

ROSELLI, CLARK & ASSOCIATES
Certified Public Accountants

TOWN OF MAYNARD, MASSACHUSETTS

FEDERAL AWARD REPORTS

PURSUANT TO THE

UNIFORM GUIDANCE

YEAR ENDED JUNE 30, 2019



**TOWN OF MAYNARD, MASSACHUSETTS
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YEAR ENDED JUNE 30, 2019**

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**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**

To the Honorable Board of Selectmen
Town of Maynard, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Maynard, Massachusetts, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Maynard, Massachusetts's basic financial statements and have issued our report thereon dated October 6, 2019.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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*.

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.

Roselli Clark + Associates

Roselli, Clark and Associates
Certified Public Accountants
Woburn, Massachusetts
October 6, 2019



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Board of Selectmen
Town of Maynard, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the Town of Maynard, 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 Town of Maynard, Massachusetts' major federal programs for the year ended June 30, 2019. The Town of Maynard, Massachusetts' 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Maynard, Massachusetts' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Maynard, Massachusetts' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Maynard, Massachusetts' compliance.

Basis for Qualified Opinion on Special Education Cluster

As described in the accompanying schedule findings and questioned costs, the Town of Maynard, Massachusetts did not comply with requirements regarding period of performance applicable to its CFDA 84.027/84.173 SPED Cluster grant as described in finding number 2019-001. Compliance with such requirements is necessary, in our opinion, for the Town of Maynard, Massachusetts to comply with the requirements applicable to that program.

Qualified Opinion on Special Education Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Town of Maynard, Massachusetts complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the 84.027/84.173 SPED Cluster grant for the year ended June 30, 2019.

Other Matters

The Town of Maynard, Massachusetts' response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Town of Maynard, Massachusetts is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Maynard, Massachusetts' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Maynard, Massachusetts' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant efficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Maynard, Massachusetts, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Maynard, Massachusetts's basic financial statements. We have issued our report thereon dated October 6, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Roselli, Clark & Associates
Certified Public Accountants
Woburn, Massachusetts
October 6, 2019

**TOWN OF MAYNARD, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

Federal Grantor / Pass-Through Agency / Program Title	CFDA Number	Pass-Through Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Agriculture</u>				
Child Nutrition Cluster				
<i>Passed through the Commonwealth of Massachusetts - Department of Elementary and Secondary Education</i>				
National School Breakfast Program	10.553	09-174	\$ -	\$ 25,992
National School Lunch Program:	10.555	09-174		
Cash Assistance			-	143,581
Non-Cash Assistance (Commodities)			-	36,987
Total National School Lunch Program			-	180,568
Total Child Nutrition Cluster			-	206,560
<u>U.S. Department of Justice</u>				
<i>Direct Award</i>				
Bulletproof Vest Program	16.607		-	5,398
Total U.S. Department of Justice			-	5,398
<u>U.S. Department of Education</u>				
Special Education Cluster (IDEA)				
<i>Passed through the Commonwealth of Massachusetts - Department of Elementary and Secondary Education</i>				
Special Education - Grants to States	84.027	240-239201-2019-0174	-	350,924
Special Education - Preschool Grants	84.173	262-239209-2019-0174	-	7,103
Total Special Education Cluster (IDEA)			-	358,027
<i>Passed through the Commonwealth of Massachusetts - Department of Elementary and Secondary Education</i>				
Title I Grants to Local Educational Agencies	84.010	305-274227-2019-0174	-	140,624
Title I Grants to Local Educational Agencies	84.010	305-101135-2017-0174	-	16,096
Total Title I Grants to Local Educational Agencies			-	156,720
Supporting Effective Instruction State Grants	84.367	140-274228-2019-0174	-	33,840
Statewide Longitudinal Data Systems	84.372	110-273474-2019-0174	-	31,773
Total U.S. Department of Education			-	580,360

(Continued)

