

**CITY OF BROCKTON, MASSACHUSETTS  
GAO AND UNIFORM GUIDANCE REPORTS  
YEAR ENDED JUNE 30, 2018**



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**WEALTH ADVISORY  
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AUDIT, TAX, AND  
CONSULTING**

**CITY OF BROCKTON, MASSACHUSETTS  
GAO AND UNIFORM GUIDANCE REPORTS  
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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**

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, 2018, 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 28, 2019.

### **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.

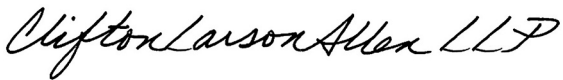
Honorable Mayor and City Council  
City of Brockton, Massachusetts

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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.



**CliftonLarsonAllen LLP**

Boston, Massachusetts  
March 28, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND  
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

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 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, 2018. 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 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 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 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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of City of Brockton, Massachusetts' compliance.

***Basis for Qualified Opinion on 21<sup>st</sup> Century Learning Centers Grant***

As described in the accompanying schedule of findings and questioned costs, the City of Brockton, Massachusetts did not comply with requirements regarding CFDA 84.287 21<sup>st</sup> Century Learning Centers Grant as described in finding number 2018-001 for Allowable Costs. Compliance with such requirements is necessary, in our opinion, for the City of Brockton, Massachusetts to comply with the requirements applicable to that program.

***Qualified Opinion on 21<sup>st</sup> Century Learning Centers Grant***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 the 21<sup>st</sup> Century Learning Centers Grant for the year ended June 30, 2018.

***Unmodified Opinion on Each of the Other Major Federal Programs***

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 other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2018.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2018-002, 2018-003, 2018-004, and 2018-005. 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 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 City of Brockton, Massachusetts' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness and significant deficiencies.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-001 to be a material weakness.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2018-002, 2018-003, 2018-004, 2018-005 to be significant deficiencies.

The City of Brockton, Massachusetts' response to the internal control over compliance findings identified in our audit is 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.

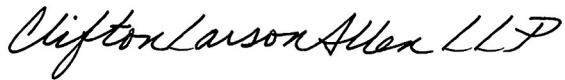
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by 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 City of Brockton, Massachusetts, as of and for the year ended June 30, 2018, 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 28, 2019, which contained unmodified opinions on those financial statements.

Honorable Mayor and City Council  
City of Brockton, Massachusetts

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.



