

CITY OF ATTLEBORO, MASSACHUSETTS

SINGLE AUDIT REPORT

Year Ended June 30, 2015

CITY OF ATTLEBORO, MASSACHUSETTS

June 30, 2015

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To the Honorable Mayor and Members of the City Council
City of Attleboro
Attleboro, Massachusetts

**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Attleboro, Massachusetts ("the City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 25, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 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*.

Continued

City of Attleboro, Massachusetts

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.

Hague, Sahady & Co. PC

Hague, Sahady & Co., P.C.

Fall River, Massachusetts
March 25, 2016

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To the Honorable Mayor and Members of the City Council
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 Attleboro, Massachusetts

Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133

Report on Compliance for Each Major Federal Program

We have audited the City of Attleboro, Massachusetts’s (“the City’s”) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of the City’s major federal programs for the year ended June 30, 2015. The City’s 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 City’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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City’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 City’s compliance.

Basis for Qualified Opinion on the Community Development Block Grant - Entitlement Cluster

As described in Finding 2007-004 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the following:

Findings #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2007-004	14.218	Community Development Block Grant - Entitlement Cluster	Cash Management

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

Qualified Opinion on the Community Development Block Grant - Entitlement Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Community Development Block Grant - Entitlement Cluster for the year ended June 30, 2015.

Basis for Qualified Opinion on the Child Nutrition Cluster

As described in Finding 2013-003 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the following:

Findings #	CFDA #s	Program (or Cluster) Name	Compliance Requirement
2013-003	10.553, 10.555	Child Nutrition Cluster	Allowable Costs

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

Qualified Opinion on the Child Nutrition Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the year ended June 30, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City 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 auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City’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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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 were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

Report on Internal Control over Compliance (Continued)

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items (Findings Reference Numbers) 2013-003 and 2007-004 to be material weaknesses.

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.

The City’s response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City’s response was not subjected to the 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Attleboro, Massachusetts (“the City”), as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the City’s basic financial statements for the year then ended, and have issued our report thereon dated March 25, 2016, which contained an unmodified opinion 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 purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 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 financial statements or to the 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 Expenditure of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.



Hague, Sahady & Co., P.C.

Fall River, Massachusetts
March 25, 2016

CITY OF ATTLEBORO, MASSACHUSETTS

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program / Award Amount	Disbursements Expenditures	Major
<i>US Department of Agriculture:</i>					
<i>Passed through MA Dept. of Early & Secondary Education:</i>					
<i>Child Nutrition Cluster:</i>					
School Breakfast Program	10.553	DOENUT	\$ 177,904	\$ 177,904	
School Lunch Program	10.555	DOENUT	1,763,369	<u>1,763,369</u>	
Total Child Nutrition Cluster:				<u>1,941,273</u>	MAJOR
<i>Total US Department of Agriculture</i>				<u>\$ 1,941,273</u>	
<i>US Department of Housing and Urban Development :</i>					
<i>US Department of Housing and Urban Development (direct):</i>					
<i>CDBG Entitlement Grants Cluster:</i>					
Community Development Block Grant-FY14	14.218	B-13-MC-25-0030	393,644	207,678	
Community Development Block Grant-FY15	14.218	B-14-MC-25-0030	404,142	<u>139,152</u>	
Total US Dept Housing and Urban Development (direct):				<u>346,830</u>	MAJOR
<i>Total US Department of Housing and Urban Development</i>				<u>\$ 346,830</u>	
<i>US Department of Justice:</i>					
<i>US Department of Justice (direct):</i>					
DEA Overtime 2014	16.000	Unknown	17,202	355	
DEA Overtime 2015	16.000	Unknown	17,374	15,756	
Byrne Memorial Justice Assistance Grant	16.738	2012-DJ-BX-1000	9,886	2,501	
Federal Forfeiture	16.922	MA-0030200	115,493	<u>132,380</u>	
Total US Department of Justice (Direct):				<u>150,992</u>	
<i>Passed Through MA Executive Office of Public Safety and Security:</i>					
Bullet Resistant Vest	16.607	15-0404-0-1754	34,190	7,950	
Emergency Management Performance	97.042	EMPG FFY 2013-2014	28,435	<u>28,434</u>	
Total Passed Through MA Executive Office of Public Safety and Security:				<u>36,384</u>	
<i>Total US Department of Justice</i>				<u>\$ 187,376</u>	

