

**TOWN OF EAST BRIDGEWATER, MASSACHUSETTS**  
FINANCIAL REPORT PURSUANT TO OMB CIRCULAR A-133  
FOR THE YEAR ENDED JUNE 30, 2015

**TOWN OF EAST BRIDGEWATER, MASSACHUSETTS  
FINANCIAL REPORT PURSUANT TO OMB CIRCULAR A-133  
FOR THE 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 Board of Selectmen  
Town of East Bridgewater, 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 East Bridgewater, Massachusetts as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of East Bridgewater, Massachusetts' basic financial statements and have issued our report thereon dated February 3, 2016.

**Internal Control over Financial Reporting**

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

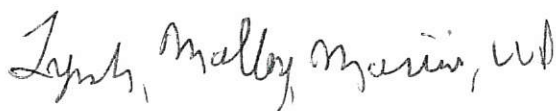
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 the Town of East Bridgewater, Massachusetts' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Norwell, Massachusetts  
February 3, 2016





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Board of Selectmen  
Town of East Bridgewater, Massachusetts

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

We have audited the Town of East Bridgewater, Massachusetts' compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of East Bridgewater, Massachusetts' major federal programs for the year ended June 30, 2015. The Town of East Bridgewater, 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 Town of East Bridgewater, 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 East Bridgewater, 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 East Bridgewater, Massachusetts' compliance.

**Basis for Qualified Opinion on Title I Program**

As described in the accompanying schedule of findings and questioned costs, the Town of East Bridgewater, Massachusetts did not comply with requirements regarding CFDA 84.010, Title I Grant as described in finding numbers 2015-001 and 2015-002 for activities allowed. Compliance with such requirements is necessary, in our opinion, for the Town of East Bridgewater, Massachusetts to comply with the requirements applicable to that program.

### **Qualified Opinion on Title I**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Town of East Bridgewater, Massachusetts complied, in all material respects, with the types of compliance requirements referred to above that could have a material effect on the Title I Cluster for the year ended June 30, 2015.

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

In our opinion, the Town of East Bridgewater, 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 auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2015.

### **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 2015-003. Our opinion on each major federal program where noted is not modified with respect to this matter.

The Town of East Bridgewater, Massachusetts' response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of East Bridgewater, Massachusetts' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the Town of East Bridgewater, Massachusetts is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of East Bridgewater, 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 Town of East Bridgewater, Massachusetts' internal control over compliance.

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



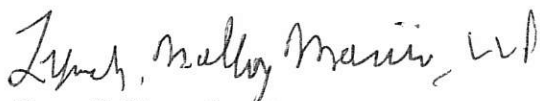
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

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 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 Town of East Bridgewater, Massachusetts as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of East Bridgewater, Massachusetts' basic financial statements. We issued our report thereon dated February 3, 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.



Norwell, Massachusetts

October 13, 2016

except for the Schedule of Expenditures of Federal Awards, which is dated February 3, 2016

**TOWN OF EAST BRIDGEWATER, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

<b>FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>AGENCY OR PASS THROUGH NUMBER</b>	<b>FEDERAL EXPENDITURES</b>
<b><u>U.S. Department of Agriculture</u></b>			
Passed through Massachusetts Department of Education			
Food Distribution	10.555	N/A	\$ 42,000
National School Lunch Program	10.555	N/A	190,764
Total U.S. Department of Agriculture			232,764
<b><u>U.S. Department of Education</u></b>			
Passed through MA Department of Elementary & Secondary Education:			
Title I Distribution	84.010	305-216-3-0083-O	226,815
<b><u>SPED IDEA Cluster</u></b>			
SPED 94-142 Allocation	84.027	240-122-3-0083-O	460,986
SPED Program Improvement	84.027	274-099-3-0083-O	16,526
SPED Early Childhood Learning Together	84.173	298-095-3-0083-O	3,999
SPED Early Childhood Allocation	84.173	262-072-3-0083-O	9,171
Total of Special Education Cluster			490,682
Teacher Quality	84.367	140-178-3-0083-O	44,788
Race to the Top	84.413	201-131-3-0083-O	11,658
Academic Support Services			4,951
Total U.S. Department of Education			778,894
<b><u>U.S. Department of Justice</u></b>			
Direct funding:			
Police Department Justice Vest Grant	16.607	N/A	2,758
Supervised Visitation, Safe Havens for Children	16.527	N/A	46,747
Violence Against Women, Support our Families	16.021	N/A	101,669
Police Drug Forfeitures	16.001	N/A	1,100
Web Task Force	16.579	N/A	1,326
Total U.S. Department of Justice			153,600
<b><u>U.S. Department of Homeland Security</u></b>			
Direct funding:			
Fire Dept. Cert Grant	97.067	N/A	2,548
Total U.S. Department of Homeland Security			2,548
Total			\$ 1,167,805

See accompanying notes to schedule of expenditures of federal awards.



