

**TOWN OF WRENTHAM, MASSACHUSETTS**

INDEPENDENT AUDITORS' REPORT AS  
REQUIRED BY OMB CIRCULAR A-133  
AND ***GOVERNMENT AUDITING STANDARDS***  
AND RELATED INFORMATION

FOR THE YEAR ENDED JUNE 30, 2013

TOWN OF WRENTHAM, MASSACHUSETTS  
INDEPENDENT AUDITORS' REPORT AS REQUIRED BY OMB CIRCULAR A-133  
AND **GOVERNMENT AUDITING STANDARDS** AND RELATED INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013

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## **INDEPENDENT AUDITORS REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

To the Honorable Board of Selectmen  
Town of Wrentham, Massachusetts

### **Report on Compliance for the Major Federal Program**

We have audited the Town of Wrentham, 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 the Town of Wrentham, Massachusetts' major federal program for the year ended June 30, 2013. The Town of Wrentham, Massachusetts' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Town of Wrentham, 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 Town of Wrentham, 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 Wrentham, Massachusetts' compliance.

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

In our opinion, the Town of Wrentham, 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, 2013.

## **Other Matters**

The results of our auditing procedures disclosed 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 2013-001 & 2013-002. Our opinion on the major federal program is not modified with respect to this matter.

Town of Wrentham, Massachusetts's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Town of Wrentham, Massachusetts's response 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 Town of Wrentham 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 Wrentham, Massachusetts's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Town of Wrentham, Massachusetts's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 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 a material weakness. 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 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 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 Town of Wrentham, Massachusetts as of and for the year ended June 30, 2013, and have issued our report thereon dated April 28, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the Town of Wrentham, Massachusetts' 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 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 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 financial statements or to the 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 financial statements as a whole.

*R. E. Brown & Company*

April 28, 2014

**TOWN OF WRENTHAM, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2013**

PROGRAM GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	GRANTOR/ PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<b>SPECIAL EDUCATION CLUSTER:</b>			
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE)			
PL 94-142 PROJECT CLASS - FY 2013	84.027	240-325-3-0350-N	\$ 194,080
PL 94-142 PROJECT CLASS - FY 2012	84.027	240-392-2-0350-M	58,794
SPED PROGRAM IMPROVEMENT - FY 2013	84.027	274-200-3-0350-N	5,862
SPED PROGRAM IMPROVEMENT - FY 2012	84.027	274-109-2-0350-M	4,298
EARLY CHILDHOOD SPED PROGRAM IMPROVEMENT	84.173	298-084-3-0350-N	<u>3,000</u>
TOTAL PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION (DESE)			<u>266,034</u>
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION - DEPARTMENT OF EARLY EDUCATION & CARE (EEC)			
EARLY CHILDHOOD ALLOCATION - FY 2013	84.173	26213WRENTHAMPUBLIC	13,733
EARLY CHILDHOOD ALLOCATION - FY 2012	84.173	26212WRENTHAMPUBLIC	<u>4,330</u>
TOTAL PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION (EEC)			<u>18,063</u>
TOTAL SPECIAL EDUCATION CLUSTER:			
			<u>284,097</u>
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION - DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE)			
TITLE 1 GRANTS TO LOCAL EDUCATIONAL AGENCIES - FY 13	84.010	305-004168-2013-0350	37,214
TITLE 1 GRANTS TO LOCAL EDUCATIONAL AGENCIES - FY 13 CARRY OVER	84.010	305-154-3-0350-N	6,850
TITLE 1 GRANTS TO LOCAL EDUCATIONAL AGENCIES - FY 12 CARRY OVER	84.010	305-309-2-0350-M	1,719
TITLE 1 GRANTS TO LOCAL EDUCATIONAL AGENCIES - FY 12	84.010	305-301-2-0350-M	18,647
TEACHER QUALITY GRANT - FY 13	84.367	140-004481-2013-0350	15,217
TEACHER QUALITY GRANT - FY 12	84.367	140-227-2-0350-M	6,610
EDUCATION JOBS GRANT	84.410	206-057-2-0350-M	35,484
EDUCATION JOBS GRANT - CARRY OVER	84.410	206-062-3-0350-N	3,686
RACE TO THE TOP - FY 13	84.395	201-000404-2013-0350	39,098
RACE TO THE TOP - FY 12	84.395	201-106-2-0350-M	<u>1,620</u>
TOTAL PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION (DESE)			<u>166,145</u>
<b>TOTAL U.S DEPARTMENT OF EDUCATION</b>			<u>450,242</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
PASS-THROUGH PROGRAM FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE): BUREAU OF NUTRITION			
NATIONAL SCHOOL LUNCH PROGRAM	10.555	N/A	<u>73,413</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>73,413</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
DIRECT PROGRAM FROM: SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION			
PUBLIC HEALTH EMERGENCY PREPAREDNESS - FY 13	93.069	N/A	<u>1,155</u>
TOTAL DIRECT PROGRAM FROM: SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION			<u>1,155</u>
PASS-THROUGH PROGRAM FROM: MASSACHUSETTS EXECUTIVE OFFICE OF HEALTH & HUMAN SERVICES			
BIO TERRORISM HOSPITAL PREPAREDNESS PROGRAM GRANT	93.889	N/A	<u>7,434</u>
TOTAL PASS-THROUGH PROGRAM FROM: MASSACHUSETTS EXECUTIVE OFFICE OF HEALTH & HUMAN SERVICES			<u>7,434</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>8,589</u>
<b>U.S DEPARTMENT OF TRANSPORTATION</b>			
PASS-THROUGH PROGRAM FROM: MASSACHUSETTS EXECUTIVE OFFICE OF PUBLIC SAFETY			
STATE AND COMMUNITY HIGHWAY SAFETY GRANT	20.600	N/A	<u>945</u>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<u>945</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
PASS-THROUGH PROGRAM FROM: MASSACHUSETTS DEPARTMENT OF REVENUE			
DISASTER GRANTS - PUBLIC ASSISTANCE: HURRICAIN E IRENE	97.036	N/A	<u>10,021</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>10,021</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 543,210</u>