**CliftonLarsonAllen LLP**

Boston, Massachusetts  
March 28, 2019



**CITY OF BROCKTON, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2018**

Federal Grantor/Passed-Through Grantor/Program Title	CFDA Number	Pass-Through Number	Federal Expenditures	Passed Through Subrecipients
U.S. Department of Agriculture Pass Through Programs:				
Passed through State Department of Elementary and Secondary Education:				
Child Nutrition Cluster - Food and Nutrition Service:				
School Breakfast Program (note 3)	10.553	12-044	\$ 3,493,407	\$ -
National School Lunch Program - cash assistance (note 3)	10.555	12-044	7,516,169	-
National School Lunch Program - non-cash assistance (note 3)	10.555	12-044	776,927	-
Special Summer Food Service Program for Children (note 3)	10.559	12-044	289,874	-
Child Nutrition Cluster Total			<u>12,076,377</u>	<u>-</u>
Child and Adult Care Food Program	10.558	12-044	518,954	-
Child Nutrition Discretionary Grants Limited Availability	10.579	722-005-7-0044-R	48,536	-
Fresh Fruit and Vegetable Program	10.582	12-044	150,142	-
Total U.S. Department of Agriculture			<u>12,794,009</u>	<u>-</u>
U.S. Department of Defense Direct Programs:				
Direct Programs:				
US Army Junior ROTC	12.000	N/A	100,343	-
Total U.S. Department of Defense			<u>100,343</u>	<u>-</u>
U.S. Department of Housing and Urban Development Direct Programs:				
CDBG- Entitlement Grants Cluster - Office of Community Planning and Development:				
Direct programs:				
Community Development Block Grant – Entitlement Grants	14.218	N/A	1,599,895	1,599,895
Community Development Block Grant – Entitlement Grants	14.218	N/A	88,592	-
CDBG - Entitlement Grants Cluster Total			<u>1,688,487</u>	<u>1,599,895</u>
Home Investment Partnerships Program	14.239	N/A	479,226	479,226
Community Development Block Grant - Section 108 Loan Guarantees	14.248	N/A	88,592	-
Total U.S. Department of Housing and Urban Development			<u>2,256,305</u>	<u>2,079,121</u>
U.S. Department of Justice Direct Programs:				
Direct programs:				
Public Safety Partnership and Community Policing Grants	16.710	N/A	159,754	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	43,848	14,592
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	61,433	8,587
Total U.S. Department of Justice direct programs			<u>265,035</u>	<u>23,179</u>
U.S. Department of Justice Pass Through Programs:				
Passed through State Executive of Office of Public Safety and Security-				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	SCEPBAG1FY17 BROCKT	49,999	-
Passed through Plymouth County Commissioners' Office :				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-H3707-MA-DJ	2,813	-
Passed through Massachusetts Attorney General's Office:				
Public Safety Partnership and Community Policing Grants	16.710	18COPSOTBROCKTON0000	25,231	-
Total U.S. Department of Justice pass-through programs			<u>78,043</u>	<u>-</u>
Total U.S. Department of Justice			<u>343,078</u>	<u>23,179</u>
U.S. Department of Labor Pass Through Programs:				
Passed through Brockton Area Workforce Investment Board:				
WIA/WIOA Cluster - Employment Training Administration:				
WIA Adult Program (note 4)	17.258	FY '17 DESE 542 Community Adult Learning Center	4,078	-
WIA/WIOA Cluster Total			<u>4,078</u>	<u>-</u>
YouthBuild	17.274	UNKNOWN	103,348	-
Total U.S. Department of Labor pass through programs			<u>107,426</u>	<u>107,426</u>
Total US Department of Labor			<u>107,426</u>	<u>-</u>
U.S. Department of Transportation Pass Through Programs:				
Highway Safety Cluster - National Highway Traffic Safety Administration:				
Passed through State Executive of Office of Public Safety and Security:				
State and Community Highway Safety	20.600	2013OTENF2017XXXXXXX	4,000	-
State and Community Highway Safety	20.600	2017BROCKTONSTEPXXXX	49,500	-
State and Community Highway Safety	20.600	2018OTENF2022BROCKTO	5,795	-
Highway Safety Cluster Total			<u>59,295</u>	<u>-</u>
Total US Department of Transportation			<u>59,295</u>	<u>-</u>
Institute of Museum and Library Services Pass Through Programs:				
Passed through Massachusetts Board of Library Commissioners-				
Grants to States	45.310	16BROCKTONLIBRARY000	2,470	-
Total Institute of Museum and Library Services pass through programs			<u>2,470</u>	<u>-</u>
Total Institute of Museum and Library Services			<u>2,470</u>	<u>-</u>
U.S. Department of Education Direct Programs:				
Direct Programs:				
Capacity Building for Traditionally Underserved Populations	84.315	N/A	16,832	-
Total U.S. Department of Education direct programs			<u>16,832</u>	<u>-</u>
U.S. Department of Education Pass Through Programs:				
Special Education Cluster - Office of Special Education and Rehabilitative Services:				
Passed through State Department of Elementary and Secondary Education:				
Special Education – Grants to States	84.027	240-095404-2017-0044	96,080	-
Special Education – Grants to States	84.027	274-201505-20108-0044	53,302	-
Special Education – Grants to States	84.027	243-166-7-0044-C	16,232	-
Special Education – Grants to States	84.027	244-159770-201-0044	15,000	-
Special Education – Grants to States	84.027	240-095404-2017-0044	105,225	-
Special Education – Grants to States	84.027	240-147674-2018-0044	4,510,509	-
Special Education – Grants to States	84.027	245-001-8-0044-S	6,922	-
Special Education – Grants to States	84.027	274-034-7-0044-G	12,905	-
Special Education Cluster Total			<u>4,816,175</u>	<u>-</u>

