

**CITY OF ATTLEBORO, MASSACHUSETTS**

SINGLE AUDIT REPORT

Year Ended June 30, 2018

CITY OF ATTLEBORO, MASSACHUSETTS

June 30, 2018

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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, the discretely presented component unit, 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, 2018, 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 21, 2019.

### **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., CPAs, P.C.*

**Hague, Sahady & Co., CPAs, P.C.**

Fall River, Massachusetts

March 21, 2019

# HAGUE, SAHADY & CO., P.C.

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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, 2018. 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 2018-001 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the following:

<b>Findings #</b>	<b>CFDA #s</b>	<b>Program (or Cluster) Name</b>	<b>Compliance Requirement</b>
2018-001	10.553, 10.555	Child Nutrition Cluster	Equipment

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, 2018.

***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, 2018.

**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 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. *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) 2018-001 to be a material weakness.

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, the discretely presented component unit, 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, 2018 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 21, 2019, 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., CPAs, P.C.*

**Hague, Sahady & Co., CPAs, P.C.**

Fall River, Massachusetts

March 22, 2019, except for the Schedule of Expenditures of Federal Awards, which is dated March 21, 2019

**CITY OF ATTLEBORO, MASSACHUSETTS**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

<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>
<b><i>US Department of Agriculture:</i></b>						
<i>Passed through MA Dept. of Early &amp; Secondary Education:</i>						
<i>Child Nutrition Cluster:</i>						
School Breakfast Program	10.553	DOENUT	\$ 189,518	\$ 189,518	\$ -	
		Total School Breakfast Program:		189,518	-	
School Lunch Program	10.555	DOENUT	2,066,656	1,956,376	-	
		Total School Lunch Program:		1,956,376	-	
Total Child Nutrition Cluster:				2,145,894	-	<b>MAJOR</b>
<b><i>Total US Department of Agriculture</i></b>				<b>\$ 2,145,894</b>	<b>\$ -</b>	
<b><i>US Department of Housing and Urban Development :</i></b>						
<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	3,099	-	
Community Development Block Grant-FY16	14.218	B-15-MC-25-0030	374,286	188,950	-	
Community Development Block Grant-FY17	14.218	B-16-MC-25-0030	410,820	12,501	-	
Community Development Block Grant-FY18	14.218	B-17-MC-25-0030	396,417	268,080	-	
Total US Dept Housing and Urban Development (direct):				\$ 472,630	\$ -	
<b><i>Total US Department of Housing and Urban Development</i></b>				<b>\$ 472,630</b>	<b>\$ -</b>	

The accompanying notes are an integral part of this schedule



**CITY OF ATTLEBORO, MASSACHUSETTS**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

<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>
<b><i>US Department of Justice:</i></b>						
<i>US Department of Justice (direct):</i>						
DEA Overtime 2017	<b>16.000</b>	Unknown	\$ 17,753	\$ 4,150	\$ -	
DEA Overtime 2018	<b>16.000</b>	Unknown	18,042	10,190	-	
DEA - HIDTA 2017	<b>95.001</b>	Unknown	17,753	2,758	-	
DEA - HIDTA 2018	<b>95.001</b>	Unknown	18,042	12,560	-	
		Total DEA Overtime Program:		<u>29,658</u>	<u>-</u>	
Byrne Memorial Justice Assistance Grant	<b>16.738</b>	2016-DJ-BX-0814	10,611	8,518	-	
		Total Bryne Memorial Program:		<u>8,518</u>	<u>-</u>	
Federal Forfeiture	<b>16.922</b>	MA-0030200	43,482	43,482	-	
		Total Federal Forfeiture Program:		<u>43,482</u>	<u>-</u>	
Total US Department of Justice (Direct):				<u>\$ 81,658</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	8,895	8,895	-	
Total Passed Through MA Executive Office of Public Safety and Security:				<u>\$ 8,895</u>	<u>\$ -</u>	
<b><i>Total US Department of Justice</i></b>				<u>\$ 90,553</u>	<u>\$ -</u>	

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**CITY OF ATTLEBORO, MASSACHUSETTS**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

