

TOWN OF BURLINGTON, MASSACHUSETTS

REPORTS ON FEDERAL AWARD PROGRAMS

YEAR ENDED JUNE 30, 2019

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REPORTS ON FEDERAL AWARD PROGRAMS
YEAR ENDED JUNE 30, 2019

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**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

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To the Honorable Board of Selectmen
Town of Burlington, 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 Burlington, Massachusetts, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 30, 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identifying. 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.

A handwritten signature in black ink that reads "Powers + Sullivan, LLC". The signature is fluid and cursive, with "Powers + Sullivan" on the top line and "LLC" on the bottom line.

December 30, 2019



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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Burlington, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited Town of Burlington Massachusetts' compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of Town of Burlington's major federal programs for the year ended June 30, 2019. Town of Burlington's major federal programs are identified in the summary of auditors' results section in the accompanying schedule of findings, responses 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 Burlington'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 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 Burlington'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 Burlington's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Burlington 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, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings, responses and questioned costs as item 2019-001. Our opinion on each major federal program is not modified with respect to these matters.

The Town's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questions 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 Burlington 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 Burlington'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 Town of Burlington'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 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.

A handwritten signature in black ink that reads "Powers & Sullivans, LLC". The signature is fluid and cursive, with "Powers &" on the first line and "Sullivans, LLC" on the second line.

March 5, 2020



REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Burlington, Massachusetts

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Burlington as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Burlington's basic financial statements. We issued our report thereon dated December 30, 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.

A handwritten signature in black ink that reads "Powers & Sullivan, LLC".

December 30, 2019

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Agency or Pass-through Number	Passed through to Subrecipients	Expenditures
CHILD NUTRITION CLUSTER:				
U.S. DEPARTMENT OF AGRICULTURE:				
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
Non-Cash Assistance (Commodities):				
National School Lunch Program.....	10.555	09-0048	\$ -	\$ 82,268
Cash Assistance:				
National School Lunch Program.....	10.555	09-0048	- -	271,406
Total National School Lunch Program.....				353,674
Cash Assistance:				
School Breakfast Program.....	10.553	09-0048	- -	2,815
TOTAL CHILD NUTRITION CLUSTER.....			- -	356,489
HIGHWAY SAFETY CLUSTER:				
U.S. DEPARTMENT OF TRANSPORTATION:				
<u>Passed through the Highway Safety Bureau:</u>				
State and Community Highway Safety.....	20.600	OT ENF 8/12-9/5/16	- -	7,392
National Priority Safety Program.....	20.616	OT ENF 8/12-9/5/16	- -	599
TOTAL HIGHWAY SAFETY CLUSTER.....			- -	7,991
SPECIAL EDUCATION CLUSTER:				
U.S. DEPARTMENT OF EDUCATION:				
<u>Passed through the Massachusetts Department of Elementary and Secondary Education:</u>				
Special Education - Grants to States (IDEA, Part B).....	84.027	240-232312-2019-0048	- -	427,809
Special Education - Grants to States (IDEA, Part B).....	84.027	240-164189-2018-0048	- -	188,596
Total Special Education - Grants to States (IDEA, Part B).....			- -	616,405
<u>Passed through the Massachusetts Department of Early Education and Care:</u>				
Special Education - Preschool Grants (IDEA, Preschool).....	84.173	262-229198-2019-0048	- -	15,022
TOTAL SPECIAL EDUCATION CLUSTER.....			- -	631,427
OTHER PROGRAMS:				
U.S. DEPARTMENT OF JUSTICE:				
<u>Direct Program:</u>				
Bulletproof Vest Partnership Program.....	16.607	Not Available	- -	6,924
Equitable Sharing Program.....	16.922	MA0091000	- -	15,690
TOTAL JUSTICE.....			- -	22,614
PASS-THROUGH PROGRAMS:				
U.S. DEPARTMENT OF EDUCATION:				
<u>Passed through the Massachusetts Department of Elementary and Secondary Education:</u>				
Title 1 Grants to Local Educational Agencies.....	84.010	305-236710-2019-0048	- -	39,855
Title 1 Grants to Local Educational Agencies.....	84.010	305-140076-2018-0048	- -	19,628
English Language Acquisition State Grant.....	84.365	180-150229-2019-0048	- -	28,272
Improving Teacher Quality State Grants.....	84.367	140-236712-2019-0048	- -	20,265
Improving Teacher Quality State Grants.....	84.367	140-164064-2018-0048	- -	20,154
Student Support and Academic Enrichment Program.....	84.424	309-237002-2019-0048	- -	7,104
TOTAL EDUCATION.....			- -	135,278
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
<u>Passed through National Association of County and City Health Officials:</u>				
Medical Reserve Corps Small Grant Program.....	93.008	Not Available	- -	38,150
U. S. DEPARTMENT OF HOMELAND SECURITY:				
<u>Passed through Massachusetts Emergency Management Agency</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters).....	97.036	FEMA-4379-DR-MA	- -	163,680
Emergency Management Performance Grants.....	97.042	FY18EMPG1700000BURL	- -	5,888
Staffing for Adequate Fire and Emergency Response.....	97.083	EMW-2015-FH-0094	- -	327,406
TOTAL HOMELAND SECURITY.....			- -	496,974
TOTAL.....			\$ -	\$ 1,688,923