**CITY OF BROCKTON, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2018**

Federal Grantor/Passed-Through Grantor/Program Title	CFDA Number	Pass-Through Number	Federal Expenditures	Passed Through Subrecipients
Passed through State Department of Elementary and Secondary Education:				
Adult Education – Basic Grants to States	84.002	340-017-7-0044-R	8,339	-
Adult Education – Basic Grants to States	84.002	359-014-7-0044-R	22,024	-
Adult Education – Basic Grants to States	84.002	359-137700-2018-0044	136,757	-
Title I – Grants to Local Educational Agencies	84.010	323-009-7-0044-R	16,135	-
Title I – Grants to Local Educational Agencies	84.010	323-177837-2018-0044	353,057	-
Title I – Grants to Local Educational Agencies	84.010	305-097643-2017-0044	384,224	-
Title I – Grants to Local Educational Agencies	84.010	305-146315-2018-0044	5,669,566	-
Title I – Grants to Local Educational Agencies	84.010	320-202791-2018-0044	48,845	-
Title I – At-Risk Youth Funds	84.013A	320-185-7-0044-A	21,514	-
Vocational Education – Grants to States	84.048	400-051-7-0044-R	44,553	-
Vocational Education – Grants to States	84.048	400-144312-2018-0044	87,744	-
Education for Homeless Children & Youth	84.196	310-014-7-0044-G	3,739	-
Education for Homeless Children & Youth	84.196	310-144261-2018-0044	32,164	-
Twenty-First Century Community Learning Centers	84.287	645-146495-2018-0044	758,381	-
Twenty-First Century Community Learning Centers	84.287	647-039-8-0044-S	56,716	-
Twenty-First Century Community Learning Centers	84.287	647-126-7-0044-R	23,507	-
Twenty-First Century Community Learning Centers	84.287	647-125-7-0044-F	4,595	-
Twenty-First Century Community Learning Centers	84.287	643-003-8-0044-S	107,164	-
Twenty-First Century Community Learning Centers	84.287	647-127-7-0044-R	16,509	-
Twenty-First Century Community Learning Centers	84.287	647-140826-2018-0044	146,531	-
English Language Acquisition Grants	84.365	180-102233-2017-0044	17,168	-
English Language Acquisition Grants	84.365	180-145548-2018-0044	559,223	-
English Language Acquisition Grants	84.365	180-035-7-0044-R	50,882	-
English Language Acquisition Grants	84.365	184-138264-2018-0044	3,608	-
Improving Teach Quality State Grants	84.367	140-097644-2017-0044	116,618	-
Improving Teach Quality State Grants	84.367	140-146316-2018-0044	740,138	-
Improving Teach Quality State Grants	84.367	144-034-7-0044-R	19,391	-
Federal Impact Aid	84.398C	312-265611-2019-0044	230,175	-
Student Support and Academic Enrichment Program	84.424	309-146317-2018-0044	144,480	-
Passed through Massachusetts Department of Early Childhood Education & Care:				
ARRA – Special Education Grants to States	84.391	26218BROCKTONPUBLICS	98,539	-
Total U.S. Department of Education pass-through programs			<u>14,738,461</u>	-
Total U.S. Department of Education			<u>14,755,293</u>	-
U.S. Department of Health and Human Services Pass Through Programs:				
Child Care and Development Fund Cluster - Administration For Children and Families				
Passed through Massachusetts Department of Early Childhood Education & Care:				
Child Care and Development Block Grant	93.575	23918BROCKTONPUBLICS	18,499	-
Child Care and Development Fund Cluster Total			<u>18,499</u>	-
Medicaid Cluster - Centers For Medicare and Medicaid Services				
Passed through Massachusetts Executive Office of Health and Human Services:				
Medical Assistance Program (note 4)	93.778	110032900A	791,719	-
Medicaid Cluster Total			<u>791,719</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	INTF2354M04W5009117	85,000	83,000
Block Grants for Prevention and Treatment of Substance Abuse	93.959	INTF2354M04301822055	100,000	98,000
Block Grants for Prevention and Treatment of Substance Abuse	93.959	INTF2354M04160222083	100,000	98,000
Passed through State Department of Elementary and Secondary Education:				
Cooperative Agreements to Promote Adolescent Health through School-Based				
HIV/STD Prevention and School-Based Surveillance	93.079	649-015-7-0044-A	435	-
HIV/STD Prevention and School-Based Surveillance	93.079	649-140234-2018-0044	4,873	-
Head Start	93.600	23715BROCKTONPUBLICS	370	-
Passed through the Massachusetts Association of Health Boards-				
Public Health Emergency Preparedness	93.069	UNKNOWN	8,400	-
Total U.S. Department of health and Human Services passed-through programs			<u>299,078</u>	<u>279,000</u>
Total U.S. Department of Health and Human Services			<u>1,109,296</u>	<u>279,000</u>
U.S. Corporation for National and Community Service Program:				
Passed through the Massachusetts Service Alliance:				
Volunteer Generation Fund	94.021	YDVI-18-F-46001382	5,275	-
Total U.S. Corporation for National and Community Service			<u>5,275</u>	-
U.S. Department of Homeland Security Pass Through Programs:				
Passed through Massachusetts Emergency Management Agency:				
Emergency Management Performance Grants	97.042	FY17EMPG1600000BROCK	22,460	-
Homeland Security Grant Program	97.067	FY18CCP16000000BROCK	4,991	-
Total U.S. Department of Homeland Security			<u>27,451</u>	-
Total Expenditures of Federal Awards			<u>\$ 31,560,241</u>	<u>\$ 2,381,300</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 AWARDS  
YEAR ENDED JUNE 30, 2018**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Brockton, 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 2 CFR 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 City of Brockton, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Brockton, Massachusetts.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles in contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City of Brockton, Massachusetts did not elect to use the 10-percent de minimis indirect cost rate identified in §200.414 of the Uniform Guidance.