The accompanying notes are an integral part of this schedule

CITY OF ATTLEBORO, MASSACHUSETTS

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program / Award Amount	Disbursements Expenditures	Major
<i>US Institute of Museum and Library Sciences:</i>					
<i>Passed Through Arts Midwest:</i>					
Big Read FY15	45.024	FY15-236156	\$ 10,300	\$ 10,300	
Total Passed Through Arts Midwest:				<u>10,300</u>	
<i>Passed through the Mass Board of Library Commissioners Agency:</i>					
Community Languages - LSTA	45.310	14.01.01	10,000	5,503	
Customer Experience - LSTA	45.310	7000-9702	10,000	<u>6,958</u>	
Total Passed Through the Mass Board of Library Commissioners Agency:				<u>12,461</u>	
<i>Total US Institute of Museum and Library Sciences</i>				<u>22,761</u>	
<i>US Department of Education:</i>					
<i>Passed through MA Dept of Early & Secondary Education:</i>					
Title I, Part A Cluster:					
Title 1 - 305 Distributions FY15	84.010	305-057312-2015-0016	901,654	774,511	
Title 1 - 305 Distributions FY14	84.010	305-018015-2014-0016	867,550	<u>85,807</u>	
Total Title 1, Part A Cluster:				<u>860,318</u>	MAJOR
Special Education Cluster (IDEA):					
SPED 94-142 TRANSITION / TYDINGS	84.027	240-396-4-0016-0	26,478	11,165	
SPED 94-142 ALLOCATION FY15	84.027	240-215-5-0016-P	1,597,932	1,431,263	
SPED 94-142 ALLOCATION FY14	84.027	240-271-4-0016-0	1,547,427	44,517	
SPED Program Improvement - FY15	84.027	274-126-5-0016-P	47,130	35,798	
SPED Program Improvement - FY14	84.027	274-055-4-0016-0	25,379	1	
SPED EARLY CHILDHOOD FY15	84.173	262	59,501	53,985	
SPED Early Childhood FY14	84.173	262-ECSPED-EEC	57,612	1,027	
SPED EARLY CHILDHOOD / TYDINGS FY15	84.173	26214TYD15ATTLEBOROP	2,768	2,768	
SPED Early Childhood FY14 / TYDINGS FY14	84.173	26213TYD14ATTLEBORO	15,192	<u>7,294</u>	
Total Special Education Cluster (IDEA)				<u>\$ 1,587,818</u>	