See notes to schedule of expenditures of federal awards.

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Town of Burlington, Massachusetts 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 of Burlington, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Burlington, Massachusetts.

Note 2 – Summary of Significant Accounting Policies

The accounting and reporting policies of the Town of Burlington, Massachusetts are set forth below:

- a) Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting. 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.
- b) Cash Assistance – School Breakfast and Lunch Program – Program expenditures represent federal reimbursement for meals provided during the year.
- c) Non-Cash Assistance (Commodities) – School Lunch Program – Program expenditures represent the value of donated foods received during the year.
- d) The Town of Burlington, Massachusetts has not elected to use the 10-percent de-minimis indirect cost rate as allowed under the Uniform Guidance.
- e) Disaster grants are recorded in the year the grant is received.

A. Summary of Auditor's Results

1. The independent auditor's report expresses an unmodified opinion on the financial statements of the Town of Burlington, Massachusetts.
2. No material weaknesses or significant deficiencies relating to the audit of the financial statements are reported in the 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 Burlington, Massachusetts was disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs are reported in the 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.
5. The independent auditor's report on compliance for the major federal award programs for the Town of Burlington, Massachusetts, expresses an unmodified opinion.
6. There was one audit finding relative to the major federal award programs for the Town of Burlington, Massachusetts.
7. The Special Education Cluster and the Disaster Grant-Public Assistance (Presidentially Declared Disasters) were tested as major programs.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Town of Burlington, Massachusetts, was determined to be a high-risk auditee.

B. Findings – Financial Statements Audit

None.

C. Findings, Responses and Questioned Costs – Major Federal Award Program**U.S. DEPARTMENT OF EDUCATION**

Special Education Grants to States
Special Education Preschool Grants

CFDA No. 84.027
CFDA No. 84.173

2019-001: *Condition and Criteria:* Fiscal year 2018 Forms FR-1 (Final Financial Report) for the Special Education Grants to States and Special Education Preschool Grants are required to be filed by October 31, 2018. The Special Education Grant cluster was not filed by the required due date.

Cause: Lack of procedures to ensure proper document retention and that the filing of financial reports occurred within the required period.

Effect: The Town is not in compliance with grant requirements

Questioned Costs: None

Auditors' Recommendation: We recommend that the School Department implement procedures to ensure proper document retention and that reports are filed timely per the Department of Elementary and Secondary Education (DESE) guidelines.

Response Corrective Action Planned: The Town will implement procedures to ensure the Forms FR-1 (Final Financial Report) for the Special Education Grant cluster are submitted prior to the deadline, on a go forward basis.

D. Summary Schedule of Prior Audit Findings

U.S. DEPARTMENT OF EDUCATION

Special Education Grants to States	CFDA No. 84.027
Special Education Preschool Grants	CFDA No. 84.173

2018-001: *Condition and Criteria:* Fiscal year 2017 Forms FR-1 (Final Financial Report) for the Special Education Grants to States and Special Education Preschool Grants are required to be filed by October 31, 2017. We were not provided with the FR-1 for the Special Education Grants to States and the Special Education Preschool Grants and therefore could not determine if they were filed timely.

Cause: Lack of procedures to ensure proper document retention and that the filing of financial reports occurred within the required period.

Effect: The Town is not in compliance with grant requirements

Questioned Costs: None

Auditors' Recommendation: We recommend that the School Department implement procedures to ensure proper document retention and that reports are filed timely per the Department of Elementary and Secondary Education (DESE) guidelines.

Response Corrective Action Planned: The Town will implement procedures to ensure the Forms FR-1 (Final Financial Report) for the Special Education Grant cluster are retained and are submitted prior to the deadline, on a go forward basis.

Status: Unresolved