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**TOWN OF WRENTHAM, MASSACHUSETTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Accounting policies and financial reporting practices permitted for municipalities in Massachusetts are prescribed by the Uniform Municipal Accounting System (UMAS) promulgated by the Commonwealth of Massachusetts Department of Revenue. The significant accounting policies followed by the Town are as follows:

**A. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Wrentham, Massachusetts under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) A-133, Audits of States, Local Governments and Non for Profit Organizations. Because the schedule presents only a selected portion of the operations of the Town of Wrentham, Massachusetts, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Wrentham, Massachusetts.

**II. SCOPE OF AUDIT**

The Town of Wrentham, Massachusetts (the Town) is a governmental agency established by the laws of the Commonwealth of Massachusetts. All operations related to the Town's Federal grant programs, (the Department of Agriculture, Department of Education, Department of Homeland Security, Department of Transportation, and Department of Health and Human Services), are included in the scope of the OMB Circular A-133 Audit Requirements for audits of state and local governments (the Single Audit). The U.S. Department of Health and Human Services has been designated as the Town's oversight agency for the Single Audit.

**III. PERIOD AUDITED**

Single audit testing procedures were performed for Town Federal grant transactions during the year ended June 30, 2013.

**IV. SCHOOL LUNCH PROGRAM**

The Town accounts for local, state and federal expenditures of the National School Lunch program in one combined fund. Program expenditures in the accompanying Schedule of Expenditures of Federal Awards represent federal reimbursements for meals provided during fiscal 2013. Non-cash contributions of commodities under the Food Distribution program are received under a State distribution formula and are valued at federally published wholesale prices for purposes of this schedule.

**V. SUBRECIPIENTS**

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

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## INDEPENDENT AUDITOR'S 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 Board of Selectmen  
Town of Wrentham, 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 Wrentham, Massachusetts as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Town of Wrentham's basic financial statements, and have issued our report thereon dated April 28, 2014.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Wrentham's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wrentham's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Wrentham's internal control.

A deficiency *in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Wrentham's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2013-001 & 2013-002.

## **Town of Wrentham's Response to Findings**

Town of Wrentham's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Town of Wrentham's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **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.

*R. E. Brown & Company*

April 28, 2014

**TOWN OF WRENTHAM, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2013**

**A. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of Auditors' Report Issued:

Unmodified Opinion

Internal Control over Financial Reporting:

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

Noncompliance Material to the Financial Statements Noted?

