

TOWN OF BELLINGHAM, MASSACHUSETTS

INDEPENDENT AUDITORS' REPORT AS
REQUIRED BY UNIFORM GUIDANCE
AND ***GOVERNMENT AUDITING STANDARDS***
AND RELATED INFORMATION

FOR THE YEAR ENDED JUNE 30, 2021

TOWN OF BELLINGHAM, MASSACHUSETTS
INDEPENDENT AUDITORS' REPORT AS REQUIRED BY UNIFORM GUIDANCE
AND *GOVERNMENT AUDITING STANDARDS* AND RELATED INFORMATION
FOR THE 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 Select Board
Town of Bellingham, 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 Bellingham, 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 Bellingham, Massachusetts's basic financial statements, and have issued our report thereon dated August 5, 2022.

Internal Control over Financial Reporting

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

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.

Respectfully,

A handwritten signature in blue ink, appearing to read "Robert E. Brown".

Certified Public Accountant

August 5, 2022

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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

INDEPENDENT AUDITOR'S REPORT

To the Honorable Select Board
Town of Bellingham, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the Town of Bellingham, Massachusetts's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Town of Bellingham, Massachusetts's major federal programs for the year ended June 30, 2021. The Town of Bellingham, Massachusetts's major federal programs is 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 Town of Bellingham, Massachusetts's 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 Bellingham, Massachusetts's 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 Bellingham, Massachusetts's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Bellingham, 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 program for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 & 2021-002. Our opinion on the major federal program is not modified with respect to these matters.

The Town of Bellingham, Massachusetts responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town of Bellingham, Massachusetts responses were not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the Town of Bellingham, Massachusetts, 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 Bellingham, Massachusetts, Massachusetts's 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 Bellingham, Massachusetts, Massachusetts's 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 a 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 identify certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be a material weakness.

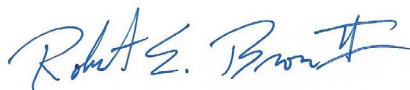
The Town of Bellingham, Massachusetts responses to the internal control over compliance findings are identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town of Bellingham, Massachusetts responses were not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 Bellingham, 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 Bellingham, Massachusetts basic financial statements. We issued our report thereon dated August 5, 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.

Respectfully,

A handwritten signature in blue ink, appearing to read "Robert E. Brown".

Certified Public Accountant

September 29, 2022

**TOWN OF BELLINGHAM, 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	GRANTOR/ PASS-THROUGH ENTITY IDENTIFYING NUMBER	AMOUNT PASSED THROUGH TO SUB-RECIPIENTS	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE				
CHILD NUTRITION CLUSTER:				
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION DEPARTMENT OF ELEMENTARY & SECONDARY EDUCATION (DESE) - BUREAU OF NUTRITION				
NATIONAL SCHOOL BREAKFAST PROGRAM	10.553		\$ -	\$ 126,250
NATIONAL SCHOOL LUNCH PROGRAM	10.555		-	384,429
COMMODITY SUPPLEMENTAL FOOD PROGRAM	10.555		-	10,066
TOTAL NATIONAL SCHOOL LUNCH PROGRAM			-	394,495
TOTAL CHILD NUTRITION CLUSTER:			-	520,745
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	520,745
U.S. DEPARTMENT OF EDUCATION				
SPECIAL EDUCATION CLUSTER:				
PASS-THROUGH PROGRAM FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION DEPARTMENT OF ELEMENTARY & SECONDARY EDUCATION (DESE)				
SPECIAL EDUCATION GRANTS TO STATES: PL 94-142 - FY 2021	84.027	240-389016-2021-0025	-	585,972
SPECIAL EDUCATION GRANTS TO STATES: PL 94-142 - FY 2020	84.027	240-291390-2020-0025	-	65,797
SPECIAL EDUCATION GRANTS TO STATES: PROGRAM IMPROVEMENTS - FY 2021	84.027	274-482588-2021-0025	-	18,110
SPECIAL EDUCATION PRESCHOOL GRANTS: E.C. LEARNING TOGETHER - FY 2021	84.173	298-480442-2021-0025	-	2,299
SPECIAL EDUCATION PRESCHOOL GRANTS: EARLY CHILDHOOD ALLOCATION - FY 2021	84.173	262-389017-2021-0025	-	20,262
SPECIAL EDUCATION PRESCHOOL GRANTS: EARLY CHILDHOOD ALLOCATION - FY 2020	84.173	262-291392-2020-0025	-	4,579
TOTAL PASS-THROUGH PROGRAMS FROM : DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE)			-	697,019
TOTAL SPECIAL EDUCATION CLUSTER:			-	697,019
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION DEPARTMENT OF ELEMENTARY & SECONDARY EDUCATION (DESE)				
TITLE I - FY 2021	84.010	305-389019-2021-0025	-	145,037
TITLE I - FY 2020	84.010	305-291393-2020-0025	-	37,672
TOTAL TITLE I GRANTS TO LOCAL EDUCATION AGENCIES			-	182,709
STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM	84.424	309-389020-2021-0025	-	11,074
EDUCATION STABILIZATION FUND - ESSER I	84.425D	113-385685-2021-0025	-	21,423
EDUCATION STABILIZATION FUND - CARES SUMMER	84.425D	114-389014-2021-0025	-	11,800
TOTAL EDUCATION STABILIZATION FUND:			-	33,223
SUPPORT EFFECTIVE INSTRUCTION STATE GRANT - FY 2021	84.367	140-389022-2021-0025	-	41,128
SUPPORT EFFECTIVE INSTRUCTION STATE GRANT - FY 2020	84.367	140-291391-2020-0025	-	2,745
TOTAL SUPPORT EFFECTIVE INSTRUCTION STATE GRANT			-	43,873
TOTAL PASS-THROUGH PROGRAMS FROM : DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE)			-	270,879
TOTAL U.S. DEPARTMENT OF EDUCATION			-	967,898