The accompanying notes are an integral part of this schedule

CITY OF ATTLEBORO, MASSACHUSETTS

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program / Award Amount	Disbursements Expenditures	Major
<i>US Department of Education (continued):</i>					
<i>Passed through MA Dept of Early & Secondary Education (continued):</i>					
Career Guidance FY15	84.048	400-001-5-0016-P	\$ 65,152	\$ 55,670	
Career Guidance FY14	84.048	400-015-4-0016-0	63,233	5,139	
New Perkins / Technology	84.048	409-015-0016-0	41,766	72	
MTSS Partnership	84.323	246-004-5-0016-P	41,333	20,795	
Mass Grad Implementation - FY15	84.360	1176ATTLEBOROMASSGRAD	90,236	87,380	
Mass Grad Implementation - FY14	84.360	Unknown	87,500	1,277	
LEP Support FY15	84.365	180-039-5-0016-P	81,346	3,601	
LEP Support FY14	84.365	180-042-4-0016-0	22,854	15,080	
LEP Support Carry-Over FY14	84.365	180-043-4-0016-0	9,981	3,822	
LEP Support Carry-Over FY15	84.365	180-063-5-0016-P	44,753	35,403	
Teacher Quality FY15	84.367	140-055825-2015-0016	209,805	187,095	
Teacher Quality FY14	84.367	140-028810-2014-0016	212,665	10,755	
Human Resources Pilot Project (Race to the Top) - FY14	84.395	205-003-4-0016-0	140,000	52,214	
Total Passed through MA Dept of Early & Secondary Education (Continued)				<u>478,303</u>	
Total US Department of Early & Secondary Education				<u>2,926,439</u>	
<i>US Department of Health & Human Services:</i>					
<i>Passed Through the Massachusetts Executive Office of Elder Affairs:</i>					
Council on Aging Shine FY15	93.779	RFR-2013-03	94,107	89,178	
Total Passed Through the Mass Executive Office of Elder Affairs:				<u>89,178</u>	
<i>Passed through the Mass Dept of Health and Human Services:</i>					
Fire FEMA DPH (MDU) - FY13	93.889	U3REPO90238-03-00	2,000	1,139	
Total Passed through the Mass Dept of Health and Human Services:				<u>1,139</u>	
Total U.S. Department of Health & Human Services				<u>90,317</u>	
<i>US Department of Homeland Security (direct):</i>					
Emergency Management Blizzard (FEMA)	97.036	FEMA-4214-DR-MA	312,597	312,597	MAJOR
Assistance to Firefighters	97.044	EMW-2013-FO-05962	141,984	139,169	
		FFY11 & FFY12 DHS Grant			
SRAC Technical Rescue Teams	97.067	Funds	1,678	1,678	
Treasury Law Enforcement Agency - World Cup	Unknown	Unknown	2,736	2,736	
Total US Department of Homeland Security:				<u>456,180</u>	
Total Expenditures of Federal Awards		The accompanying notes are an integral part of this schedule		<u>\$ 5,971,176</u>	

CITY OF ATTLEBORO, MASSACHUSETTS

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2015

Note 1. Definition of Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards presents activity of all financial assistance programs of the City of Attleboro, Massachusetts. All federal financial assistance received directly from a federal agencies as well as federal financial assistance passed through other governmental agencies is included on this schedule.

Note 2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Attleboro, Massachusetts and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 3. Major Programs

The City’s independent auditors have used a risk-based approach to determine which federal programs are “major programs” in accordance with OMB Circular A-133, Subpart E, Section 520. This risk-based approach includes consideration of current and prior audit experience, oversight by Federal Agencies and pass-through entities, the inherent risk of the Federal program, as well as other considerations. The process in paragraphs (b) through (i) of Section 520 govern auditor major program determination. Section 520(h) states “when major program determination was performed and documented in accordance with this part, the auditor’s judgment in applying the risk-based approach to determine major programs shall be presumed correct.”

The City has no responsibility to determine major programs. Our responsibilities are summarized within OMB Circular A-133, Subpart C, Section 300 “Auditee Responsibilities”.

Note 4. Subrecipients

Of the Federal expenditures presented in the schedule, City of Attleboro, Massachusetts provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>C DFA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant - Entitlement Grant Cluster	14.218	\$ 60,333

Note 5. Program Income

Of the Federal expenditures and award amounts presented in the Schedule of Expenditures of Federal Awards, the City included \$824,883 of program income for the Child Nutrition Cluster within the “award amount” column. Additionally, \$29,999 and \$12,984 were included in the “award amount” within the CDBG Entitlement Grant Cluster and the Neighborhood Stabilization Program (respectively) that represent program income generated by these programs during fiscal year 2015.

Note 6. Loan Transactions

Included in the Schedule of Expenditures of Federal Awards for the Community Development Block Grant (CDBG) were new loans totaling \$21,146 for the year ended June 30, 2015. As of June 30, 2015 the loan receivables for CDBG totaled \$1,300,014. As of June 30, 2015, the loan receivables for NSP totaled \$232,535 and no new loans were issued.

