

**CITY OF ATTLEBORO, MASSACHUSETTS**

**SINGLE AUDIT REPORT**

Year Ended June 30, 2016

**CITY OF ATTLEBORO, MASSACHUSETTS**

June 30, 2016

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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, 2016, 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 9, 2017.

### **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*

**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 9, 2017

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

## **Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by *Uniform Guidance***

### **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 Compliance Supplement* that could have direct and material effect on each of the City’s major federal programs for the year ended June 30, 2016. 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 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 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 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,<br>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, 2016.

***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, 2016.

**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 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 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.

*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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item (Findings Reference Numbers) 2013-003 to be a material weakness.

*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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by 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 City of Attleboro, Massachusetts (“the City”), as of and for the year ended June 30, 2016 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 9, 2017, 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 the Uniform Guidance 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 9, 2017

**CITY OF ATTLEBORO, MASSACHUSETTS**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

| <b>Federal Grantor/Pass-Through Grantor/Program Title</b>          | <b>Federal CFDA Number</b> | <b>Pass-Through Grantor's Number</b> | <b>Program / Award Amount</b>   | <b>Total Federal Awards Expended</b> | <b>Amount to Subrecipients</b> | <b>Major</b> |
|--|----------------------------|--------------------------------------|---------------------------------|--------------------------------------|--------------------------------|--------------|
| <i>US Department of Agriculture:</i>                               |                            |                                      |                                 |                                      |                                |              |
| <i>Passed through MA Dept. of Early &amp; Secondary Education:</i> |                            |                                      |                                 |                                      |                                |              |
| <i>Child Nutrition Cluster:</i>                                    |                            |                                      |                                 |                                      |                                |              |
| School Breakfast Program   | 10.553                     | DOENUT                               | \$ 201,920                      | \$ 201,920                           | \$ -                           |              |
|  |                            |                                      | Total School Breakfast Program: | 201,920                              | -                              |              |
| School Lunch Program   | 10.555                     | DOENUT                               | 1,712,141                       | 1,712,141                            | -                              |              |
|  |                            |                                      | Total School Lunch Program:     | 1,712,141                            | -                              |              |
| Total Child Nutrition Cluster:                                     |                            |                                      |                                 | 1,914,061                            | -                              | <b>MAJOR</b> |
| <b>Total US Department of Agriculture</b>                          |                            |                                      |                                 | \$ 1,914,061                         | \$ -                           |              |
| <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-FY15                             | 14.218                     | B-14-MC-25-0030                      | 404,142                         | 304,404                              | -                              |              |
| Community Development Block Grant-FY16                             | 14.218                     | B-15-MC-25-0030                      | 374,286                         | 270,377                              | 210,592                        |              |
| Total US Dept Housing and Urban Development (direct):              |                            |                                      |                                 | 574,781                              | 210,592                        |              |
| <b>Total US Department of Housing and Urban Development</b>        |                            |                                      |                                 | \$ 574,781                           | \$ 210,592                     |              |

