

**TOWN OF BOURNE, MASSACHUSETTS**  
**GAO AND UNIFORM GUIDANCE REPORTS**  
**YEAR ENDED JUNE 30, 2018**



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**TOWN OF BOURNE, MASSACHUSETTS**  
**GAO AND UNIFORM GUIDANCE REPORTS**  
**YEAR ENDED JUNE 30, 2018**

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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 Bourne, 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 activities, each major fund, and the aggregate remaining fund information of the Town of Bourne, Massachusetts, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Bourne, Massachusetts basic financial statements, and have issued our report thereon dated March 26, 2019.

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

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

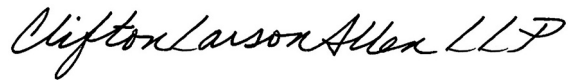
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Boston, Massachusetts  
March 26, 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**

To the Honorable Board of Selectmen  
Town of Bourne, Massachusetts

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

We have audited the Town of Bourne, Massachusetts' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Bourne, Massachusetts' major federal programs for the year ended June 30, 2018. The Town of Bourne, 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town of Bourne, Massachusetts' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Bourne, 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 Bourne, Massachusetts' compliance.

***Opinion on The Major Federal Program***

In our opinion, the Town of Bourne, Massachusetts complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on the major federal program is not modified with respect to this matter.

The Town of Bourne, Massachusetts' response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Bourne, 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 Bourne, 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 Bourne, Massachusetts' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Bourne, 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 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-001, that we consider to be a significant deficiency.

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

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.

To the Honorable Board of Selectmen  
Town of Bourne, Massachusetts

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bourne, 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 Town of Bourne, Massachusetts. We issued our report thereon dated March 26, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Boston, Massachusetts  
March 26, 2019



**TOWN OF BOURNE, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2018**

<b>Federal Grantor/ Pass-Through Grantor/ Program</b>	<b>Federal CFDA Number</b>	<b>Pass-through Identifying Number</b>	<b>Federal Expenditures</b>	<b>Passed Through To Subrecipient</b>
<b>U.S. Department of Agriculture</b>				
<u>Passed through the State Department of Elementary &amp; Secondary Education:</u>				
<i>Child Nutrition Cluster</i>				
School Breakfast Program - Cash Assistance	10.553	01-036	\$ 38,865	\$ -
National School Lunch Program - Cash Assistance	10.555	01-036	278,552	-
National School Lunch Program - Non-Cash Assistance (Commodities)	10.555	01-036	71,624	-
Total U.S. Department of Agriculture			<u>389,041</u>	<u>-</u>
<b>U.S. Department of the Interior</b>				
<u>Passed through the Massachusetts Department of Fish and Game:</u>				
Clean Vessel Act	15.616	TOWNOFBOURNE9222FY15	20,000	-
<b>U.S. Department of Education</b>				
<u>Direct Program:</u>				
Impact Aid	84.041	Not Applicable	153,000	-
<u>Passed through the State Department of Elementary &amp; Secondary Education:</u>				
Title I Distribution (fiscal year 2018)	84.010	0305-146822-2018-0036	224,118	-
Title I Distribution (fiscal year 2017)	84.010	0305-097645-2017-0036	53,563	-
Title I Distribution (fiscal year 2016)	84.010	0305-069163-2016-0036	1,452	-
<i>Special Education Cluster</i>				
SPED 94-142 Allocation (fiscal year 2018)	84.027	240-152752-2018-0036	418,250	-
SPED 94-142 Allocation (fiscal year 2017)	84.027	240-102014-2017-0036	63,700	-
SPED Program Improvement (fiscal year 2017)	84.027	274-187-7-0036-A	7,710	-
<u>Passed through the State Department of Early Education and Care:</u>				
SPED Early Childhood Allocation (fiscal year 2018)	84.173	26218BOURNEPUBLICSCH	4,455	-
SPED Early Childhood Allocation (fiscal year 2017)	84.173	26217BOURNEPUBLICSCH	91	-
Subtotal Special Education Cluster			<u>494,206</u>	<u>-</u>
<u>Passed through the State Department of Elementary &amp; Secondary Education:</u>				
Title IIA - Improving Teacher Quality (fiscal year 2018)	84.367	140-146834-2018-0036	51,594	-
Title IIA - Improving Teacher Quality (fiscal year 2017)	84.367	140-097646-2017-0036	11,247	-
Title IIA - Improving Teacher Quality (fiscal year 2016)	84.367	140-081178-2016-0036	1,452	-
Total U.S. Department of Education			<u>990,632</u>	<u>-</u>
<b>U.S. Department of Health and Human Services</b>				
<u>Passed through the State Department of Health and Human Services:</u>				
<i>Medicaid Cluster</i>				
School-Based Medicaid Reimbursement Program	93.778	1953656	44,050	-
<b>U.S. Department of Homeland Security</b>				
<u>Direct Program:</u>				
Staffing for Adequate Fire and Emergency Response	97.083	Not Applicable	223,324	-
<u>Passed through the State Office of Emergency Management:</u>				
Emergency Management Performance Grants	97.042	CTFEMA4214TOFBO00141	2,629	-
Total U.S. Department of Homeland Security			<u>225,953</u>	<u>-</u>
Total			<u>\$ 1,669,676</u>	<u>\$ -</u>