CITY OF ATTLEBORO, MASSACHUSETTS

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2015

Note 7. Non-Cash Assistance

Included within the expenditures of the Child Nutrition Cluster in the Schedule of Expenditures of Federal Awards is \$7,972 of USDA donated agricultural commodities that the City received during fiscal year 2015.

Note 8. Program Cluster

In accordance with Subpart A, Section 105 of OMB Circular No. A-133, *Audits of States, Local Governments and Non-Profit Organizations*, certain programs have been clustered in determining major programs. The following represent the cluster programs:

National School Lunch Cluster

School Breakfast Program	10.553
School Lunch Program	10.555

Special Education Cluster (IDEA)

Special Education Grants to States	84.027
Special Education Preschool Grants	84.173

CITY OF ATTLEBORO, MASSACHUSETTS

Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

Summary of Audit Results

Financial Statements:

We have audited the financial statements of the City of Attleboro, Massachusetts, as of and for the year ended June 30, 2015 and have issued our reports thereon dated March 25, 2016. We conducted our audit 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 with the requirements of the *U.S. Office of Management and Budget (OMB) Circular A-133*. The results of our audit are as follows:

Type of Report issued on the Financial Statements	Unmodified
Internal Control over Financial Reporting:	
Significant Deficiencies Identified?	None Reported
Material Weaknesses Identified?	No
Noncompliance Material to the Financial Statements Noted?	No

Federal Awards

Internal Control over Major Programs:	
Significant Deficiencies Identified?	No
Material Weaknesses Identified?	Yes
Type of Report on Compliance for Major Programs:	
Child Nutrition Cluster (CFDA 10.553 and 10.555)	Qualified
CDBG Entitlement Grant Cluster (CFDA 14.218)	Qualified
Title I (CFDA 84.010)	Unmodified
Disaster Grants - Public Assistance (FEMA Snow) (CFDA 97.036)	Unmodified
Disclosure of Audit Findings required to be reported under Section .510(a) Of OMB Circular A-133:	Yes

Identification of Major Programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Child Nutrition Cluster	10.553 and 10.555
CDBG Entitlement Grant Cluster	14.218
Title I	84.010
Disaster Grants - Public Assistance (FEMA Snow)	97.036

Threshold for distinguishing Type A and Type B Programs was \$300,000.

The City of Attleboro, Massachusetts does not qualify as a low risk auditee.

CITY OF ATTLEBORO, MASSACHUSETTS

Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

Findings - Financial Statement Audit:

NONE

Findings and Questioned Costs for Federal Awards:

Reference Number	Finding	Questioned Costs
2013-003	The City/School Department Failed To Obtain Payroll Certifications For Employees Who Work Solely For A Single Federal Program	NONE

Information on the Federal Programs:

United States Department of Agriculture, passed through Massachusetts Department of Elementary and Secondary Education - Child Nutrition Cluster
CFDA Nos. 10.553 & 10.555; Grant ID- DOENUT; Grant Period Ending Fiscal Year End 2015.

Condition:

The City and School Department do not have on file the signed semi-annual certifications which are required for all employees who work solely on a single Federal award.

Criteria:

OMB Circular A-87, Attachment B(h) states ...(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

Cause:

Management was unaware of this requirement.

Effect:

The potential exists that employees could have been charged to the Attleboro School District's federal award who did not devote 100% of their time to Attleboro's award program

Isolated Instance or Systemic Problem:

This appears to be a systematic problem as the controls over this compliance requirement are weak/lacking. This comment was repeated from the 2013 and 2014 single audit reports.

Response and Corrective Action Plan:

The City of Attleboro School Department completes the semi-annual certifications for all City and school employees who work solely on a single Federal award. The City of Attleboro school lunch program does not have employees of the District but rather has a food service vendor that employs individuals. The District did not understand that an obligation to have the employees of the vendor complete the semi-annual certification is a requirement as the City's interpretation of the A-87 was limited to its employees. The Attleboro School District will have the semi-annual certification requirement for employees of the food service vendor completed beginning in June of 2016.