The accompanying notes are an integral part of this schedule



**CITY OF ATTLEBORO, MASSACHUSETTS**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

| <b>Federal Grantor/Pass-Through Grantor/Program Title</b>                | <b>Federal CFDA Number</b> | <b>Pass-Through Grantor's Number</b> | <b>Program / Award Amount</b> | <b>Total Federal Awards Expended</b> | <b>Amount to Subrecipients</b> | <b>Major</b> |
|--|----------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------|--------------|
| <i>US Department of Justice:</i>   |                            |                                      |                               |                                      |                                |              |
| <i>US Department of Justice (direct):</i>                                |                            |                                      |                               |                                      |                                |              |
| DEA Overtime 2016  | <b>16.000</b>              | Unknown                              | 17,548                        | 16,195                               | -                              |              |
| DEA Overtime 2015  | <b>16.000</b>              | Unknown                              | 17,374                        | 1,619                                | -                              |              |
|  |                            | Total DEA Overtime Program:          |                               | <u>17,814</u>                        | <u>-</u>                       |              |
| Byrne Memorial Justice Assistance Grant                                  | <b>16.738</b>              | 2015-DJ-BX-1000                      | 9,886                         | 7,202                                | -                              |              |
|  |                            | Total Bryne Memorial Program:        |                               | <u>7,202</u>                         | <u>-</u>                       |              |
| Federal Forfeiture   | <b>16.922</b>              | MA-0030200                           | 14,467                        | 14,467                               | -                              |              |
|  |                            | Total Federal Forfeiture Program:    |                               | <u>14,467</u>                        | <u>-</u>                       |              |
| Total US Department of Justice (Direct):                                 |                            |                                      |                               | <u>39,483</u>                        | <u>-</u>                       |              |
| <i>Passed Through MA Executive Office of Public Safety and Security:</i> |                            |                                      |                               |                                      |                                |              |
| Bullet Resistant Vest  | <b>16.607</b>              | 15-0404-0-1754                       | 17,095                        | 17,095                               | -                              |              |
| Total Passed Through MA Executive Office of Public Safety and Security:  |                            |                                      |                               | <u>17,095</u>                        | <u>-</u>                       |              |
| <i>Total US Department of Justice</i>                                    |                            |                                      |                               | <u>\$ 56,578</u>                     | <u>\$ -</u>                    |              |

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**CITY OF ATTLEBORO, MASSACHUSETTS**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

| <b>Federal Grantor/Pass-Through Grantor/Program Title</b>                | <b>Federal CFDA Number</b> | <b>Pass-Through Grantor's Number</b>              | <b>Program / Award Amount</b> | <b>Total Federal Awards Expended</b> | <b>Amount to Subrecipients</b> | <b>Major</b> |
|--|----------------------------|---|-------------------------------|--------------------------------------|--------------------------------|--------------|
| <i>US Department of Transportation:</i>                                  |                            |   |                               |                                      |                                |              |
| <i>Passed Through MA Executive Office of Public Safety and Security:</i> |                            |   |                               |                                      |                                |              |