SEE ACCOMPANYING NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**TOWN OF BELLINGHAM, 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	GRANTOR/ PASS-THROUGH ENTITY IDENTIFYING NUMBER	AMOUNT PASSED THROUGH TO SUB-RECIPIENTS	FEDERAL EXPENDITURES
U.S DEPARTMENT TREASURERY				
PASS-THROUGH PROGRAM FROM: MASSACHUSETTS EXECUTIVE OFFICE OF ADMINISTRATION AND FINANCE				
CORONAVIRUS RELIEF FUND - COVID 19	21.019		-	1,291,605
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE)				
COVID 19 - CORONAVIRUS RELIEF FUND - SCHOOL REOPENING	21.019	102-389015-2021-0025	-	478,010
COVID 19 - CORONAVIRUS RELIEF FUND - CARES TECH	21.019	118-401174-2021-0025	-	32,702
COVID 19 - CORONAVIRUS RELIEF FUND - SCHOOL LUNCH	21.019		-	4,746
TOTAL PASS-THROUGH PROGRAMS FROM : MASSACHUSETTS DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE)			-	515,458
PASS-THROUGH PROGRAM FROM: MASSACHUSETTS EXECUTIVE OFFICE OF ADMINISTRATION AND FINANCE				
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUND - COVID 19	21.027		-	186,383
TOTAL U.S DEPARTMENT OF TREASURERY			-	1,993,446
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
PASS-THROUGH PROGRAM FROM: MASSACHUSETTS EXECUTIVE OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT				
COMMUNITY DEVELOPMENT BLOCK GRANT	14.218	CDBG CDF II	-	642,329
TOTAL U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	642,329
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 4,124,418

SEE ACCOMPANYING NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TOWN OF BELLINGHAM, MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

I. BASIS OF PRESENTATION

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

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

III. IN DIRECT COST RATE

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

IV. SCHOOL LUNCH PROGRAM

The School accounts for local, state and federal expenditures of the National School Lunch and School Breakfast programs in one combined fund. Program expenditures in the accompanying Schedule of Expenditures of Federal Awards represent federal reimbursements for meals provided during fiscal 2021. Contributions of noncash assistance commodities under the Food Distribution program are received under a State distribution formula and are valued at federally published wholesale prices for purposes of this schedule.

V. SUBRECIPIENTS

The Town of Bellingham, Massachusetts passed no federal awards through to sub-recipients during the period under audit.

