

CITY OF BROCKTON, MASSACHUSETTS
GAO AND OMB A-133 REPORTS
FOR THE YEAR ENDED JUNE 30, 2015

CITY OF BROCKTON, MASSACHUSETTS

GAO AND OMB A-133 REPORTS

YEAR ENDED JUNE 30, 2015

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**INDEPENDENT AUDITORS' 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 Mayor and City Council
City of Brockton, 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 City of Brockton, Massachusetts, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Brockton, Massachusetts' basic financial statements, and have issued our report thereon dated March 18, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Brockton, 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 City of Brockton, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Brockton, 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 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 City of Brockton, 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 result 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 cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Boston, Massachusetts
March 18, 2016



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor and City Council
City of Brockton, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the City of Brockton, Massachusetts' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Brockton, Massachusetts' major federal programs for the year ended June 30, 2015. The City of Brockton, Massachusetts' major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Brockton, 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 City of Brockton, 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 City of Brockton, Massachusetts' compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Brockton, 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, 2015.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002. Our opinion on each major federal program is not modified with respect to these matters.

The City of Brockton, Massachusetts' responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Brockton, Massachusetts' responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the City of Brockton, 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 City of Brockton, 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 OMB Circular A-133, 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 City of Brockton, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002, that we consider to be significant deficiencies.

The City of Brockton, Massachusetts' responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Brockton, Massachusetts' responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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 City of Brockton, Massachusetts, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Brockton, Massachusetts. We issued our report thereon dated March 18, 2016, 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 OMB Circular A-133 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
March 18, 2016

