

**ROSELLI, CLARK & ASSOCIATES**  
Certified Public Accountants

**TOWN OF MAYNARD, MASSACHUSETTS**

SINGLE AUDIT REPORTS

PURSUANT TO THE

UNIFORM GUIDANCE

YEAR ENDED JUNE 30, 2018



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YEAR ENDED JUNE 30, 2018**

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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 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, 2018 and the related notes to the financial statements, which collectively comprise the Town of Maynard, Massachusetts' basic financial statements and have issued our report thereon dated November 2, 2018.

**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 and Associates  
Certified Public Accountants  
Woburn, Massachusetts  
November 2, 2018



**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, 2018. 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 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 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.

***Opinion on Each Major Federal Program***

In our opinion, 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 each of its major federal programs for the year ended June 30, 2018.

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major federal program is not modified with respect to this matter.

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 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, 2018, 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 November 2, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming our 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*

Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts

February 19, 2019, except for our report on the Schedule of Expenditures of Federal Awards, for which the date is November 2, 2018

**TOWN OF MAYNARD, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2018**

Federal Grantor / Pass-Through Agency / Program Title	CFDA Number	Pass-Through Number	Passed Through to Subrecipients	Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>				
<b>Child Nutrition Cluster</b>				
<i>Passed through the Commonwealth of Massachusetts - Department of Elementary and Secondary Education</i>				
National School Breakfast Program	10.553	09-174	\$ -	\$ 31,937
National School Lunch Program:	10.555	09-174		
Cash Assistance			-	147,989
Non-Cash Assistance (Commodities)			-	38,367
			-	218,293
<b>Total Child Nutrition Cluster</b>				
<b><u>U.S. Department of Justice</u></b>				
<i>Direct Award</i>				
Bulletproof Vest Program	16.607		-	1,700
<b>Total U.S. Department of Justice</b>				
<b><u>U.S. Department of Interior</u></b>				
<i>Passed through the Commonwealth of Massachusetts Board of Library Commissioners</i>				
Library Services Technology Act	45.310	Financial Literacy	-	1,704
<b>Total U.S. Department of Interior</b>				
<b><u>U.S. Department of Education</u></b>				
<b>Special Education Cluster (IDEA)</b>				
<i>Passed through the Commonwealth of Massachusetts - Department of Elementary and Secondary Education</i>				
Special Education - Grants to States	84.027	240-151746-2018-0174	-	349,174
Special Education - Grants to States	84.027	240-034-7-0174-R	-	16,127
Special Education - Grants to States	84.027	274-239-7-0174-R	-	3,037
Total Special Education - Grants to States			-	368,338
<i>Passed through the Commonwealth of Massachusetts - Department of Early Education and Care</i>				
Special Education - Preschool Grants	84.173	26218maynardpublicsc	-	6,497
Special Education - Preschool Grants	84.173	26217maynardpublicsc	-	472
Total Special Education - Preschool Grants			-	6,969
<b>Total Special Education Cluster (IDEA)</b>				

(Continued)

See notes to Schedule of Expenditures of Federal Awards

**TOWN OF MAYNARD, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2018  
(Continued)**

<b>Federal Grantor / Pass-Through Agency / Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Number</b>	<b>Passed Through to Subrecipients</b>	<b>Federal Expenditures</b>
<i>Passed through the Commonwealth of Massachusetts - Department of Elementary and Secondary Education</i>				
Title I Grants to Local Educational Agencies	84.010	305-164252-2018-0174	-	142,543
Title I Grants to Local Educational Agencies	84.010	305-101135-2017-0174	-	4,379
Total Title I Grants to Local Educational Agencies			-	146,922
Supporting Effective Instruction State Grants	84.367	140-164253-2018-0174	-	31,755
Supporting Effective Instruction State Grants	84.367	140-077393-2016-0174	-	1,902
Total Supporting Effective Instruction State Grants			-	33,657
Statewide Longitudinal Data Systems	84.372	110-201825-2018-0174	-	18,227
<b>Total U.S. Department of Education</b>			-	574,113
<b>Total Federal Grant Award Expenditures</b>			<b>\$ -</b>	<b>\$ 795,810</b>

(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, 2018**

**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, 2018. 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. Non-Cash Commodities**

The Town receives non-cash commodities from the U.S. Department of Agriculture as a part of the School Lunch program. In fiscal year 2018, \$38,367 was received; however, this amount is not included in the financial statements.