CITY OF ATTLEBORO, MASSACHUSETTS

Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

Findings and Questioned Costs for Federal Awards (continued):

<u>Reference Number</u>	<u>Finding</u>	<u>Questioned Costs</u>
2007-004	The National Objective of Benefitting Low-and-Moderate-Income Persons May Not Have Been Met for the Technical Assistance / Economic Development Projects	\$183,120 2006 Funding

Information on the Federal Programs:

Department of Housing and Urban Development (Direct Funding), Community Development Block Grant - CFDA No. 14.218. Grant Period: Year Ended June 30, 2015

Condition:

The national objective of benefiting low-and-moderate-income persons through job creation was not satisfied for the technical assistance/economic development funds provided to the Attleboro Redevelopment Authority (ARA) in accordance with 24 CFR Section 570.208(a)(4)(i) per review of the Integrated Disbursement and Information System (IDIS) PR02 reports.

Per review of the IDIS PR02 report, the plan year 2006 IDIS Project # 14, Activity ID # 243 for the "ARA – Industrial Business Park (IBP)" is indicated to be "open" and fully drawn in the amount of \$189,119.35.

Criteria:

In accordance with 24 CFR 570.208 (a)(4)(i) "for an activity that creates jobs, the recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and-moderate-income persons."

The required number of jobs has *not* been created to ensure that the national objectives were met.

Cause:

Project completion issues with the Industrial Business Park.

Effect:

The national objective of benefiting low-and-moderate income persons through job creation was not met. There was a lack of documentation on file to prove that the jobs that were created met the requirements under Housing and Urban Development regulations. As a result, the potential exists that the two projects indicated above could be subject to recapture if subject to an OIG Audit of the IDIS Community Development Block Grant Program at the City of Attleboro, Massachusetts.

Recommendation:

It is recommended that documentation and evidence be produced and held on file in the Community Development Office that proves that the national objective of benefiting low-and-moderate-income persons through job creation was met for the technical assistance grants, or an alternative use of local funds which is approved by HUD.

CITY OF ATTLEBORO, MASSACHUSETTS

Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

Findings and Questioned Costs for Federal Awards (continued):

<u>Reference Number</u>	<u>Finding</u>	<u>Questioned Costs</u>
2007-004	The National Objective of Benefitting Low-and-Moderate-Income Persons May Not Have Been Met for the Technical Assistance / Economic Development Projects	\$183,120 2006 Funding

Response and Corrective Action Plan:

In March of 2015, the Office of Community Development (OCD) proposed an alternative activity to the Department of Housing and Urban Development (HUD) as a form of remediation. This activity would change the national objective from job creating to the removal of architectural barriers to a presumed benefit limited clientele. HUD accepted the alternate activity and activity number 391 labeled Briggs- Phase II Park and Emory Street Sidewalk Accessibility was created in the federal reporting system. As invoice are paid through the Department of Public works, the OCD reassigned expenses from Activity 243 to 391. To date, said activity has "draw" \$110,981.10. It is anticipated that the remaining balance of \$72,138.25 will be reassigned and activity #243 marked as canceled prior to the end of the existing fiscal year (June 30, 2016).

CITY OF ATTLEBORO, MASSACHUSETTS

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2015

Findings and Questioned Costs for Financial Statements Which are Required to be Reported Over Major Federal Programs:

Finding 2014-001: Reporting requirements were not satisfied due to inaccurate submission of the final Standard Form 425 (SF-425).

Information on the Federal Programs: Department of Housing and Urban Development (direct funding), Community Development Block Grant - CFDA No. 14.218. Grant Period: Year Ended June 30, 2014

Condition: In accordance with 24 CFR 85.41(b), "Grantees will use the FFR to report the status of funds for all non-construction grants, for construction grants or grants which include both construction and non-construction activities as determined by HUD."

Per line 13 on the Federal Financial Report, "I [the grantee] verify to the best of my knowledge and belief that the report is true, complete and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the awarding documents."