| GHSB - Traffic Enforcement - Distracted Driving - FFY16                  | <b>20.600</b>              | 18X9204020MA15                                    | 3,000                         | 2,951                                | -                              |              |
| Pedestrian & Bicycle Equipment/Enforcement - FFY15                       | <b>20.600</b>              |   | 4,995                         | 3,326                                | -                              |              |
| Pedestrian & Bicycle Equipment/Enforcement - FFY16                       | <b>20.600</b>              | 18X9204020MA15                                    | 4,984                         | 1,134                                | -                              |              |
|  |                            | Total State and Community Highway Safety Program: |                               | <u>7,411</u>                         | <u>-</u>                       |              |
| GHSB - Traffic Enforcement - Drive Sober or Get Pulled Over - FFY15      | <b>20.616</b>              | 18X9204020DMA15                                   | 3,000                         | 2,986                                | -                              |              |
| GHSB - Traffic Enforcement - Drive Sober or Get Pulled Over - FFY16      | <b>20.616</b>              | 18X9204020DMA15                                   | 6,000                         | 2,986                                | -                              |              |
| GHSB - Traffic Enforcement - Click It or Ticket - FFY16                  | <b>20.616</b>              | 18X9204020BMA15                                   | 3,000                         | 2,951                                | -                              |              |
| Underage Alcohol Enforcement - FFY15                                     | <b>20.616</b>              | 18X9204020DMA15                                   | 10,000                        | 2,608                                | -                              |              |
| Underage Alcohol Enforcement - FFY16                                     | <b>20.616</b>              | 18X9204020DMA15                                   | 9,980                         | 5,917                                | -                              |              |
|  |                            | Total National Priority Safety Program:           |                               | <u>17,448</u>                        | <u>-</u>                       |              |
| Total Passed Through MA Executive Office of Public Safety and Security:  |                            |   |                               | <u>24,859</u>                        | <u>-</u>                       |              |
| <b>Total US Department of Transportation</b>                             |                            |   |                               | <u>\$ 24,859</u>                     | <u>\$ -</u>                    |              |
| <i>US Institute of Museum and Library Sciences:</i>                      |                            |   |                               |                                      |                                |              |
| <i>Passed Through Arts Midwest:</i>                                      |                            |   |                               |                                      |                                |              |
| Big Read FY15  | <b>45.024</b>              | FY15-2162   | \$ 10,000                     | <u>\$ 10,000</u>                     | <u>\$ -</u>                    |              |
| Total Passed Through Arts Midwest:                                       |                            |   |                               | <u>10,000</u>                        | <u>-</u>                       |              |
| <i>Passed through the Mass Board of Library Commissioners Agency:</i>    |                            |   |                               |                                      |                                |              |
| Customer Experience - LSTA   | <b>45.310</b>              | 7000-9702   | 10,000                        | 3,042                                | -                              |              |
| LSTA Teen/Tween  | <b>45.310</b>              | 7000-9702   | 15,000                        | 4,219                                | -                              |              |
| Total Passed Through the Mass Board of Library Commissioners Agency:     |                            |   |                               | <u>7,261</u>                         | <u>-</u>                       |              |
| <b>Total US Institute of Museum and Library Sciences</b>                 |                            |   |                               | <u>\$ 17,261</u>                     | <u>\$ -</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, 2016