**CITY OF BROCKTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARD PROGRAMS
YEAR ENDED JUNE 30, 2015**

Federal Grantor/Passed-Through Grantor/Program Title	CFDA Number	Pass-Through Number	2015 Federal Expenditures
U.S. Department of Agriculture:			
Passed through State Department of Elementary and Secondary Education:			
School Breakfast Program (Note 4)	10.553	12-044	\$ 2,053,640
National School Lunch Program - Cash Assistance (Note 4)	10.555	12-044	6,179,987
National School Lunch Program - Non-Cash Assistance - Commodities (Note 4)	10.555	12-044	295,124
Child and Adult Care Food Program	10.558	12-044	191,716
Special Summer Food Service Program for Children (Note 4)	10.559	12-044	316,864
Child Nutrition Discretionary Grants Limited Availability	10.579	550-008-5-0044-P	20,000
Child Nutrition Discretionary Grants Limited Availability	10.579	722-012-5-0044-P	78,284
Child Nutrition Discretionary Grants Limited Availability	10.579	550-013-5-0044-P	9,999
Fresh Fruit and Vegetable Program	10.582	12-044	128,700
Total U.S. Department of Agriculture			<u>9,274,314</u>
U.S. Department of Defense:			
Direct Programs:			
US Army Junior ROTC	12.000		<u>28,510</u>
U.S. Department of Housing and Urban Development:			
Direct Programs:			
Community Development Block Grant – Entitlement Grants (Note 4)	14.218		1,541,449
Home Investment Partnerships Program	14.239		15,276
Community Development Block Grant - Section 108 Loan Guarantees	14.248		81,453
Total U.S. Department of Housing and Urban Development			<u>1,638,178</u>
U.S. Department of Justice:			
Direct Programs:			
Part E – Developing, Testing and Demonstrating Promising New Programs	16.541		56,113
Public Safety Partnership and Community Policing Grants	16.710		31,189
Edward Byrne Memorial Justice Assistance Grant Program (Note 4)	16.738		12,205
Total Direct Programs			<u>99,507</u>
Passed through State Executive of Office of Public Safety and Security:			
Edward Byrne Memorial Justice Assistance Grant Program (Note 4)	16.738	SCEPSLARPFY13BROCKTN	22,000
Edward Byrne Memorial Justice Assistance Grant Program (Note 4)	16.738	SCEPSLARPFY14BROCKTN	269,199
Passed through Plymouth County District Attorney Office:			
Edward Byrne Memorial Justice Assistance Grant Program (Note 4)	16.738	FFY11JAGBROCKTONPD11	54,143
Edward Byrne Memorial Justice Assistance Grant Program (Note 4)	16.738	FFY12JAGBROCKTONPD01	4,898
Total Pass-Through Programs			<u>350,240</u>
Total U.S. Department of Justice			<u>449,747</u>
U.S. Department of Labor:			
Passed through Brockton Area Workforce Investment Board:			
WIA Adult Program (Note 4)	17.258	FY 15 DESE 15 Community Adult	<u>6,009</u>
U.S. Department of Transportation:			
Passed through State Department of Transportation:			
Highway Planning and Construction (Note 4)	20.205	178-MA-214	10,395
Passed through State Executive of Office of Public Safety and Security-			
State and Community Highway Safety (Note 4)	20.600	2014BROCKTONSTEPXXXX	20,624
State and Community Highway Safety (Note 4)	20.600	2013OTENF2017XXXXXXX	4,000
State and Community Highway Safety (Note 4)	20.600	2013OTENF2017XXXXXXX	14,491
State and Community Highway Safety (Note 4)	20.600	2013OTENF2017XXXXXXX	4,000
Interagency Hazardous Material Public Sector Training and Planning Grants	20.703	FY15HMEP1500000BROCK	5,023
Passed through Old Colony Planning Council:			
Highway Planning and Construction (Note 4)	20.205	81573	9,949
Total US Department of Transportation			<u>68,482</u>
U.S. Department of Education:			
Direct Programs:			
Capacity Building for Traditionally Underserved Populations	84.315		<u>595,625</u>
Passed through State Department of Elementary and Secondary Education:			
Adult Education - Basic Grants to States	84.002	340-026-5-0044-P	41,175
Title I – Grants to Local Educational Agencies	84.010	511-032-4-0044-O	86,371
Title I – Grants to Local Educational Agencies	84.010	305-018136-2014-0044	394,430
Title I – Grants to Local Educational Agencies	84.010	511-050-5-0044-P	207,772
Title I – Grants to Local Educational Agencies	84.010	305-043630-2015-0044	4,648,528
Title I – Grants to Local Educational Agencies	84.010	323-005-5-0044-D	33,004
Special Education – Grants to States (Note 4)	84.027	240-248-4-0044-O	85,391
Special Education – Grants to States (Note 4)	84.027	274-065-4-0044-O	7,644
Special Education – Grants to States (Note 4)	84.027	240-170-5-0044-P	4,439,413
Special Education – Grants to States (Note 4)	84.027	274-094-5-0044-P	128,518
Special Education – Grants to States (Note 4)	84.027	245-043-5-0044-P	30,000
Vocational Education – Grants to States	84.048	400-077-4-0044-O	16,732
Vocational Education – Grants to States	84.048	400-018-5-0044-P	87,396
Special Education – Preschool Grants (Kindergarten Development) (Note 4)	84.173	298-319-4-0044-O	111
Special Education – Preschool Grants (Kindergarten Development) (Note 4)	84.173	298-499-5-0044-P	9,350
Education for Homeless Children & Youth	84.196	310-018-4-0044-O	1,332
Education for Homeless Children & Youth	84.196	310-023-5-0044-P	24,224
Twenty-First Century Community Learning Centers	84.287	647-014-5-0044-P	122,177