<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>
<b><i>US Department of Transportation:</i></b>						
<i>Passed Through MA Executive Office of Public Safety and Security:</i>						
GHSB - Traffic Enforcement	<b>20.600</b>	69A37518300004020MAO	\$ 11,994	\$ 4,432	\$ -	
Pedestrian & Bicycle Equipment/Enforcement - FFY17	<b>20.600</b>	2017ATTLEBOROPDPEDBI	3,374	3,298	-	
		Total State and Community Highway Safety Program:		<u>7,730</u>	<u>-</u>	
GHSB - Traffic Enforcement - Drive Sober or Get Pulled Over - FFY17	<b>20.616</b>	18X9204020DMA15	6,000	2,909	-	
Underage Alcohol Enforcement - FFY17	<b>20.616</b>	18X9204020DMA15	4,991	4,972	-	
		Total National Priority Safety Program:		<u>7,881</u>	<u>-</u>	
Total Passed Through MA Executive Office of Public Safety and Security:				<u>15,611</u>	<u>-</u>	
<i>Passed Through Mass Development:</i>						
Riverfront Drive Project	<b>20.205</b>	Unknown	184,218	20,299	-	
Riverfront Drive Project	<b>20.500</b>	Unknown	621,769	20,000	-	
		Total from Mass Development:		<u>40,299</u>	<u>-</u>	
<b>Total US Department of Transportation</b>				<u>\$ 55,910</u>	<u>\$ -</u>	
<b><i>US Institute of Museum and Library Sciences:</i></b>						
<i>Passed Through Arts Midwest:</i>						
Big Read FY18	<b>45.024</b>	DA7D24B6	11,200	11,200	-	
Total Passed Through Arts Midwest:				<u>\$ 11,200</u>	<u>\$ -</u>	
<i>Passed through the Mass Board of Library Commissioners Agency:</i>						
LSTA Mind In The Making	<b>45.310</b>	LS-00-17-0022-17	10,000	6,350	-	
LSTA Teen/Tween	<b>45.310</b>	7000-9702	8,200	5,487	-	
Total Passed Through the Mass Board of Library Commissioners Agency:				<u>\$ 11,837</u>	<u>\$ -</u>	
<b>Total US Institute of Museum and Library Sciences</b>				<u>\$ 23,037</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, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program / Award Amount	Total Federal Awards Expended	Amount to Subrecipients	Major
<b>US Department of Education:</b>						
<i>Passed through MA Dept of Early &amp; Secondary Education:</i>						
Title I, Part A Cluster:						
Title 1 - 305 Distributions FY16	84.010	305-069153-2016-0016	\$ 987,868	\$ 23,912	\$ -	
Title 1 - 305 Distributions FY17	84.010	305-094211-2017-0016	963,213	260,619	-	
Title 1 - 305 Distributions FY18	84.010	305-142739-2018-0016	955,292	709,240	-	
Total Title 1, Part A Cluster:				993,771	-	
Title IV-Student Support & Academic Enrichment	84.424	309-142742-2018-0016	24,665	21,040	-	
			Total Title IV, Part A:	21,040	-	
Special Education Cluster (IDEA):						
SPED 94-142 ALLOCATION FY17	84.027	240-102082-2017-0016	1,652,564	198,622	-	
SPED 94-142 ALLOCATION FY18	84.027	240-153671-2018-0016	1,644,680	1,461,087	-	
SPED Program Improvement - FY17	84.027	274-164-7-0016-R	47,527	18,175	-	
SPED 94-142 Carry Over	84.027	240-026-7-0016-R	31,270	224	-	
			Total SPED 94-142 Program:	1,678,108	-	
SPED EARLY CHILDHOOD FY18	84.173	26218ATTLEBOROPUBLIC	57,788	57,788	-	
E.C. SPED FY18	84.173	298-204430-2018-0016	3,000	500	-	
			Total SPED Early Childhood Program:	58,288	-	
Total Special Education Cluster (IDEA)				1,736,396	-	<b>MAJOR</b>
Tech Assist Center To Support Implement of Evidence-Based Practices	84.326	H326K1200004-16	5,000	5,000	-	
			Total Tech Assist Program:	5,000	-	
Career Guidance FY17	84.048	400-015-7-0016-R	65,752	15,834	-	
Career Guidance FY18	84.048	400-142761-2018-0016	64,688	61,204	-	
			Total Career Guidance Program:	77,038	-	
MTSS Partnership	84.323	246-203416-2018-0016	7,500	6,096	-	
			Total MTSS Partnership Program:	6,096	-	
LEP Support FY17	84.365	180-130193-2017-00016	60,261	28,696	-	
LEP Support FY18	84.365	180-145547-2018-0016	52,141	11,041	-	
LEP Support Carry-Over FY17	84.365	180-046-7-0016-R	50,510	27,896	-	
			Total LEP Support Program:	67,633	-	
Teacher Quality FY16	84.367	140-073304-2016-0016	211,608	4,238	-	
Teacher Quality FY17	84.367	140-094139-2017-0016	207,877	22,131	-	
Teacher Quality FY18	84.367	140-142740-2018-0016	197,622	193,079	-	
			Total Teacher Quality Program:	219,448	-	
High Quality Instr. Summer Planning FY18	84.424	141-205865-2018-0016	11,007	2,260	-	
			Total Center for Instructional Support:	2,260	-	
Total Passed through MA Dept of Early & Secondary Education				\$ 3,128,682	\$ -	