| <b>Federal Grantor/Pass-Through Grantor/Program Title</b>               | <b>Federal CFDA Number</b> | <b>Pass-Through Grantor's Number</b>    | <b>Program / Award Amount</b> | <b>Total Federal Awards Expended</b> | <b>Amount to Subrecipients</b> | <b>Major</b> |
|---|----------------------------|---|-------------------------------|--------------------------------------|--------------------------------|--------------|
| <i>US Department of Education:</i>                                      |                            |   |                               |                                      |                                |              |
| <i>Passed through MA Dept of Early &amp; Secondary Education:</i>       |                            |   |                               |                                      |                                |              |
| Title I, Part A Cluster:  |                            |   |                               |                                      |                                |              |
| Title 1 - 305 Distributions FY15  | <b>84.010</b>              | 305-057312-2015-0016                    | 901,654                       | 90,264                               | -                              |              |
| Title 1 - 305 Distributions FY16  | <b>84.010</b>              | 305-069153-2016-0016                    | 987,868                       | <u>830,209</u>                       | -                              |              |
| Total Title 1, Part A Cluster:  |                            |   |                               | <u>920,473</u>                       | -                              |              |
| Special Education Cluster (IDEA):                                       |                            |   |                               |                                      |                                |              |
| SPED 94-142 ALLOCATION FY15   | <b>84.027</b>              | 240-215-5-0016-P                        | 1,597,932                     | 96,547                               | -                              |              |
| SPED 94-142 ALLOCATION FY16   | <b>84.027</b>              | 240-193-4-0016-Q                        | 1,591,389                     | 1,612,663                            | -                              |              |
| SPED Program Improvement - FY15   | <b>84.027</b>              | 274-126-5-0016-P                        | 47,130                        | 11,332                               | -                              |              |
| SPED Program Improvement - FY16   | <b>84.027</b>              | 274-197-6-0016-Q                        | 47,527                        | <u>3,387</u>                         | -                              |              |
|   |                            | Total SPED 94-142 Program:              |                               | <u>1,723,929</u>                     | -                              |              |
| SPED EARLY CHILDHOOD FY16   | <b>84.173</b>              | 262                                     | 59,452                        | 57,251                               | -                              |              |
| SPED EARLY CHILDHOOD / TYDINGS FY16                                     | <b>84.173</b>              | 26216TYD15ATTLEBOROP                    | 3,892                         | 3,892                                | -                              |              |
| SPED EARLY CHILDHOOD FY16   | <b>84.173</b>              | 298-868-6-0016-Q                        | 5,320                         | <u>5,320</u>                         | -                              |              |
|   |                            | Total SPED Early Childhood Program:     |                               | <u>66,463</u>                        | -                              |              |
| Total Special Education Cluster (IDEA)                                  |                            |   |                               | <u>\$ 1,790,392</u>                  | <u>\$ -</u>                    | <b>MAJOR</b> |
| Career Guidance FY15  | <b>84.048</b>              | 400-001-5-0016-P                        | \$ 65,152                     | \$ 8,588                             | \$ -                           |              |
| Career Guidance FY16  | <b>84.048</b>              | 400-017-6-0016-Q                        | 64,642                        | 58,990                               | -                              |              |
| Vocational SPED Leadership  | <b>84.048</b>              | 420-038-6-0016-Q                        | 11,425                        | <u>11,425</u>                        | -                              |              |
|   |                            | Total Career Guidance Program:          |                               | <u>79,003</u>                        | -                              |              |
| MTSS Partnership  | <b>84.323</b>              | 246-009-6-0016-Q                        | 51,220                        | <u>39,688</u>                        | -                              |              |
|   |                            | Total MTSS Partnership Program:         |                               | <u>39,688</u>                        | -                              |              |
| Mass Grad Implementation - FY15   | <b>84.360</b>              | 1176ATTLEBOROMASSGRAD                   | 90,236                        | <u>2,855</u>                         | -                              |              |
|   |                            | Total Mass Grad Implementation Program: |                               | <u>2,855</u>                         | -                              |              |
| LEP Support FY15  | <b>84.365</b>              | 180-039-5-0016-P                        | 42,135                        | 23,979                               | -                              |              |
| LEP Support FY16  | <b>84.365</b>              | 180-043-6-0016-Q                        | 74,190                        | 24,449                               | -                              |              |
| LEP Support Carry-Over FY16   | <b>84.365</b>              | 180-123-6-0016-Q                        | 41,372                        | 24,805                               | -                              |              |
| LEP Support Carry-Over FY15   | <b>84.365</b>              | 180-063-5-0016-P                        | 44,753                        | <u>2,244</u>                         | -                              |              |
|   |                            | Total LEP Support Program:              |                               | <u>75,477</u>                        | -                              |              |
| Teacher Quality FY15  | <b>84.367</b>              | 140-055825-2015-0016                    | 211,673                       | 11,775                               | -                              |              |
| Teacher Quality FY16  | <b>84.367</b>              | 140-073304-2016-0016                    | 211,608                       | <u>210,198</u>                       | -                              |              |
|   |                            | Total Teacher Quality Program:          |                               | <u>221,973</u>                       | -                              |              |
| Total Passed through MA Dept of Early & Secondary Education (Continued) |                            |   |                               | <u>3,129,861</u>                     | -                              |              |
| The accompanying notes are an integral part of this schedule            |                            |   |                               |                                      |                                |              |
| <b>Total US Department of Early &amp; Secondary Education</b>           |                            |   |                               | <u>\$ 3,129,861</u>                  | <u>\$ -</u>                    |              |