**CITY OF BROCKTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARD PROGRAMS
YEAR ENDED JUNE 30, 2015**

<u>Federal Grantor/Passed-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>2015 Federal Expenditures</u>
U.S. Department of Education (continued):			
Passed through State Department of Elementary and Secondary Education (continued):			
Twenty-First Century Community Learning Centers	84.287	647-150-5-0044-P	\$ 191,571
Twenty-First Century Community Learning Centers	84.287	647-099-5-0044-P	500
High School Graduation Initiative	84.360	MassGrad Implementation	174,280
English Language Acquisition Grants	84.365	180-007-4-0044-O	5,011
English Language Acquisition Grants	84.365	180-065-4-0044-O	14,993
English Language Acquisition Grants	84.365	184-000-0-0044-P	5,257
English Language Acquisition Grants	84.365	186-003-5-0044-P	73,690
English Language Acquisition Grants	84.365	180-013-5-0044-P	496,427
English Language Acquisition Grants	84.365	180-095-5-0044-P	5,225
Improving Teacher Quality State Grants	84.367	140-028855-2014-0044	69,014
Improving Teacher Quality State Grants	84.367	140-055829-2015-0044	1,227,008
ARRA – State Fiscal Stabilization Fund Race to the Top	84.395	201-015782-2014-0044	17,575
ARRA – State Fiscal Stabilization Fund Race to the Top	84.395	205-001-4-0044-O	15,241
ARRA – State Fiscal Stabilization Fund Race to the Top	84.395	201-043780-2015-0044	471,853
Passed through Massachusetts Department of Early Childhood Education & Care:			
Special Education Grants to States (Note 4)	84.173	26215BROCKTONPUBLICS	101,325
ARRA – Special Education Grants to States (Note 4)	84.391	CT EEC 26214 BROCKTONPUBLICS 111	1,966
ARRA – State Fiscal Stabilization Fund Race to the Top	84.395	CT EEC RTTT13011642BROCKTON	12,010
Passed through United Way of Massachusetts Bay and Merrimack Valley-			
Race to the Top – Early Learning Challenge	84.412	15294771	1,912
Total Pass-Through Programs			<u>13,248,426</u>
Total U.S. Department of Education			<u>13,844,051</u>
U.S. Department of Health and Human Services:			
Direct Program:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		31,519
Medical Reserve Corps Small Grant Program	93.008		1,660
Total Direct Programs			<u>33,179</u>
Passed through Massachusetts Executive Office of Health and Human Services:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	INTF2354M03W30816051	120,000
Community Transformation Grants - financed solely by Prevention and Public Health Funds	93.531	INTF4200P01W20612037	7,529
Block Grants for Prevention and Treatment of Substance Abuse	93.959	INTF2354M04301822055	100,000
National Bioterrorism Hospital Preparedness Program	93.889	INTF6207P01W21916380	4,044
Passed through State Department of Elementary and Secondary Education:			
HIV/STD Prevention and School-Based Surveillance	93.079	649-011-5-0044-P	4,548
Passed through the Massachusetts Association of Health Boards-			
Public Health Emergency Preparedness	93.069	MRC 15-0928	6,993
Total Passed-Through Programs			<u>243,114</u>
Total U.S. Department of Health and Human Services			<u>276,293</u>
U.S. Department of Homeland Security:			
Passed through Massachusetts Emergency Management Agency:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	CTFEMA4214BROCK00164	9,649
Emergency Management Performance Grants	97.042	FY15EMPG1314000BROCK	44,380
Homeland Security Grant Program	97.067	FY15CCP13000000BROCK	1,525
Total U.S. Department of Homeland Security			<u>55,554</u>
Total Expenditures of Federal Awards			<u>\$ 25,641,138</u>

The accompanying notes are an integral part of the schedule of expenditures of federal award programs.

**CITY OF BROCKTON, MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARD PROGRAMS
YEAR ENDED JUNE 30, 2015**

Note 1 – Single Audit Reporting Entity

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal financial assistance programs of the City of Brockton, Massachusetts (the City). All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the Schedule.

Note 2 – Summary of Significant Accounting Policies

The accounting and reporting policies of the City are set forth below:

(a) Basis of Presentation

The accompanying Schedule is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(b) U.S. Department of Agriculture

The amount reported for the National School Lunch Program – Non-Cash Assistance (Commodities) represents non-monetary assistance and is reported in the Schedule at the fair market value of the commodities received. The amounts reported for the National School Lunch Program – Cash Assistance, School Breakfast Program and Special Summer Food Service Program for Children is reported in the Schedule based on the modified accrual basis of accounting.

Note 3 – Subrecipients

The following schedule represents funds paid by the City to its subrecipients:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Passed through to Subrecipients</u>
Community Development Block Grant – Entitlement Grants	14.218	\$ 1,541,449
Home Investment Partnership Program	14.239	15,276
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12,205
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	116,400
Block Grants for Prevention and Treatment of Substance Abuse	93.959	97,000
		<u>\$ 1,782,330</u>

**CITY OF BROCKTON, MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARD PROGRAMS
YEAR ENDED JUNE 30, 2015**

Note 4 – Clustered Programs

OMB Circular A-133 defines a “cluster” as “a grouping of closely related programs that share common compliance requirements.” The table below details the federal programs included in the Schedule that are required by OMB Circular A-133 to be “clustered” for purposes of testing federal compliance requirements and identifying Type A programs:

