

***TOWN OF BRAINTREE, MASSACHUSETTS***

***REPORTS ON FEDERAL AWARD PROGRAMS***

***YEAR ENDED JUNE 30, 2018***

**TOWN OF BRAINTREE, MASSACHUSETTS**  
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**YEAR ENDED JUNE 30, 2018**

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100 Quannapowitt Parkway  
Suite 101  
Wakefield, MA 01880  
T. 781-914-1700  
F. 781-914-1701  
[www.powersandsullivan.com](http://www.powersandsullivan.com)

## **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 Mayor and the Town Council  
Town of Braintree, 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 Braintree, Massachusetts, as of and for the year ended June 30, 2018 (December 31, 2017 for the Braintree Contributory Retirement System and the Braintree Electric Light Department), and the related notes to the financial statements, which collectively comprise the Town of Braintree, Massachusetts' basic financial statements, and have issued our report thereon dated December 19, 2018. Our report includes a reference to other auditors who audited the financial statements of the Braintree Electric Light Department, as described in our report on the Town of Braintree, Massachusetts' financial statements. The financial statements of the Braintree Electric Light Department were not audited in accordance with *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

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

*Powers + Juliani, LLC*

December 19, 2018



100 Quannapowitt Parkway  
Suite 101  
Wakefield, MA 01880  
T. 781-914-1700  
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[www.powersandsullivan.com](http://www.powersandsullivan.com)

**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 Mayor and the Town Council  
Town of Braintree, Massachusetts

**Report on Compliance for Each Major Federal Program**

We have audited the Town of Braintree, 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 Braintree, Massachusetts' major federal programs for the year ended June 30, 2018. The Town of Braintree, Massachusetts' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The Town of Braintree, Massachusetts' basic financial statements include the operations of the Braintree Electric Light Department, which did not receive any federal awards during the year ended December 31, 2017. Our audit, described below, did not include the operations of the Braintree Electric Light Department because the Department engaged other auditors to perform an audit of their financial statements.

**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 Braintree, 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 Braintree, 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 Braintree, Massachusetts' compliance.

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

In our opinion, the Town of Braintree, 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.

## **Report on Internal Control over Compliance**

Management of the Town of Braintree, 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 Braintree, 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 Braintree, 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 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 Braintree, 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 Braintree, Massachusetts' basic financial statements. We issued our report thereon dated December 19, 2018 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 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.

