

TOWN OF FOXBOROUGH, MASSACHUSETTS

INDEPENDENT AUDITORS' REPORT AS
REQUIRED BY UNIFORM GUIDANCE
AND ***GOVERNMENT AUDITING STANDARDS***
AND RELATED INFORMATION

FOR THE YEAR ENDED JUNE 30, 2018

TOWN OF FOXBOROUGH, MASSACHUSETTS
INDEPENDENT AUDITORS' REPORT AS REQUIRED BY UNIFORM GUIDANCE
AND **GOVERNMENT AUDITING STANDARDS** AND RELATED INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

INDEX

	<u>PAGE</u>
Report on Compliance for each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1 - 3
Schedule of Expenditures of Federal Awards	4
Notes to Schedule of Expenditures of Federal Awards	5 – 6
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	7 - 8
Schedule of Findings and Questioned Costs	9 – 11

Robert E. Brown II
CERTIFIED PUBLIC ACCOUNTANT
25 CEMETERY STREET – P.O. Box 230
Mendon, Massachusetts 01756

Phone: (508) 478-3941

Fax: (508) 478-1779

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM
GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Selectmen
Town of Foxborough, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the Town of Foxborough, Massachusetts's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Town of Foxborough, Massachusetts's major federal programs for the year ended June 30, 2018. Town of Foxborough, Massachusetts'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 Town of Foxborough, Massachusetts'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 Town of Foxborough, Massachusetts'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 Town of Foxborough, Massachusetts's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Foxborough, 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 major federal program for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the Town of Foxborough, 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 Foxborough, Massachusetts'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 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 Foxborough, Massachusetts's 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 a 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 deficiencies. 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 Foxborough, 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 Foxborough, Massachusetts's basic financial statements. We issued our report thereon dated May 20, 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.

Respectfully,

A handwritten signature in blue ink that reads "Robert E. Brown". The signature is written in a cursive style with a prominent "R" and "B".

Certified Public Accountant

May 20, 2019

**TOWN OF FOXBOROUGH, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	GRANTOR/ PASS-THROUGH ENTITY IDENTIFYING NUMBER	AMOUNT PASSED THROUGH TO SUB-RECIPIENTS	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION				
SPECIAL EDUCATION CLUSTER:				
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION DEPARTMENT OF ELEMENTARY & SECONDARY EDUCATION (DESE)				
SPECIAL EDUCATION GRANTS TO STATES: PL 94-142 PROJECT CLASS - FY 2018	84.027	240-147787-2018-0099	\$ -	\$ 646,959
SPECIAL EDUCATION GRANTS TO STATES: PL 94-142 PROJECT CLASS - FY 2017	84.027	240-101179-2017-0099-Q	-	18,974
SPED PROGRAM IMPROVEMENT - FY 2018	84.027	274-054-7-00-99-R	-	10,125
TOTAL SPECIAL EDUCATION GRANTS TO STATES (IDEA)			-	676,058
PASS-THROUGH PROGRAM FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION - DEPARTMENT OF EARLY EDUCATION & CARE (EEC)				
EARLY CHILDHOOD ALLOCATION - FY 2018	84.173	26218FoxboroPub	-	21,364
TOTAL SPECIAL EDUCATION CLUSTER:			-	697,422
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION DEPARTMENT OF ELEMENTARY & SECONDARY EDUCATION (DESE)				
TITLE I - FY 2018	84.010	305-147801-2018-0099	-	88,742
TITLE I - FY 2017	84.010	305-094104-2017-0099	-	15,614
TITLE I - FY 2016	84.010	305-069234-2016-0099	-	1,665
TOTAL TITLE 1 GRANTS TO LOCAL EDUCATION AGENCIES			-	106,021
SUPPORTING EFFECTING INSTRUCTION STATE GRANT - FY 2018	84.367	140-147802-2018-0099	-	20,860
SUPPORTING EFFECTING INSTRUCTION STATE GRANT - FY 2017	84.367	140-094103-2017-0099	-	17,681
TOTAL SUPPORTING EFFECTIVE INSTRUCTION STATE GRANTS			-	38,541
TOTAL U.S. DEPARTMENT OF EDUCATION			-	841,984
U.S. DEPARTMENT OF AGRICULTURE				
CHILD NUTRITION CLUSTER				
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION DEPARTMENT OF ELEMENTARY & SECONDARY EDUCATION (DESE) - BUREAU OF NUTRITION				
NATIONAL SCHOOL BREAKFAST PROGRAM	10.553		-	16,550
NATIONAL SCHOOL LUNCH PROGRAM	10.555		-	261,445
COMMODITY SUPPLEMENTAL FOOD PROGRAM	10.555		-	34,308
TOTAL NATIONAL SCHOOL LUNCH PROGRAM			-	295,753
TOTAL CHILD NUTRITION CLUSTER			-	312,303
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	312,303
U.S. DEPARTMENT OF HOMELAND SECURITY				
DIRECT PROGRAM				
STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE	97.083		-	72,222
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			-	72,222
U.S. DEPARTMENT OF TRANSPORTATION				
PASS-THROUGH PROGRAM FROM: GOVERNOR'S HIGHWAY SAFETY BUREAU				
STATE & COMMUNITY HIGHWAY SAFETY GRANT - UNDERAGE DRINKING	20.600		-	5,830
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	5,830
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 1,232,339

SEE ACCOMPANYING NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**TOWN OF FOXBOROUGH, MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

I. 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 significant accounting policies followed by the School are as follows:

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Town of Foxborough, Massachusetts under programs of the federal government for the year ended June 30, 2018. The information in the 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 of Foxborough, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Foxborough, Massachusetts.