**TOWN OF EAST BRIDGEWATER, MASSACHUSETTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**1. Scope of Audit**

Town of East Bridgewater, Massachusetts (Town) is a governmental agency established by the laws of the Commonwealth of Massachusetts.

All operations related to the Town's Federal Grant Programs are included in the scope of the OMB Circular A-133 Audit Requirements for audits of state, local governments, and non-profit organizations (the single audit). The U.S. Department of Justice has been designated as the Town's oversight agency for the single audit.

**2. Period Audited**

Single audit testing procedures were performed for the Town's federal grant transactions during the year ended June 30, 2015.

**3. 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 transactions of the Town and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**(b) Food Distribution Program**

Non-monetary assistance 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. Such commodities are not recorded in the financial records although memorandum records are maintained.

**TOWN OF EAST BRIDGEWATER, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2015**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of Town of East Bridgewater, Massachusetts.
2. No material weaknesses or significant deficiencies relating to our audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Town of East Bridgewater, Massachusetts, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No deficiencies in internal control over major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Town of East Bridgewater, Massachusetts expresses a qualified opinion on one major federal program.
6. Audit findings that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs included:  
  
    U.S. Department of Education  
    Special Education Cluster, CFDA #84.027 and #84.173  
    Title I, CFDA #84.010
8. The threshold for distinguishing Types A and B programs was \$300,000. Type A programs are those that exceed \$300,000.
9. Town of East Bridgewater, Massachusetts was determined to be a high-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT - NONE**

**C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS**

**2015-001 Title I (CFDA #84.010)**

**Condition:** Compliance requirements state that federal money may only be used to pay teachers or aides qualified to work with Title I Students.

**Criteria:** Failure to adhere to the above condition is a violation of the OMB A-133 Circular Compliance Supplement.

**Cause:** The School Department did not have procedures in place to determine qualified employees were being charged to Title I.

**Questioned Costs:** As a result, questioned costs of \$70,644 exist with respect to monies paid for salaries through the Title I grant.

**TOWN OF EAST BRIDGEWATER, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2015**

**Effect:** As a result, an employee who was not certified or part of the Title I program was charged to the grant. Three teacher aides who were not Title I employees were charged to the grant, and one employee who was certified to teach Title I was not charged to the grant. Furthermore, two retired teachers were hired as aides for Title I, but no formal hiring documentation existed and no verification of the status of their respective certification was performed.

**Recommendation:** We recommend that the School institute a process to review the charges to the grant, including a verification of employee certification and eligibility and a monthly reconciliation of expenses charged to the grant.

**View of Responsible Officials:** The Town will address the issues identified and comply with grant requirements going forward.

**2015-002 Title I (CFDA #84.010)**

**Condition:** Compliance requirements state that non-federal entities are prohibited from contracting with parties that are suspended or debarred or whose principals are suspended or debarred.

**Criteria:** Failure to adhere to the above condition is a violation of the OMB A-133 Circular Compliance Supplement.

**Cause:** The School Department does not have language on purchase orders or contracts with vendors for the vendor to verify that they are not debarred or suspended.

**Questioned Costs:** Not quantified for this finding.

**Effect:** Due to the lack of a formal process for determining debarred or suspended vendors, grant money could be used to contract with individuals who are debarred or suspended by the federal government.

**Recommendation:** We recommend that the School establish a procedure for a designated procurement officer to verify that vendors are not debarred or suspended before purchasing goods or services.

**View of Responsible Officials:** The Town will address the issues identified and comply with the grant requirements going forward.

**2015-003 Compliance with Reporting Requirements of OMB –Single Audit**

**Condition:** The Town's Single Audit was not filed with the Federal Clearinghouse by March 31, 2016.

**Criteria:** OMB Circular A-133 requires the Town's Single Audit to be filed no later than nine months after year end.

**Cause:** All required information needed for the Single Audit was not available to complete within the required timeframe.

**Questioned Costs:** Not applicable.

**Effect:** Late filings with the Federal Clearinghouse affect the determination of the Town being considered a "low risk auditee" pursuant to OMB guidance.

**Recommendation:** We recommend the Town attempt to meet the annual filing requirements.

**View of Responsible Officials:** The Town will address the issues causing the late filing to ensure reports are filed timely in the future.

**TOWN OF EAST BRIDGEWATER, MASSACHUSETTS  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
JUNE 30, 2015**

**D. FINDINGS – PRIOR YEAR FINDINGS MAJOR FEDERAL AWARDS PROGRAMS**

**Condition:** Activities allowed compliance requirements require formal documentations of calculations of “excess costs” and “maintenance of effort” associated with educating students with disabilities. The formal calculations were not available for our review.

**Recommendation:** We recommend the School formally document the required calculations on an annual basis to ensure compliance with these criteria.

**Current Status:** The calculations were readily available for our review for the current year audit.