

TOWN OF FRANKLIN, MASSACHUSETTS

**INDEPENDENT AUDITORS' REPORTS REQUIRED BY TITLE 2 U.S. *CODE OF
FEDERAL REGULATIONS* PART 200, *UNIFORM ADMINISTRATIVE
REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL
AWARDS* (UNIFORM GUIDANCE) AND *GOVERNMENT AUDITING STANDARDS***

FOR THE YEAR ENDED JUNE 30, 2024

TOWN OF FRANKLIN, 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 in Accordance with *Government Auditing Standards*

To the Town Council
Town of Franklin, Massachusetts

We have audited, in accordance with auditing standards generally accepted in the United States of America ("GAAS") 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 Town of Franklin, Massachusetts (the "Town"), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 19, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Franklin'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 Town'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 or significant deficiency. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Boston, MA
March 19, 2025

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 Town Council
Town of Franklin, Massachusetts

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Franklin, Massachusetts (the "Town")'s 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 its major federal programs for the year ended June 30, 2024. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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 qualified and unmodified opinions 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.

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 generally accepted auditing standards, *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.

Report on 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated March 19, 2025, 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.

CBIZ CPAs P.C.

Boston, MA

March 26, 2025, except for the report on the
schedule of expenditures of federal awards
which is dated March 19, 2025

TOWN OF FRANKLIN, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures Incurred</u>
U.S. Department of Agriculture				
Passed through Massachusetts Department of Elementary and Secondary Education:				
Child Nutrition Cluster				
School Breakfast Program	10.553	DOENUT202402SL	\$ --	\$ 254,757
National School Lunch Program - Cash Assistance	10.555	DOENUT202402SL	--	724,926
National School Lunch Program - Non-Cash Assistance	10.555	DOENUT202402SL	--	206,069
National School Lunch Program - Supply Chain Assistance	10.555	DOENUT202402SL	--	118,285
National School Lunch Program - Emergency Operational Costs	10.555	DOENUT202402SL	--	10,000
Total Child Nutrition Cluster			--	1,314,037
Total U.S. Department of Agriculture			--	1,314,037
U.S. Department of Treasury				
Passed through Massachusetts Executive Office for Administration and Finance				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	Unknown	--	2,101,679
Total U.S. Department of the Treasury			--	2,101,679
U.S. Department of Education				
Passed through the Massachusetts Department of Elementary and Secondary Education:				
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	240-689587-2023-0101	--	381,232
Special Education - Grants to States	84.027	240-000558-2024-0101	--	988,253
Special Education Grants to States - ARP	84.027	252-539209-2022-0101	--	3,672
Special Education - Preschool Grants	84.173	262-000559-2024-0101	--	44,483
Total Special Education Cluster			--	1,417,640
Title I Grants to Local Educational Agencies 2024	84.010	305-000549-2024-0101	--	103,486
English Language Acquisition State Grants	84.365	180-689586-2023-0101	--	7,916
Supporting Effective Instruction State Grants	84.367	140-689585-2023-0101	--	45,425
Supporting Effective Instruction State Grants	84.367	140-000546-2024-0101	--	11,499
Student Support and Academic Enrichment Program	84.424	309-000548-2024-0101	--	1,600
COVID-19 - Education Stabilization Fund Elementary and Secondary School Emergency Relief	84.425	119-579644-2022-0101	--	474,558
COVID-19 - Education Stabilization Fund Elementary and Secondary School Emergency Relief	84.425	344-794732-2024-0101	--	67,016
Total U.S. Department of Education			--	2,129,140
U.S. Department of Homeland Security				
Passed through Massachusetts Emergency Management Agency:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Unknown	--	18,303
Assistance to Firefighters Grant	97.044	Unknown	--	742,702
Total U.S. Department of Homeland Security			--	761,005
U.S. Department of Justice				
Direct Federal Program				
Federal Equitable Sharing	16.922	Unkown	--	31,111
Total Expenditures of Federal Awards			\$ --	\$ 6,336,972

See notes to schedule of expenditures of federal awards.

TOWN OF FRANKLIN, MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal award activity of the Town of Franklin, Massachusetts under programs of the federal government for the year ended June 30, 2024. 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 Franklin, Massachusetts, it is not intended to and does not present the financial position, changes in net position/fund balance, or cash flows of the Town of Franklin.

NOTE 2 – 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.

Expenditures awarded from the Federal Emergency Management Agency (FEMA), must be presented on the Schedule when 1) FEMA has approved the Town’s project worksheet (PW) and 2) the Town has incurred eligible expenditures. The \$18,303 reported for the Disaster Grants – Public Assistance (Presidentially Declared Disasters), ALN 97.036, represents expenditures incurred in prior years that were approved by FEMA during fiscal year 2024.

NOTE 3 – SCHOOL LUNCH COMMODITIES

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

NOTE 4 – DE MINIMIS COST RATE

The Town has elected not to use the 10-percent de Minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

NOTE 5 – SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the Town did not provide federal awards to subrecipients

TOWN OF FRANKLIN, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

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 Opinion

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified not considered to be material weaknesses?

_____ Yes X None Reported

Non-compliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal award programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified not considered to be material weakness(es)?

_____ Yes X None reported

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

Unmodified Opinion

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

_____ Yes X No

Identification of Major Federal Programs:

Assistance Listing Number

Name of Federal Program or Cluster

21.027

Coronavirus State and Local Fiscal Recovery Funds

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

\$750,000

Auditee qualified as low risk auditee?

 X Yes _____ No

TOWN OF FRANKLIN, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

SECTION II FINDINGS – RELATED TO AUDIT OF FINANCIAL STATEMENTS

CURRENT YEAR FINDINGS:

None reported.

SECTION III FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

CURRENT YEAR FINDINGS:

None reported.

TOWN OF FRANKLIN, MASSACHUSETTS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

Prior Year Findings:

None reported

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Prior Year Findings:

2023-001 ***Improve Time and Effort Documentation***

Federal Agency: U.S. Department of Education
Cluster/Program: Special Education Cluster
Award Name: Special Education Grants to States
AL Number(s): 84.027/84.173
Award Year: 2023
Compliance Requirement: Allowable Costs/Cost Principles

Type of Finding

Compliance
Internal Control over Compliance – Significant Deficiency

Criteria

Grantees must provide reasonable assurance that Federal awards are expended only for allowable activities and that the costs of goods and services charged to Federal awards are allowable and in accordance with the applicable cost principles. An employee whose salary is paid in part from federal grant funds and in part from other revenue sources must maintain time and effort distribution records, such as activity reports or timesheets, that document the portion of time spent working on tasks related to the federal grant program and time spent on programs supported by the other revenue sources. Management 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.

TOWN OF FRANKLIN, MASSACHUSETTS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2023

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Prior Year Findings (Continued):

Condition

As a result of our testing, we determined that time and effort semiannual certifications for salaried individuals paid from federal grant funds and in part from other revenue sources for the period under audit were not properly approved. There were also some employees whose time and effort documentation were not maintained.

Cause of Condition

Weaknesses in the design and operations of controls.

Potential Effect of Condition

Time and effort documentation did not meet federal requirements. There is a risk that amounts charged to federal awards may not be allowable or in accordance with applicable costs principles.

Questioned Costs

Due to the condition noted, we were unable to determine if payroll costs charged to the applicable grants are allowable.

<u>AL</u> <u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Questioned</u> <u>Costs</u>
84.027/84.173	Special Education Cluster	Unknown

Current Status: Remediated