**TOWN OF BOURNE, 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 includes the federal grant activity of the Town of Bourne, Massachusetts and is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2 – 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 and School Breakfast Program – Cash Assistance represent cash receipts from federal reimbursements.

**Note 3 – U.S. Department of Education**

The amount reported for the Impact Aid program represents federal cash receipts.

**Note 4 – U.S. Department of Health and Human Services**

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

**Note 5 – U.S. Department of Homeland Security**

The amounts reported for the Emergency Management Performance Grants represent federal cash receipts.

**Note 6 – Indirect Costs**

The Town of Bourne, Massachusetts did not elect to use the 10% de minimis indirect cost rate identified in §200.414 of the Uniform Guidance.

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

**TOWN OF BOURNE, 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  | _____ <input checked="" type="checkbox"/> no            |
| • Significant deficiency(ies) identified that are not considered to be material weakness(es)? | _____ yes  | _____ <input checked="" type="checkbox"/> none reported |
| 3. Noncompliance material to financial statements noted?                                      | _____ yes  | _____ <input checked="" type="checkbox"/> no            |

***Federal Awards***

- |   |   |  |
|---|---|--|
| 1. Internal control over major federal programs:  |   |  |
| • Material weakness(es) identified?   | _____ yes                                     | _____ <input checked="" type="checkbox"/> no |
| • Significant deficiency(ies) identified that are not considered to be material weakness(es)?             | _____ <input checked="" type="checkbox"/> yes | _____ none reported                          |
| 2. Type of auditors' report issued on compliance for major federal programs:                              | Unmodified                                    |  |
| 3. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | _____ <input checked="" type="checkbox"/> yes | _____ no                                     |

***Identification of Major Federal Programs***

84.027 & 84.173

Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee pursuant to Uniform Guidance?

\_\_\_\_\_ ☒ yes \_\_\_\_\_ no

**TOWN OF BOURNE, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

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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: Special Education Cluster

CFDA Number: 84.027, 84.173

Pass-Through Agency: Massachusetts State Department of Elementary and Secondary Education

Pass-Through Number(s): Various – See Schedule of Expenditures of Federal Awards

Award Period: September 1, 2016 – August 31, 2017

Type of Finding:

- Other Matter and Significant Deficiency in Internal Control over Compliance

Compliance Requirement: Reporting

**Criteria or specific requirement:** Per the Massachusetts Department of Elementary and Secondary Education Grants for Schools Procedural Manual, “At the conclusion of grant activities, recipients must submit a final financial report to the Department, accounting for the expenditure of funds received. Grants Management has developed an online process and standard form (FR1) for collecting this information. The FR1 form should be submitted to Grants Management within sixty (60) days of the end date of the grant. Grant recipients should file their reports after carefully reconciling all figures with their city auditor, town accountant, or agency business manager.”

**Condition:** FR1 not submitted timely.

**Questioned Costs:** None.

**Context:** One out of the three reports selected was not submitted within 60 days of the end date of the grant. The end of the grant date was August 31, 2017. The report was not submitted until December 14, 2017, which is 105 days subsequent to the end of the grant period.

**Cause:** Controls are not in place to ensure that all reports are submitted within sixty days of the end date of the grant.

**Effect:** Noncompliance with reporting requirements.

**Repeat Finding:** No

**Recommendation:** We recommend procedures be implemented that ensure that all reports are submitted to the Massachusetts Department of Elementary and Secondary Education within 60 days of the end date of the grant.

**Views of responsible officials and planned corrective actions:** There is no disagreement with the finding.

**TOWN OF BOURNE, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

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***Section IV – Prior Year Findings and Questioned Costs – Major Federal Programs***

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None.