**NOTE 3 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 federal reimbursements under the modified accrual basis of accounting.

**NOTE 4 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

The amount reported for the School-Based Medicaid Reimbursement Program represents federal reimbursements for Administrative Activity Claims.

**NOTE 5 U.S. DEPARTMENT OF HOMELAND SECURITY**

U.S. Department of Homeland Security CFDA program 97.042 Emergency Management Performance Grants expenditures are recognized in the City's SEFA when both the Federal Emergency Management Administration (FEMA) has approved the City's Project Worksheets (PW) and the City has incurred the eligible expenditures. If the City incurs eligible expenditures in its prior fiscal years and FEMA approves the City's PW in the City's current or subsequent fiscal year, the City recognizes those eligible expenditures in either the City's current or subsequent fiscal year's Schedule.

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, 2018**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

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

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_  yes \_\_\_\_\_ no
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_  yes \_\_\_\_\_ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified for all federal programs, except the 21<sup>st</sup> Century Learning Centers Grant, which was modified
3. Any audit findings disclosed that are required to be reported in accordance with Subpart F, Section 516(a) of the Uniform Guidance? \_\_\_\_\_ yes  no

**Identification of Major Federal Programs**

<p>10.555, 10.553, 10.559 14.218 84.287</p>	<p>Child Nutrition Cluster Community Development Block Grant 21<sup>st</sup> Century Learning Centers Grant</p>
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**CITY OF BROCKTON, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2018**

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***Section I – Summary of Auditors’ Results (Continued)***

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Dollar threshold used to distinguish between  
Type A and Type B programs: \$ 946,807

Auditee qualified as low-risk auditee pursuant  
to Uniform Guidance? \_\_\_\_\_ yes        x   no