Recommendation: In accordance with 24 CFR 85.41(b), "Grantees will use the FFR to report the status of funds for all non-construction grants, for construction grants or grants which include both construction and non-construction activities as determined by HUD."

Per line 13 on the Federal Financial Report, "I [the grantee] verify to the best of my knowledge and belief that the report is true, complete and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the awarding documents."

Current Status: This finding was resolved in the current year.

CITY OF ATTLEBORO, MASSACHUSETTS

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2015

Findings and Questioned Costs for Financial Statements Which are Required to be Reported Over Major Federal Programs (Continued):

Finding 2013-003: The City/School Department Failed to Obtain Payroll Certifications for Employees Who Work Solely for a Single Federal Program

Information on the Federal Programs:

US Department of Agriculture, passed through Massachusetts Department of Elementary and Secondary Education – Child Nutrition Cluster CFDA No. 10.553 & 10.555; Grant ID – DOENUT; Grant Period Ending Fiscal Year End 2013.

Condition: The City and School Department do not have on file the signed semi-annual certifications which are required for all employees who work solely on a single Federal award.

Recommendation: It was recommended that the City and School Department should develop a system to ensure that signed certifications are obtained from all employees who worked on a single Federal award at least semi-annually as well as reviewing OMB Circular A-87, Attachment B(h) to ensure compliance with the regulations.

Current Status: This finding was repeated in the current year.

Finding 2013-004: The City/School Department Failed to Complete Required Accuclaim On-Site Reviews

Information on the Federal Programs:

US Department of Agriculture, passed through Massachusetts Department of Elementary and Secondary Education – Child Nutrition Cluster CFDA No. 10.553 & 10.555; Grant ID – DOENUT; Grant Period Ending Fiscal Year End 2013.

Condition: The City/School Department did not complete required On-Site reviews required by federal regulation for districts/agencies with two or more schools/sites.

Recommendation: It was recommended that Accuclaim reviews should be completed by February 1 of each school year with the online summary report submitted to the DESE within 10 days. The Accuclaim report is located in the Security Portal under “Compliance”.

Current Status: This finding was resolved in the current year.

CITY OF ATTLEBORO, MASSACHUSETTS

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2015

Findings and Questioned Costs for Financial Statements Which are Required to be Reported Over Major Federal Programs (Continued):

Finding 2007-004: **The National Objective of Benefitting Low-and-Moderate-Income Persons may not Have Been Met for the Technical Assistance / Economic Development Projects**

Information on the Federal Programs: Department of Housing and Urban Development (direct funding), Community Development Block Grant - CFDA No. 14.218; Grant Period: Year Ended June 30, 2013

Condition: The national objective of benefitting low-and-moderate-income persons through job creation was not met for the technical assistance / economic development funds provided to the Attleboro Redevelopment Authority (ARA) in accordance with 24 CFR Section 570.208(a)(4)(i).

Recommendation: It was recommended that documentation and evidence be produced and held on file in the Community Development Office that proves that the national objective of benefitting low-and-moderate-income persons through job creation was met for the technical assistance grants. In addition, a comparison of the timeline and agreement established with the ARA should be periodically monitored to ensure compliance.

Current Status: This finding was modified in the current year.

Per review of the IDIS PR02 Report, the plan year 2006 IDIS Project #14, Activity ID #243 for the “ARA – Industrial Business Park (IBP)” is indicated to be “open” and fully drawn in the amount of \$189,119.35. Per discussion with the Director of Community Development, there is a plan in place to reconcile this finding. Attleboro has been approved to use Chapter 90 (DOT reimbursements) funding to enhance sidewalks throughout the city to be handicap accessible. This activity was considered to be IDIS activity #391 and will supplant activity #243 once completed. The potential still exists that this project could be subject to recapture if subject to an OIG Audit of the IDIS Community Development Block Grant Program at the City of Attleboro, Massachusetts, if the project is not completed, however, we consider that to be low risk.