*Powers + Juliani, LLC*

December 19, 2018

**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	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
<b>CHILD NUTRITION CLUSTER:</b>				
U.S. DEPARTMENT OF AGRICULTURE:				
<u>Passed through State Department of Elementary and Secondary Education:</u>				
Non-Cash Assistance (Commodities):				
National School Lunch Program.....	10.555	11-040	\$ -	\$ 150,012
Cash Assistance:				
National School Lunch Program.....	10.555	11-040	-	643,854
Total National School Lunch Program.....			-	793,866
Cash Assistance:				
School Breakfast Program.....	10.553	11-040	-	99,264
TOTAL CHILD NUTRITION CLUSTER.....			-	893,130
<b>SPECIAL EDUCATION CLUSTER:</b>				
U.S. DEPARTMENT OF EDUCATION:				
<u>Passed through State Department of Elementary and Secondary Education:</u>				
Special Education Grants to States.....	84.027	240-146493-2018-0040	-	1,334,202
Special Education Grants to States.....	84.027	240-102032-2017-0040	-	254,056
Special Education Grants to States.....	84.027	274-075-7-0040	-	19,915
Total Special Education Grants to States.....			-	1,608,173
<u>Passed through State Department of Early Education and Care:</u>				
Special Education Preschool Grants.....	84.173	26218BRAINTREEPUPAY	-	31,040
Special Education Preschool Grants.....	84.173	26217BRAINTREEPUP	-	559
Total Special Education Preschool Grants.....			-	31,599
TOTAL SPECIAL EDUCATION CLUSTER.....			-	1,639,772
<b>OTHER PROGRAMS:</b>				
U.S. DEPARTMENT OF JUSTICE:				
<u>Direct Programs:</u>				
Bulletproof Vest Partnership Program.....	16.607	Not Applicable	-	100
Federal Equitable Sharing Program.....	16.922	Not Applicable	-	40,210
TOTAL CRIMINAL JUSTICE.....			-	40,310
U.S. DEPARTMENT OF HOMELAND SECURITY:				
<u>Direct Programs:</u>				
Assistance to Firefighters Grant.....	97.044	Not Applicable	-	9,034
Port Security Grant Program.....	97.056	Not Applicable	-	506,250
TOTAL HOMELAND SECURITY.....			-	515,284
<b>PASS-THROUGH PROGRAMS:</b>				
U.S. DEPARTMENT OF JUSTICE:				
<u>Passed through State Executive Office of Public Safety and Security:</u>				
Edward Byrne Memorial Justice Assistance Grant Program.....	16.738	SCEPSBJAG1FY17BRAINT	-	17,559
U.S. DEPARTMENT OF TRANSPORTATION:				
<u>Passed through Governor's Highway Safety Bureau:</u>				
State and Community Highway Safety.....	20.600	2018OTENF2022BRAINTR	-	1,572
Interagency Hazardous Materials Public Sector Training and Planning Grants.....	20.703	FD HAZMAT	-	7,549
TOTAL TRANSPORTATION.....			-	9,121
U.S. DEPARTMENT OF EDUCATION:				
<u>Passed through State Department of Elementary and Secondary Education:</u>				
Title I Grants to Local Educational Agencies.....	84.010	305-147805-2018-0040	-	379,887
Title I Grants to Local Educational Agencies.....	84.010	305-124676-2017-0040	-	85,827
Total Title I Grants to Local Educational Agencies.....			-	465,714
English Language Acquisition.....	84.365	180-147803-2018-0040	-	36,032
English Language Acquisition.....	84.365	180-135124-2017-0040	-	20,426
English Language Acquisition.....	84.365	184-138236-2018-0040	-	990
Total English Language Acquisition.....			-	57,448

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

FOR THE YEAR ENDED JUNE 30, 2018

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Amount Passed Through to Sub-Recipients</u>	<u>Expenditures</u>
Improving Teacher Quality State Grants.....	84.367	140-147806-2018-0040	-	108,697
Improving Teacher Quality State Grants.....	84.367	140-124987-2017-0040	-	23,229
Total Improving Teacher Quality State Grants.....			-	131,926
Student Support and Academic Enrichment Grants.....	84.424	309-162108-2018-0040	-	9,932
Hurricane Education Recovery.....	84.938	312-236987-2019-0040	-	92,318
TOTAL EDUCATION.....			-	757,338
U.S. DEPARTMENT OF HOMELAND SECURITY:				
<u>Passed through Massachusetts Emergency Management Agency:</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters).....	97.036	CTFEMA4214BTREE01197	-	2,931
<u>Passed through State Executive Office of Public Safety and Security:</u>				
Emergency Management Performance Grants.....	97.042	FY16EMPG1500000BRAIN	-	1,772
Emergency Management Performance Grants.....	97.042	FY18EMPG1700000BRAIN	-	9,434
TOTAL HOMELAND SECURITY.....			-	14,137
TOTAL.....			\$ -	\$ 3,886,651

(Concluded)

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 Braintree, Massachusetts 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 of Braintree, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Braintree, Massachusetts.

**Note 2 – Significant Accounting Policies**

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

- (a) Basis of Accounting – 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 – National School Lunch Program and Breakfast – Program expenditures represent federal reimbursement for meals provided during the year.
- (c) Non-Cash Assistance (Commodities) – National School Lunch Program – Program expenditures represent the value of donated foods received during the year.
- (d) Disaster Grants are recorded the year the grant was approved.
- (e) The Town of Braintree, Massachusetts has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**A. Summary of Auditor’s Results**

1. The auditor’s report expresses an unmodified opinion on the financial statements of the Town of Braintree, 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 Braintree, Massachusetts were 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 auditor’s report on compliance for the major federal award programs for the Town of Braintree, Massachusetts, expresses an unmodified opinion on all major federal award programs.
6. There were no audit findings relative to the major federal award programs of the Town of Braintree, Massachusetts.
7. The program tested as a major program is the Special Education cluster.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Town of Braintree, Massachusetts was determined to be a low-risk auditee.

**B. Findings – Financial Statements Audit**

None

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

None

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

None