Cluster Program Name CFDA #/	Program Title	Expenditures
<i>Child Nutrition Cluster:</i>		
10.553	School Breakfast Program	\$ 2,053,640
10.555	National School Lunch Program - cash assistance	6,179,987
10.555	National School Lunch Program - non-cash assistance	295,124
10.559	Special Summer Food Service Program for Children	316,864
	<i>Child Nutrition Cluster Total</i>	<u>\$ 8,845,615</u>
<i>CDBG - Entitlement Grants Cluster:</i>		
14.218	<i>Community Development Block Grant – Entitlement Grants</i>	<u>\$ 1,541,449</u>
<i>JAG Program Cluster:</i>		
16.738	Edward Byrne Memorial Justice Assistance Grant Program	\$ 12,205
16.738	Edward Byrne Memorial Justice Assistance Grant Program	22,000
16.738	Edward Byrne Memorial Justice Assistance Grant Program	269,199
16.738	Edward Byrne Memorial Justice Assistance Grant Program	54,143
16.738	Edward Byrne Memorial Justice Assistance Grant Program	4,898
	<i>JAG Program Cluster Total</i>	<u>\$ 362,445</u>
<i>WIA Cluster:</i>		
17.258	<i>WIA Adult Program</i>	<u>\$ 6,009</u>
<i>Highway Planning and Construction Cluster:</i>		
20.205	Highway Planning and Construction	\$ 10,395
21.205	Highway Planning and Construction	9,949
	<i>Highway Planning and Construction Cluster Total</i>	<u>\$ 10,395</u>
<i>Highway Safety Cluster:</i>		
20.600	State and Community Highway Safety	\$ 20,624
20.600	State and Community Highway Safety	4,000
21.600	State and Community Highway Safety	14,491
20.600	State and Community Highway Safety	4,000
	<i>Highway Safety Cluster Total</i>	<u>\$ 43,115</u>
<i>Special Education Cluster (IDEA):</i>		
84.027	Special Education – Grants to States	\$ 4,439,413
84.027	Special Education – Grants to States	128,518
84.027	Special Education – Grants to States	85,391
84.027	Special Education – Grants to States	30,000
84.027	Special Education – Grants to States	7,644
84.173	Special Education – Preschool Grants (Kindergarten Development)	101,325
84.173	Special Education – Preschool Grants (Kindergarten Development)	9,350
84.173	Special Education – Preschool Grants (Kindergarten Development)	111
	<i>Special Education Cluster (IDEA) Total</i>	<u>\$ 4,801,752</u>

This information is an integral part of the accompanying schedule of expenditures of federal award programs.

**CITY OF BROCKTON, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? x yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? x yes _____ no

Identification of Major Federal Programs

<p>10.555, 10.553, 10.559 14.218 84.010 84.367 84.395</p>	<p>Child Nutrition Cluster Community Development Block Grant Title I Grants to Local Education Agencies Improving Teacher Quality State Grants ARRA – State Fiscal Stabilization Fund Race to the Top</p>
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**CITY OF BROCKTON, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section I – Summary of Auditors’ Results (Continued)

Dollar threshold used to distinguish between
Type A and Type B programs: \$ 769,234

Auditee qualified as low-risk auditee pursuant
to OMB Circular A-133? _____ yes x no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2015-001

Federal Agency: Department of Agriculture

Federal Program: Child Nutrition Cluster

CFDA Number: 10.553, 10.555, 10.559

Award Period: July 1, 2014 – June 30, 2015

Type of Finding: Significant Deficiency in Internal Control over Compliance, Noncompliance

Compliance Requirement: Eligibility

Criteria or specific requirement: Federal guidelines require that local educational agencies (LEAs) determine a student’s eligibility for free or reduced price meals by comparing the data reported on an application submitted by the child’s household to published income eligibility guidelines.

Condition: The City did not obtain the applicable signatures of school officials on all applications, or the application was incomplete or not on file.

Questioned Costs: Unknown

Context: 2 out of the 60 applications tested did not contain the second page of the application with the authorizing signatures; 4 out of the 60 applications tested did not contain the verifying official’s signature or did not contain the determining official’s signature; 2 out of the 60 applications tested was not on file.