**TOWN OF BELLINGHAM, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditors' Report Issued: Unmodified Opinion

Internal Control over Financial Reporting:

- Material Weakness(es) Identified? _____ Yes X No
- Significant Deficiency(ies) Identified? _____ Yes X No

Noncompliance Material to the Financial Statements Noted? _____ Yes X No

Federal Awards

Internal Control over Major Program:

- Material Weakness(es) Identified? X Yes _____ No
- Significant Deficiency(ies) Identified? _____ Yes X No

Type of Auditors' Report Issued on Compliance for the Major Programs: Unmodified Opinion

Any Audit Findings Disclosed that are Required to be
Reported in Accordance with Uniform Guidance? X Yes _____ No

Identification of the Major Program:

CFDA No.	Name of Federal Program or Cluster
21.019	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

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT – NONE.

**TOWN OF BELLINGHAM, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

**C. CURRENT YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAM AUDIT**

Finding 2021-001 – COVID 19 – Coronavirus Relief Fund - CFDA No. 21.019

U.S. Department of Treasury

Massachusetts Executive Office of Administration and Finance

Noncompliance and Material Weakness in Internal Control over Compliance of the Major Program

Condition: Upon review of the Town of Bellingham’s quarterly reports it was noted that the quarterly reports for the quarters ending 12/31/20, 3/31/21 & 6/30/21 were not submitted to Massachusetts Executive Office of Administration and Finance.

Criteria: Per the Massachusetts Executive Office of Administration and Finance sub-recipients receiving Covid Relief funds are required to report the Coronavirus Relief Fund supported spending on a quarterly basis.

Context: The Town was required to submit 4 quarterly reports during FY 2021 for the quarters ending 6/30/20, 9/30/20, 12/31/21 & 3/31/21, of these four only two were submitted, and additionally the quarter ending 6/30/21 was also not submitted in FY 22.

Effect: The Town of Bellingham was not in compliance with the Covid Relief Fund reporting requirement.

Questioned Costs: N/A

Cause: Due to staffing challenges, the reporting deadlines were not met in a timely manner.

Recommendation: The Town of Bellingham should complete and submit all required quarterly reporting by the due date designated by either the Federal Agency or pass through entity.

Managements Response: The Town has hired a Grants Manager responsible for all reporting requirements. Additionally, the Town has implemented a monthly project status process where all reporting deadlines are reviewed and confirmed with the Grants Manager.

**TOWN OF BELLINGHAM, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

**CURRENT YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAM AUDIT - CONTINUED**

Finding 2021-002 – COVID 19 – Coronavirus Relief Fund - CFDA No. 21.019

U.S. Department of Treasury

Massachusetts Executive Office of Administration and Finance

Noncompliance and Material Weakness in Internal Control over Compliance of the Major Program

Condition: Upon review of the Town of Bellingham’s quarterly reports for the quarters ending 6/30/20 and 9/30/20 submitted in FY 21 there are expenses per the quarterly reports that do not agree to the accounting ledger. In the case of the report ending 9/30/20, there are expenditures that were previously reported on the quarter end 6/30/20 report.

Criteria: Per the Massachusetts Executive Office of Administration and Finance sub-recipients receiving Covid Relief funds are required to report the Coronavirus Relief Fund supported spending on a quarterly basis.

Context: The Town was required to submit quarterly reports that would report the Coronavirus Relief Fund spent during each quarter.

Effect: The Town of Bellingham was not in compliance with the Covid Relief Fund reporting requirement.

Questioned Costs: N/A

Cause: Due to staffing challenges, the unexpected volume of activity, and the continuously evolving grant reporting requirements, the reconciliation and reclassification was not completed in a timely manner.

Recommendation: The Town of Bellingham should reconcile any required quarterly financial reporting to the accounting ledgers to ensure accuracy and completeness.

Managements Response: The Town has hired a Grants Manager responsible for all reporting requirements. Additionally, the Town has implemented a monthly project status process where all reporting deadlines are reviewed and confirmed with the Grants Manager. Additionally, the finance office has implemented new accounting protocols to track revenues and expenditures by project and reconcile those projects in a more timely manner.