**CITY OF ATTLEBORO, MASSACHUSETTS**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

| <b>Federal Grantor/Pass-Through Grantor/Program Title</b>                  | <b>Federal CFDA Number</b> | <b>Pass-Through Grantor's Number</b>                | <b>Program / Award Amount</b> | <b>Total Federal Awards Expended</b> | <b>Amount to Subrecipients</b> | <b>Major</b> |
|--|----------------------------|---|-------------------------------|--------------------------------------|--------------------------------|--------------|
| <i>US Department of Health &amp; Human Services:</i>                       |                            |   |                               |                                      |                                |              |
| <i>Passed Through the Massachusetts Executive Office of Elder Affairs:</i> |                            |   |                               |                                      |                                |              |
| Council on Aging Shine FY16  | <b>93.779</b>              | RFR-2013-03   | 94,107                        | 90,749                               | -                              |              |
| Total Passed Through the Mass Executive Office of Elder Affairs:           |                            |   |                               | 90,749                               | -                              |              |
| <i>Passed through the Mass Dept of Health and Human Services:</i>          |                            |   |                               |                                      |                                |              |
| Fire FEMA DPH (MDU) - FY16   | <b>93.889</b>              | U3REPO90238-03-00                                   | 2,000                         | 361                                  | -                              |              |
| Fire FEMA DPH (MDU) - FY15   | <b>93.889</b>              | U3REPO90238-03-00                                   | 2,000                         | 392                                  | -                              |              |
| Total Passed through the Mass Dept of Health and Human Services:           |                            |   |                               | 753                                  | -                              |              |
| <b>Total U.S. Department of Health &amp; Human Services</b>                |                            |   |                               | \$ 91,502                            | \$ -                           |              |
| <i>US Department of Homeland Security (Direct):</i>                        |                            |   |                               |                                      |                                |              |
| Emergency Management Blizzard (FEMA)                                       | <b>97.036</b>              | FEMA-4214-DR-MA                                     | 11,259                        | 11,259                               | -                              |              |
|  |                            | Total Emergency Management Blizzard (FEMA) Program: |                               | 11,259                               | -                              |              |
| CERT - Community Emergency Response Team                                   | <b>97.067</b>              | 2014 SHSP CCP AGF                                   | 2,500                         | 2,485                                | -                              |              |
|  |                            | Total SRAC Technical Rescue Program:                |                               | 2,485                                | -                              |              |
| Total US Department of Homeland Security (Direct):                         |                            |   |                               | 13,744                               | -                              |              |
| <i>Passed Through MA Executive Office of Public Safety and Security:</i>   |                            |   |                               |                                      |                                |              |
| Emergency Management Performance   | <b>97.042</b>              | EMPG FFY 2015                                       | 14,460                        | 14,460                               | -                              |              |
|  |                            | Total Emergency Management Performance Program:     |                               | 14,460                               | -                              |              |
| Total Passed Through MA Executive Office of Public Safety and Security:    |                            |   |                               | 14,460                               | -                              |              |
| <b>Total US Department of Homeland Security:</b>                           |                            |   |                               | \$ 28,204                            | \$ -                           |              |
| <b>Total Amount Provided to Subrecipients</b>                              |                            |   |                               |                                      | <b>\$ 210,592</b>              |              |
| <b>Total Expenditures of Federal Awards</b>                                |                            |   |                               | <b>\$ 5,837,107</b>                  |                                |              |

The accompanying notes are an integral part of this schedule

**CITY OF ATTLEBORO, MASSACHUSETTS**

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

**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 agency 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 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Subpart F, Section 510(b).

**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 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Subpart F, Section 518. 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 518 govern auditor major program determination. Section 518(h) states “when the major program determination was performed and documented in accordance with this Subpart, the auditor’s judgment in applying the risk-based approach to determine major programs must be presumed correct.”

The City has no responsibility to determine major programs. Our responsibilities are summarized within 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Subpart F, Sections 508 to 512.

**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<br/>Number</u> | <u>Amount Provided to<br/>Subrecipients</u> |
|--|-------------------------|---|
| Community Development Block Grant<br>- Entitlement Grant Cluster | 14.218                  | \$ 210,592                                  |

**Note 5. Program Income**

Of the Federal expenditures and award amounts presented in the Schedule of Expenditures of Federal Awards, the City included \$851,620 of program income for the Child Nutrition Cluster within the “award amount” column. Additionally, \$36,747 and \$125,630 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 2016.