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***Section II – Financial Statement Findings***

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

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**2018 – 001**

Federal agency: U.S. Department of Education

Federal program title: 21<sup>st</sup> Century Learning Centers Grant

CFDA Number: 84.287

Pass-Through Agency: Massachusetts Department of Early and Secondary Education

Pass-Through Number(s) and Year: 647-140826-2018-0044      9/1/2017 – 8/31/2018

645-146495-2018-0044      9/5/2017 – 8/31/2018

647-003-8-0044      7/1/2016 – 8/31/2017

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Material Noncompliance (Modified Opinion)

Compliance Requirement: Allowable Costs

**Criteria or specific requirement:** 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* requires compliance with the provisions of Allowable Costs/Cost Principles. The City of Brockton, Massachusetts should have internal controls designed to ensure compliance with those provisions.

**Condition:** The City could not provide documentation to support payroll expenditures charged to the grant were allowable.

**Questioned costs:** \$395,768

**CITY OF BROCKTON, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2018**

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

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**2018 – 001 (Continued)**

**Context:** The City recorded journal entries to transfer payroll expenditures between two grants. Management could not provide adequate supporting documentation to ensure costs were correctly charged to the grant and within the period of performance.

**Cause:** Procedures are not in place to maintain the required supporting documentation for the salaries charged to the grant.

**Effect:** The City did not comply with the federal allowable costs compliance requirement.

**Recommendation:** We recommend management review its policies and procedures and make changes as necessary to ensure proper documentation is maintained, reviewed and approved to substantiate all costs charged to grants.

**Views of responsible officials:** There is no disagreement with the audit finding. See Corrective Action Plan.

**2018 – 002**

Federal agency: U.S. Department of Education

Federal program title: 21<sup>st</sup> Century Learning Centers Grant

CFDA Number: 84.287

Pass-Through Agency: Massachusetts Department of Early and Secondary Education

Pass-Through Number(s) and Year: 647-140826-2018-0044      9/1/2017 – 8/31/2018

647-003-8-0044      7/1/2016 – 8/31/2017

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Compliance Requirement: Allowable Costs

**Criteria or specific requirement:** 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* requires compliance with the provisions of Allowable Costs/Cost Principles. The City of Brockton, Massachusetts should have internal controls designed to ensure compliance with those provisions.

**Condition:** Payroll expenditures were incorrectly charged to the grant.

**Questioned costs:** None Reported

**CITY OF BROCKTON, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2018**

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

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**2018 – 002 (Continued)**

**Context:** 2 of the 40 payroll transactions tested were incorrectly charged to the grant. In addition, the City overpaid an employee and was incorrectly charged to the grant.

**Cause:** Inadequate review of costs to ensure they are charged to the grant correctly.

**Effect:** The City did not comply with the federal allowable costs compliance requirement.

**Recommendation:** We recommend management review their policies and procedures and make changes where necessary to ensure only allowable costs are charged to grants.

**Views of responsible officials:** There is no disagreement with the audit finding. See Corrective Action Plan.

**2018 – 003**

Federal agency: U.S. Department of Education

Federal program title: 21<sup>st</sup> Century Learning Centers Grant

CFDA Number: 84.287

Pass-Through Agency: Massachusetts Department of Early and Secondary Education

Pass-Through Number(s) and Year:	645-146495-2018-0044	9/1/2017 – 8/31/2018
	647-140826-2018-0044	9/1/2017 – 8/31/2018
	647-B1	7/1/2017 – 8/31/2017
	647-A	7/1/2017 – 8/31/2017

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Compliance Requirement: Cash Management

**Criteria or specific requirement:** 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* requires compliance with the provisions of Cash Management. The City of Brockton, Massachusetts should have internal controls designed to ensure compliance with those provisions.

2 CFR, Part 200, 200.305 (b) requires that non-federal agencies other than states must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-federal entity.

