, Massachusetts.
7. The program tested as a major program is the COVID-19 – Coronavirus Relief Fund.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Town of Harwich, Massachusetts was determined to not be a low-risk auditee.

**B. Findings – Financial Statements Audit**

None

**C. Findings and Questioned Costs – Major Federal Award Programs**

None

**D. Summary Schedule of Prior Audit Findings**

None