**Note 6. Loan Transactions**

Included in the Schedule of Expenditures of Federal Awards for the Community Development Block Grant (CDBG) were new loans totaling \$210,592 for the year ended June 30, 2016. As of June 30, 2016 the loan receivables for CDBG totaled \$1,412,656. As of June 30, 2016, the loan receivables for NSP totaled \$1,030,057 and \$923,152 of new loans were recorded.

**CITY OF ATTLEBORO, MASSACHUSETTS**

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

**Note 7. Non-Cash Assistance**

Included within the expenditures of the Child Nutrition Cluster in the Schedule of Expenditures of Federal Awards is \$8,844 of USDA donated agricultural commodities that the City received during fiscal year 2016.

**Note 8. Clusters of Programs**

In accordance with Subpart A, Section 200 of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 |

**Note 9. 10% De-Minimis Indirect Cost Rate**

The City did *not* elect to use the 10% de minimis indirect cost rate as covered in 2 CFR Part 200 Section 414 "Indirect (F&A) Costs".

**CITY OF ATTLEBORO, MASSACHUSETTS**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

**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, 2016 and have issued our reports thereon dated March 9, 2017. 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 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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) - <i>Type A</i>                              | Qualified  |
| Special Education Cluster (IDEA) (CFDA 84.027 & 84.173) - <i>Type A</i>                       | Unmodified |
| Disclosure of Audit Findings required to be reported under 2 CFR Part 200 Section 200.516(a): | 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  |
| Special Education Cluster (IDEA)          | 84.027 and 84.173  |

Threshold for distinguishing Type A and Type B Programs was \$750,000 (2 CFR 200 Section 518(b)(1)).

The City of Attleboro, Massachusetts does not qualify as a low risk auditee (2 CFR 200 Section 520).

**CITY OF ATTLEBORO, MASSACHUSETTS**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

**Findings - Financial Statement Audit:**

NONE

**Findings and Questioned Costs for Federal Awards:**

| <u>Reference Number</u> | <u>Finding</u>   | <u>Questioned Costs</u> |
|-------------------------|--|-------------------------|
| 2013-003                | <b>The City/School Department Failed to Obtain Payroll Certifications for Employees Who Work Solely for A Single Federal Program</b> | 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 2016.

**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:**

2 CFR Part 225, Appendix B 8(h)(3) states “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, 2014 and 2015 single audit reports.

**Repeat of a Finding in the Immediately Prior Audit (with Prior Year Audit Finding Number (where applicable)):**

Yes. This finding was presented in the immediately prior audit report as finding number 2013-003.

**Recommendation to Prevent Future Occurrence:**

It is recommended that the School Department develop a system to ensure that signed certifications are obtained from all employees who worked on a single Federal award at least semi-annually.

**Response and Corrective Action Plan:**

The district has developed the attached form that the district’s food service management company will be required to execute for the 2017-2018 fiscal year, and beyond, to certify the time and effort of the FSMC’s employees in the Attleboro food service operation.



**CITY OF ATTLEBORO, MASSACHUSETTS**

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2016

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

**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 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.

**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 2 CFR Part 225, Appendix B 8(h)(3) to ensure compliance with the regulations.

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

**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, 2015

**Condition:** The national objective of benefiting 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 benefiting 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.

**CITY OF ATTLEBORO, MASSACHUSETTS**

Summary Schedule of Prior Audit Findings (Continued)

Year Ended June 30, 2016

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

**Finding 2007-004 (cont.):** The National Objective of Benefitting Low-and-Moderate-Income Persons May Not Have Been Met for the Technical Assistance / Economic Development Projects (Continued)

**Current Status:** This finding was resolved in the current year. HUD has accepted the remediation plan provided by the City for activities #243 and #263. Based on previous documentation received by HUD along with the completion of IDIS activity #391, HUD considered the compliance requirements for activities #243 and #263 to be satisfied.