The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis whereby revenue is recognized when it becomes available and measureable. Accordingly expenditures are recognized when the liability is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

II. SCOPE OF AUDIT

The Town of Foxborough, Massachusetts (the Town) is a governmental agency established by the laws of the Commonwealth of Massachusetts. All operations related to the Town's Federal grant programs, (the Department of Agriculture, Department of Homeland Security, Department of Transportation, and Department of Education), are included in the scope of the Uniform Guidance Audit Requirements for audits of state and local governments (the Single Audit). The U.S. Department of Homeland Security has been designated as the Town's oversight agency for the Single Audit.

III. PERIOD AUDITED

Single audit testing procedures were performed for the Town Federal grant transactions during the year ended June 30, 2018.

IV. SCHOOL LUNCH PROGRAM

The Town accounts for local, state and federal expenditures of the National School Lunch and School Breakfast programs in one combined fund. Program expenditures in the accompanying Schedule of Expenditures of Federal Awards represent federal reimbursements for meals provided during fiscal 2018. Contributions of noncash assistance commodities under the Food Distribution program are received under a State distribution formula and are valued at federally published wholesale prices for purposes of this schedule.

V. SUBRECIPIENTS

The Town of Foxborough, Massachusetts passed no federal awards through to sub-recipients during the period under audit.

VI. IN DIRECT COST RATE

The Town of Foxborough, Massachusetts has elected not to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

Robert E. Brown II
CERTIFIED PUBLIC ACCOUNTANT
25 CEMETERY STREET – P.O. Box 230
Mendon, Massachusetts 01756

Phone: (508) 478-3941

Fax: (508) 478-1779

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*

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Selectmen
Town of Foxborough, 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 Foxborough, 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 Foxborough, Massachusetts's basic financial statements and have issued our report thereon dated May 20, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Foxborough, Massachusetts'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 of Foxborough, Massachusetts's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Foxborough, Massachusetts'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 of Foxborough, Massachusetts'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.

Respectfully,

A handwritten signature in blue ink, appearing to read "Robert E. Brown".

Certified Public Accountant

May 20, 2019

**TOWN OF FOXBOROUGH, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditors' Report Issued: Unmodified Opinion

Internal Control over Financial Reporting:

- Material Weakness(es) Identified? _____ Yes X No
- Significant Deficiency(ies) Identified? _____ Yes X No

Noncompliance Material to the Financial Statements Noted? _____ Yes X No

Federal Awards

Internal Control over Major Program:

- Material Weakness(es) Identified? _____ Yes X No
- Significant Deficiency(ies) Identified? _____ Yes X No

Type of Auditors' Report Issued on Compliance for the Major Program: Unmodified Opinion

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Uniform Guidance? _____ Yes X No

Identification of the Major Program:

CFDA No.	Name of Federal Program or Cluster
84.027 & 84.173	Special Education Cluster

Dollar Threshold used to Distinguish Between Type A and Type B Programs: \$ 750,000

Auditee Qualified as Low-Risk Auditee? _____ X Yes _____ No

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT – NONE.

C. CURRENT YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT – NONE

**TOWN OF FOXBOROUGH, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

D. PRIOR YEAR FINDINGS & QUESTIONED COSTS

U.S. Department of Education

Finding 2017-001 – Special Education Cluster – CFDA No.’s 84.027 & 84.173; Grant period:
Year Ended June 30, 2017

Massachusetts Department of Elementary and Secondary Education and the
Massachusetts Department of Early Education and Care

Criteria: Where employees work solely or partially on a single Federal program or cost objective, their salaries or wages must be supported by periodic certification that the employee worked on these programs for the period covered by the programs. The certifications should be prepared monthly or semi-annually, and should be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

Condition: During our test of controls over compliance with time and effort certifications the school department was not able to provide evidence that the required monthly/semi-annual certifications of time and effort for those employees whose time was spent on these programs were performed as required by Uniform Guidance.

Questioned Costs: None

Context: During our test of payroll transactions of the SPED PL 94-142 and Early Childhood Education grants there were two instances noted that the time and effort certifications were not completed.

Effect: Foxborough Public Schools was not in compliance with the time and effort certification requirements.

Cause: Two different instances, the first was an employee who left in December prior to the January certification and moved so attempts to get her to complete went unanswered. The second was an error in the payroll department not notifying the SPED Department that an individual had replaced another that left during the year.

Identification as a Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the School Department follow procedures to ensure that semi-annual certifications and or monthly certifications are prepared and signed by either the employees and/or supervisory official having first-hand knowledge of the work performed by the employees in a timely manner in order to comply with the time and effort certification requirement.

**TOWN OF FOXBOROUGH, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

D. PRIOR YEAR FINDINGS & QUESTIONED COSTS – CONTINUED

Management Response: Revised employment process to include sign-off on time and effort certification prior to last day of employment for those employees leaving prior to June and January certification dates. SPED Department will request confirmation e-mail from payroll to confirm all staff assigned to grants prior to certification acknowledgement date.

Status: Resolved in FY 2018.