The accompanying notes are an integral part of this schedule

**CITY OF ATTLEBORO, MASSACHUSETTS**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

<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>Passed through the Office for Education of Homeless Children &amp; Youth</i>						
McKinney-Vento Homeless Ed FY17	<b>84.196</b>	310-020-7-0016-R	\$ 20,000	\$ 10,378	\$ -	
McKinney-Vento Homeless Ed FY18	<b>84.196</b>	310-144271-2018-0016	20,000	8,328	-	
		Total McKinney-Vento Program:		<u>18,706</u>	<u>\$ -</u>	
<i>Passed through the Office of College and Career Readines</i>						
Supplemental Support FY17	<b>18.010</b>	320-183-7-0016-R	40,000	12,253	-	
Supplemental Support FY18	<b>18.010</b>	320-198840-2018-0016	42,000	35,877	-	
		Total Supplemental Support Program:		<u>48,130</u>	<u>-</u>	
<b>Total US Department of Early &amp; Secondary Education</b>				<u>\$ 3,195,518</u>	<u>\$ -</u>	
<b>US Department of Health &amp; Human Services:</b>						
<i>Passed Through the Massachusetts Executive Office of Elder Affairs:</i>						
Council on Aging Shine FY18	<b>93.779</b>	ELD-RFR-2013-03	\$ 94,107	\$ 75,859	\$ -	
One Care - FY18	<b>93.634</b>	TELD0364FY17DUALSONECAF	14,497	14,451	-	
Total Passed Through the Mass Executive Office of Elder Affairs:				<u>90,310</u>	<u>-</u>	
<b>Total U.S. Department of Health &amp; Human Services</b>				<u>\$ 90,310</u>	<u>\$ -</u>	
<i>Passed Through MA Executive Office of Public Safety and Security:</i>						
Emergency Management Performance	<b>97.042</b>	FY18EMPG1700000ATTLE	9,500	5,145	-	
		Total Emergency Management Performance Program:		<u>5,145</u>	<u>-</u>	
Total Passed Through MA Executive Office of Public Safety and Security:				<u>5,145</u>	<u>-</u>	
<b>Total US Department of Homeland Security:</b>				<u>\$ 5,145</u>	<u>\$ -</u>	
<b>Total Amount Provided to Subrecipients</b>					<u>\$ -</u>	
<b>Total Expenditures of Federal Awards</b>				<u><u>\$ 6,078,997</u></u>		

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, 2018

#### **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. Program Income**

The City generated \$876,819 of program income for the Child Nutrition Cluster during the current fiscal year. Additionally, \$157,495 and \$5,866 of program income was generated under the CDBG Entitlement Program and the Neighborhood Stabilization Program (respectively) during fiscal year 2018.

#### **Note 5. Loan Transactions**

Included in the Schedule of Expenditures of Federal Awards for the Community Development Block Grant (CDBG) were new loans totaling \$106,700 for the year ended June 30, 2018. As of June 30, 2018 the loan receivables for CDBG totaled \$1,125,852. As of June 30, 2018, the loan receivables for NSP totaled \$1,018,164 and no new loans were recorded.