**TOWN OF MAYNARD, MASSACHUSETTS  
SCHEDULES OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

**A. Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on the financial statements of the Town of Maynard.
2. No significant deficiencies disclosed during the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Town of Maynard which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for the Town of Maynard expresses an unmodified opinion.
6. There are audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this Schedule.
7. The programs tested as major programs include the Special Education Cluster (CFDA #'s 84.027 and 84.173) grant programs.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Town of Maynard did qualify as a low risk auditee.

**B. Schedule of Findings – Financial Statements Audit**

None

**TOWN OF MAYNARD, MASSACHUSETTS  
SCHEDULES OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018  
(Continued)**

**C. Schedule of Findings and Questioned Costs – Major Federal Award Programs Audit**

<b>Finding</b>	<b>Questioned Costs</b>
<b><u>2018-001. U.S. Department of Education</u></b>	
<i>Passed through the Commonwealth of Massachusetts Department of Elementary and Secondary Education</i>	
<u>Special Education Cluster (IDEA) (CFDA #'s 84.027 &amp; 84.173)</u>	
<p><i>Criteria:</i> OMB Circular A-87, Attachment B, paragraph 8.H.(3) requires all employees paid in full from federal grant funds to furnish semi-annual certifications that they have been engaged solely in activities supported by the grant. These certifications must be signed by the employee or supervisor with knowledge of the work performed. In addition, OMB Circular A-87, Attachment B, paragraph 8.H.(4) requires employers to document the portion of time worked on the grant and portion of time worked in areas not related to the grant, if not solely charged to the federal grant.</p> <p><i>Statement of Condition:</i> 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.</p> <p><i>Cause and Effect:</i> By not maintaining the proper payroll records, federal grant program compliance could not be verified.</p> <p><i>Recommendation:</i> The individual grant administrators or school principals have direct knowledge of the work performed by their staff whose wages are paid utilizing federal grant funds. We suggest that the grant administrators or school principals semi-annually compile a documented list of such individuals solely paid through that date utilizing federal grant funds and certify that their work related to program activities under that specific grant. These certifications should be filed and available for review as part of any compliance testing performed by the pass-through agency or auditors. For employees that are charged to multiple grants or funding sources, the grant administrators should maintain and certify an accounting of the time the employee spent on each grant or activity and maintain them with the payroll certifications.</p>	

**D. Summary Schedule of Prior Year Audit Findings**

None

**TOWN OF MAYNARD, MASSACHUSETTS  
CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2018**

**Findings – Major Federal Award Programs Audit**

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

**Special Education Cluster (IDEA) (CFDA#'s 84.027 & 84.173)**

*Recommendation:* The individual grant administrators or school principals have direct knowledge of the work performed by their staff whose wages are paid utilizing federal grant funds. We suggest that the grant administrators or school principals semi-annually compile a documented list of such individuals solely paid through that date utilizing federal grant funds and certify that their work related to program activities under that specific grant. These certifications should be filed and available for review as part of any compliance testing performed by the pass-through agency or auditors. For employees that are charged to multiple grants or funding sources, the grant administrators should maintain and certify an accounting of the time the employee spent on each grant or activity and maintain them with the payroll certifications.

*Corrective Action Planned:* The District will ensure that Grant administrators of School Principals are provided with a documented list of grant funded individuals for their review and certified approval on a semiannual basis. This process is already in effect and will continue to be in effect for as long as the District is receiving grant funding.

*Anticipated Completion Date:* Completed

*Contact:* Michelle Resendes, Business Manager, Maynard Public Schools