\_\_\_\_\_ Yes   X   No

**Federal Awards**

Internal Control over Major Program:

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

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

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section 501(a) of OMB Circular A-133?

\_\_\_\_\_ Yes   X   No

Identification of Major Program:

<b>CFDA No.</b>	<b>Name of Federal Program or Cluster</b>
84.027 & 84.173	Special Education Cluster

Dollar Threshold used to Distinguish Between Type A and Type B Programs:

\$ 300,000

Auditee Qualified as Low-Risk Auditee?

\_\_\_\_\_ Yes   X   No

**TOWN OF WRENTHAM, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2013**

**B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT – NONE.**

**C. CURRENT YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT**

***Finding 2013-001*** – Special Education Cluster – CFDA No.’s 84.027 & 84.173; Grant period: Year Ended June 30, 2013

***Criteria:*** *Massachusetts Department of Education and Secondary Education Requires:*

- Final expenditure reports are required to be filed within 60 days of the grant period ending date.

***Condition:*** During our test of controls over compliance it was noted that the Special Education Program Improvement (84.027) final expense report was not filed within 60 days of the grant period ending as required by Massachusetts Department of Education and Secondary Education.

***Questioned Costs:*** None

***Context:*** During our test of the Final Expenditure Reports it was noted that the Special Education Program (84.027) final expense report was not filed within 60 days of the grant period ending as required by Massachusetts Department of Education and Secondary Education. This appears to be an isolated situation and the information reported on the Final Expenditure Report was accurate, but was filed late.

***Effect:*** Wrentham School Department was not in compliance with the Final Expenditure Reporting requirement set forth by the Massachusetts Department of Education and Secondary Education.

***Cause:*** The district requested Journal Entries to the Special Education Program Improvement grant account to correct incorrect posting of expenditures to the Early Childhood Program Improvement Grant, which was already closed. Those JE’s were requested while preparing the final report on 10/23/14. It was then observed that one of the JE’s was made twice, putting the account balance in the red. A second JE request to correct the double posting was made on 11/15/2014, and a net balance was reported in the FR1 completed on that day.

The delays in processing JE’s and reconciling the accounts was exacerbated by the transition to a new town accounting software platform that was undertaken in October and November.

***Recommendation:*** We recommend the Wrentham School Department follow procedures to ensure that the Final Expenditure Report is filed within the 60 days of the grant period ending date as required by the Massachusetts Department of Education and Secondary Education.

***Management’s Response:*** It is our intention to comply with the timeline for all grant management procedures.

**-TOWN OF WRENTHAM, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2013**

**C. CURRENT YEAR FINDINGS & QUESTIONED COSTS –**

***Finding 2013-002*** – Special Education Cluster – CFDA No.’s 84.027 & 84.173; Grant period: Year Ended June 30, 2013

***Criteria:***

OMB Circular A-87 requires the following:

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

***Condition:*** During our test of controls over compliance with time and effort certifications the school department was not able to provide evidence that all of the required semi-annual certifications of time and effort for those employees whose salaries or wages were partially or wholly funded by these program funds had been completed by the affected employees and signed by either the employees or supervisory official having first-hand knowledge of the work performed by the employees as required by OMB Circular A-87.

***Questioned Costs:*** None

***Context:*** During our test of payroll transaction of the SPED PL 94-142 and Early Childhood grant it was noted that not all of the required the time and effort certifications were completed for employees whose compensation was funded through the grant.

***Effect:*** Wrentham Public Schools was not in compliance with the time and effort certification requirements as specified in OMB Circular A-87.

***Cause:*** The Business Manager was under the mistaken impression that all certifications were completed in a timely way. The Title I coordinated program review conducted in fall 2013 entailed time & effort reviews for those grant-related activities, but the special education grants were not completed at that time. We were able to obtain certifications after the fact from all grant-funded employees, including those who left employment in the district prior to the review which identified this error.

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

***Management’s Response:*** The grant program directors will double-check the business office staff to ensure that collection of certifications is not omitted, especially in the busy period at the start of the following school year.

**D. PRIOR YEAR FINDINGS & QUESTIONED COSTS – NONE**