**CITY OF ATTLEBORO, MASSACHUSETTS**

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

**Note 6. Non-Cash Assistance**

Included within the expenditures of the Child Nutrition Cluster in the Schedule of Expenditures of Federal Awards is \$5,728 of USDA donated agricultural commodities that the City received during fiscal year 2018.

**Note 7. 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 8. 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, 2018

**Summary of Audit Results**

Financial Statements (Government Auditing Standards):

We have audited the financial statements of the City of Attleboro, Massachusetts, as of and for the year ended June 30, 2018 and have issued our reports thereon dated March 21, 2019. We conducted our audit in accordance with 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 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 (Uniform Guidance):

We have audited the City of Attleboro, Massachusetts' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2018 and have issued our reports thereon dated March 22, 2019. We performed this audit under 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:

Internal Control over Major Programs:	
Significant Deficiencies Identified?	None Reported
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 (SPED) (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 (SPED)	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, 2018

**Findings - Financial Statement Audit (Government Auditing Standards):**

No findings to be reported under *Government Auditing Standards*.

**Findings and Questioned Costs for Federal Awards (Uniform Guidance):**

**Reference  
Number**

**Finding**

**2018-001 The School Department Equipment Records did not Contain the Required Information (Material Weakness)**

**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 2018

**Condition:**

The equipment inventory records maintained by the School Department did not include all of the required categories such as: serial number, model number, source of equipment (funding), whether title vests in the recipient or the Federal Government, acquisition cost, acquisition date, information which can lead to calculation of percentage of Federal participation in the cost, and appropriate allocation of disposition funds.

**Criteria:**

7 CFR 3016.32 (Agriculture): Property records must include the following information: description, serial/model number, source of equipment (funding), whether title vests in the recipient or the Federal Government, acquisition date and cost, information which can lead to calculation of percentage of Federal participation in the cost and unit acquisition cost.

34 CFR 3016.31(d)(1) (Education): Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, at a minimum, meet the following requirements: "...must be maintained that included a description of the property, a serial number or other identification number, the source of the property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property."

**Cause:**

The School Department had inadequate controls over the policies and procedures regarding the maintenance of equipment inventory records.

**Effect or Possible Effect of the Condition:**

The lack of documented policies resulted in equipment records that do not meet Federal regulations. The absence of information, especially the data related to acquisition date and cost prevents proper reconciliation between invoices and general ledger postings. The absence of information containing serial numbers does not allow for proper tracking of Federally purchased equipment.

**Questioned Costs:** Not applicable

**Isolated Instance or Systemic Problem:**

This appears to be a "systematic problem" as the controls over this compliance requirement are weak/lacking. We communicated this deficiency to management in prior years and no action was taken.

**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 2017-002.

**Recommendation to Prevent Future Occurrence:**

It is recommended that the School Department modify their recordkeeping methods for equipment to require the criteria stated above to be included in equipment listings.

*Continued*



**CITY OF ATTLEBORO, MASSACHUSETTS**

Schedule of Findings and Questioned Costs – Corrective Action Plan

Year Ended June 30, 2018

**Findings and Questioned Costs for Federal Awards – Corrective Action Plan:**

<b>Reference Number</b>	<b>Finding</b>
<b>2018-001</b>	<b>The School Department Equipment Records did not Contain the Required Information</b>  <b>Name of Contact Person:</b> Marc Furtado, Business Manager  <b>Corrective Action Plan:</b> The district provided a comprehensive equipment list with item, make, model number and serial number on the list. The district conferred with the audit firm to better understand what was missing from the list. The district has added source of equipment (funding), whether title vests in the recipient or the Federal Government, acquisition cost and acquisition date.  <b>Proposed Completion Date:</b> Prior to fiscal year 2019 audit.

**CITY OF ATTLEBORO, MASSACHUSETTS**

Summary Schedule of Prior Audit Findings (Continued)

Year Ended June 30, 2018

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

**Finding 2017-001:** 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 2017.

**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 resolved in the current year.

**Finding 2017-002:** The School Department Equipment Records did not Contain the Required Information

**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 2017.

**Condition:** The equipment inventory records maintained by the School Department did not include all of the required categories.

**Recommendation:** It was recommended that the School Department modify their recordkeeping methods for equipment to require the detailed criteria listed in the regulations to be included in equipment listings.

**Current Status:** This finding was repeated in the current year (as current year finding 2018-001).