48 CFR Section 52.516-7(b) states that a non-federal entity requesting reimbursement should incur the expenditures within 30 days of the request.

**CITY OF BROCKTON, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2018**

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

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**2018 – 003 (Continued)**

**Condition:** The City received grant funding in advance of grant expenditures; however, the funds were not expended within 30 days of receipt.

**Questioned costs:** None

**Context:** 3 of the 6 requests for drawdown of funds tested revealed that the time between receipt of federal funds and disbursement for allowable costs ranged from 52 to 147 days, which is not considered timely per federal regulations.

**Cause:** The City did not have adequate controls in place to ensure federal funds were expended timely after receipt.

**Effect:** The City did not comply with the federal cash management compliance requirement.

**Recommendation:** We recommend management review their policies and procedures and make changes where necessary to ensure funds are either drawn down on a reimbursement basis after expenditures are incurred or expended within 30 days of receipt if advanced funded.

**Views of responsible officials:** There is no disagreement with the audit finding. See Corrective Action Plan.

**2018 – 004**

Federal agency: U.S. Department of Education

Federal program title: 21<sup>st</sup> Century Learning Centers Grant

CFDA Number: 84.287

Pass-Through Agency: Massachusetts Department of Early and Secondary Education

Pass-Through Number(s) and Year: 647-003-8-0044                      7/1/2016-8/31/2017

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Compliance Requirement: Period of Performance

**Criteria or specific requirement:** 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* requires compliance with the provisions of Period of Performance. The City of Brockton, Massachusetts should have internal controls designed to ensure compliance with those provisions.



**CITY OF BROCKTON, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2018**

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

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**2018 – 004 (Continued)**

2 CFR, Part 200, §200.309 states that a non-federal agency may charge to the federal award only allowable costs incurred during the period of performance.

**Condition:** Expenditures were charged to the grant outside the period of performance.

**Questioned costs:** None Reportable

**Context:** 2 of the 9 expenditures tested revealed charges to the grant after the grant period had ended.

**Cause:** The City did not have adequate procedures in place to ensure expenditures were charged to the grant within the period of performance.

**Effect:** The City did not comply with the federal period of performance compliance requirement.

**Recommendation:** We recommend management review their policies and procedures, and make changes where necessary to ensure expenditures are not charged outside of the period of performance.

**Views of responsible officials:** There is no disagreement with the audit finding. See Corrective Action Plan.

**2018 – 005**

Federal agency: U.S. Department of Education

Federal program title: 21<sup>st</sup> Century Learning Centers Grant

CFDA Number: 84.287

Pass-Through Agency: Massachusetts Department of Early and Secondary Education

Pass-Through Number(s) and Year:	647-B1-2018	7/1/2017 – 8/31/2017
	647-A-2018	7/1/2017 – 8/31/2017
	647-A-2017	7/1/2016 – 6/30/2017
	647-A-2017-2	7/1/2016 – 6/30/2017
	647-B1-2017	7/1/2016 – 6/30/2017

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Compliance Requirement: Reporting

**CITY OF BROCKTON, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2018**

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

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**2018 – 005 (Continued)**

**Criteria or specific requirement:** 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* requires compliance with the provisions of Reporting. The City of Brockton, Massachusetts should have internal controls designed to ensure compliance with those provisions.

The City is responsible for submitting a Final Financial Report (FFR) on a final basis to the Massachusetts Department of Elementary and Secondary Education (DESE) no later than 60 days after the grant period ends.

**Condition:** FFR's were not submitted to DESE within 60 days after the grant ended.

**Questioned costs:** None

**Context:** 5 of the 5 FFR's tested were not submitted to DESE within the required time frame.

**Cause:** The City did not have adequate procedures in place to ensure the FFR was submitted timely.

**Effect:** The City did not comply with the DESE reporting requirement.

**Recommendation:** We recommend management review its policies and procedures and make changes where necessary to ensure FFR's are submitted timely to DESE.

**Views of responsible officials:** There is no disagreement with the audit finding. See Corrective Action Plan.