See notes to Schedule of Expenditures of Federal Awards

**TOWN OF MAYNARD, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

<u>Federal Grantor / Pass-Through Agency / Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>				
CCDF Cluster				
<i>Passed through the Commonwealth of Massachusetts - Department of Early Education and Care</i>				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	39119MAYNARDPUBLICSC	-	24,638
Total CCDF Cluster			-	24,638
<u>U.S. Department of Homeland Security</u>				
<i>Direct Award</i>				
Assistance to Firefighters Grants	97.044		-	25,211
Total U.S. Department of Homeland Security			-	25,211
Total Federal Grant Award Expenditures			\$ -	\$ 842,167

(Concluded)

See notes to Schedule of Expenditures of Federal Awards

**TOWN OF MAYNARD, MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Maynard, Massachusetts (the Town) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

B. Summary of Significant Accounting Policies

Accounting policies and financial reporting practices permitted for municipalities in Massachusetts are prescribed by the Uniform Municipal Accounting System (UMAS) promulgated by the Commonwealth of Massachusetts Department of Revenue.

The accompanying Schedule includes the federal grant transactions of the Town, although some of these programs may be supplemented with state and other revenue, only federal activity is shown. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

The Town has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

C. U.S Department of Agriculture Programs

The Town receives non-cash commodities from the U.S. Department of Agriculture as a part of the National School Lunch program. The amounts reported as non-cash assistance represent the fair market value of these commodities received during the year.

The amounts reported as cash assistance represent federal reimbursements for meals provided.

**TOWN OF MAYNARD, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

A. Summary of Audit Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	No
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	No
Type of auditor's report issued on compliance for major programs	Qualified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	Yes

IDENTIFICATION OF MAJOR PROGRAMS

<u>Name of Federal Program</u>	<u>CFDA Number(s)</u>
Special Education Cluster	84.027 & 84.173
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
Auditee qualified as a low-risk auditee?	Yes

B. Financial Statement Findings

None

**TOWN OF MAYNARD, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019
(Continued)**

C. Federal Award Findings and Questioned Costs

**2019-001 U.S. Department of Education
Passed-through the Commonwealth of Massachusetts' Department of
Elementary and Secondary Education
Special Education Cluster – CFDA 84.027 & 84.173**

Criteria: Grant funds may only be obligated upon the date of approval by the awarding agency through the end of the grant period.

Condition: Payroll was charged to the 2019 grant awards for pay periods prior to the approval date by the pass-through agency.

Cause: The approval date was later than in prior years and the Town did not adequately plan grant expenditures as a result.

Effect: The Town expended funds outside of the period of performance which resulted in questioned costs.

Questioned Costs: \$46,683.56 of identified payroll costs outside of the period of performance

Repeat Finding from Prior Year: No

Recommendation: The School should implement procedures to properly monitor award approval dates to ensure that goods and services charged to federal grants occur during the period of performance.

Views of Responsible Official: Management agrees with the finding.

MAYNARD PUBLIC SCHOOLS

Business Office
3-R Tiger Drive
Maynard, Massachusetts 01754
Office (978)897-8251
Fax (978)897-4610
www.maynardschools.org

SUPERINTENDENT OF SCHOOLS

Mary Jane Rickson

BUSINESS MANAGER

Michelle Resendes



Summary Schedule of Prior Audit Findings

2018-001 **U.S. Department of Education**

Condition: The required semi-annual time and effort certifications were only maintained on an annual basis for four employees and were not maintained at all for one employee.

Status: Corrected.

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BUSINESS MANAGER

Michelle Resendes



Corrective Action Plan

Finding 2019-001

Condition: Payroll was charged to the 2019 grant awards for pay periods prior to the approval date by the pass-through agency.

Corrective Action Planned: The District will move grant salaries to the grant after the approval date moving forward.

Anticipated Completion Date: Ongoing

Contact: Michelle Resendes, Business Manager, Maynard Public Schools