Cause: Procedures are not in place to ensure all applications were complete and on file.

Effect: The City was not in compliance with certain eligibility documentation requirements.

**CITY OF BROCKTON, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Recommendation: We recommend the City review its procedures over the eligibility determination process in order to ensure that all applications are complete and on file.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Actions planned in response to finding: The School Department will take further measures, ensuring that the proper signatures will be obtained and that all correct information is completed on all applications.

Responsible party: Eileen Angeli

Planned completion date for corrective action plan: Immediately

Plan to monitor completion of corrective action plan: Office of Financial Services will review all applications.

2015-002

Federal Agency: Department of Agriculture

Federal Program: Child Nutrition Cluster

CFDA Number: 10.553, 10.555, 10.559

Award Period: July 1, 2014 – June 30, 2015

Type of Finding: Significant Deficiency in Internal Control over Compliance, Noncompliance

Compliance Requirement: Special Tests and Provisions, Verification of Free and Reduced Price Applications

Criteria or specific requirement: Federal guidelines require that by November 15th of each school year, the local education agency (LEA) verify the current free and reduced price eligibility of households from a sample of applications that were approved for free and reduced price meals and make appropriate changes to the eligibility status based on the results of the verification.

Condition: Although the methodology used by the City for their Verification Summary is appropriate, we could not determine if the City's Verification Summary incorporated an appropriate number of application reviews since there was not sufficient documentation maintained to support the number of applications that were verified.

Questioned Costs: Unknown

Context: 3 out of the 15 free and reduced price eligibility status verifications tested were missing applications and/or data submitted for verification of income could not be found.

**CITY OF BROCKTON, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause: Procedures are not in place to ensure that the applicable information is maintained on file.

Effect: The City was not in compliance with verification requirements.

Recommendation: We recommend the City maintain all documentation on file related to verification of eligibility.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Actions planned in response to finding: The School Department will make sure that all applications are accounted for. A more efficient filing system will be implemented.

Responsible party: Eileen Angeli

Planned completion date for corrective action plan: Immediately

Plan to monitor completion of corrective action plan: Office of Financial Services will review all applications.

Section IV – Prior Year Major Federal Program Findings

2014 – 003 – Allowable Activities and Costs – Improving Teacher Quality

During this year's testing of allowable activities and costs related to the Improving Teacher Quality Grants, no instances of noncompliance were noted. Resolved.

2014 – 004 – Procurement, Suspension, and Debarment – Title I and Improving Teacher Quality

During this year's testing of procurement, suspension, and debarment related to the Title I and Improving Teacher Quality Grants, no instances of noncompliance were noted. Resolved.

2014 – 005 – Allowable Activities and Costs – Title I

During this year's testing of allowable activities and costs related to the Title I Grants, no instances of noncompliance were noted. Resolved.

2014 – 006 – Special Tests and Provisions – Title I

During this year's testing of special tests and provisions related to the Title I Grants, no instances of noncompliance were noted. Resolved.

**CITY OF BROCKTON, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section IV – Prior Year Major Federal Program Findings (Continued)

2014 – 007 – Cash Management – Race to the Top

During this year's testing of cash management related to the Race to the Top Grants, no instances of noncompliance were noted. Resolved.

2014 – 008 – Eligibility – Child Nutrition Cluster

During this year's testing of eligibility related to the Child Nutrition Cluster, instances of noncompliance were noted. See current year finding 2015-002.

2014 – 009 – Special Tests and Provisions – Child Nutrition Cluster

During this year's testing of special tests and provisions, verification of free and reduced price applications, instances of noncompliance were noted. See current year finding 2015-003.

2014 – 010 – Reporting – Child Nutrition Cluster

During this year's testing of reporting related to the Child Nutrition Cluster, no instances of noncompliance were noted. Resolved.

2014 – 011 – Procurement, Suspension and Debarment – Community Development Block Grant

During this year's testing of procurement, suspension and debarment related to the Community Development Block Grants, no instances of noncompliance were noted. Resolved.

2014 – 012 – Subrecipient Monitoring – Community Development Block Grant

During this year's testing of subrecipient monitoring related to the Community Development Block Grants, no instances of noncompliance were noted. Resolved.