

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, 2011

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, 2011**

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R. E. BROWN & COMPANY

**CERTIFIED PUBLIC ACCOUNTANTS
25 CEMETERY STREET – P.O. Box 230
Mendon, Massachusetts 01756**

Phone: (508) 478-3941

Fax: (508) 478-1779

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Board of Selectmen
Town of Wrentham, Massachusetts

Compliance

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 each of the Town of Wrentham, Massachusetts' major federal programs for the year ended June 30, 2011. The Town of Wrentham, Massachusetts' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town of Wrentham, Massachusetts' management. Our responsibility is to express an opinion on the Town of Wrentham, Massachusetts' compliance based on our audit.

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. Our audit does not provide a legal determination of the Town of Wrentham, Massachusetts' compliance with those requirements.

In our opinion, the Town of Wrentham, Massachusetts complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

Management of the Town of Wrentham, Massachusetts is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Wrentham, Massachusetts' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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' 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

Schedule of Expenditures of Federal Awards

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, 2011, and have issued our report thereon dated June 25, 2012. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Town of Wrentham, Massachusetts' 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Selectmen, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

R. E. Brown & Company

June 25, 2012

**TOWN OF WRENTHAM, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011**

| PROGRAM GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE | FEDERAL CFDA NUMBER | GRANTOR/ PASS-THROUGH ENTITY IDENTIFYING NUMBER | FEDERAL EXPENDITURES |
|---|---------------------------|---|-------------------------|
| U.S. DEPARTMENT OF EDUCATION | | | |
| PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION: | | | |
| TITLE I - FY 2011 | 84.010 | 305-283-1-0350-L | \$ 80,491 |
| TITLE I - FY 2010 | 84.010 | 305-315-0-0350-K | 3,314 |
| SPED 94-142 PROJECT ASSIST - FY 2010 | 84.027 | 240-239-1-0350-L | 228,152 |
| SPED 94-142 PROJECT ASSIST - FY 2010 | 84.027 | 240-306-0-0350-K | 34,703 |
| EARLY CHILDHOOD - FY 2011 | 84.173 | 262 11 WRENTHAM PUB | 13,770 |
| SAFE & DRUG FREE SCHOOLS - FY 2010 | 84.186 | 331-095-0-0350-K | 2,601 |
| ENHANCED EDUCATION THROUGH TECHNOLOGY - FY 2010 | 84.318 | 160-145-0-0350-K | 1,163 |
| TITLE IIIA - TEACHER QUALITY - FY 2011 | 84.367 | 140-252-1-0350-L | 17,064 |
| TITLE IIIA - TEACHER QUALITY - FY 2010 | 84.367 | 140-204-0-0350-K | 9,071 |
| ARRA - TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES, RECOVERY ACT - FY 2011 | 84.389 | 770-190-1-0350-L | 23,412 |
| ARRA - TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES, RECOVERY ACT - FY 2010 | 84.389 | 770-165-0-0350-K | 6,812 |
| ARRA - SPECIAL EDUCATION GRANTS TO STATES, RECOVERY ACT - FY 2011 | 84.391 | 760-238-1-0350-L | 187,216 |
| ARRA - SPECIAL EDUCATION GRANTS TO STATES, RECOVERY ACT - FY 2010 | 84.391 | 760-259-0-0350-K | 13,183 |
| ARRA - SPECIAL EDUCATION - PRESCHOOL GRANTS, RECOVERY ACT | 84.392 | 762 11 WRENTHAM PUB | 5,784 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | <u>626,736</u> |
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| PASS-THROUGH PROGRAM FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION - BUREAU OF NUTRITION: | | | |
| NATIONAL SCHOOL LUNCH PROGRAM | 10.555 | 11-350 | 72,494 |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | <u>72,494</u> |
| U.S. ENVIRONMENTAL PROTECTION AGENCY | | | |
| DIRECT PROGRAM: | | | |
| BROWNFIELDS ASSESSMENT & CLEANUP COOPERATIVE AGREEMENTS | 66.818 | BF 97100601 | 63,537 |
| TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY | | | <u>63,537</u> |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| PASS-THROUGH PROGRAM FROM: MASSACHUSETTS EXECUTIVE OFFICE OF HEALTH & HUMAN SERVICES | | | |
| PUBLIC HEALTH EMERGENCY PREPAREDNESS | 93.069 | | 3,247 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | <u>3,247</u> |
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | |
| DIRECT PROGRAM: | | | |
| ASSISTANCE TO FIREFIGHTERS | 97.044 | | 71,820 |
| TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY | | | <u>71,820</u> |
| U.S. DEPARTMENT OF TRANSPORTATION | | | |
| PASS-THROUGH PROGRAM FROM: MASSACHUSETTS EXECUTIVE OFFICE OF PUBLIC SAFETY | | | |
| STATE AND COMMUNITY HIGHWAY SAFETY GRANT | 20.600 | | 1,760 |
| TOTAL U.S. DEPARTMENT OF TRANSPORTATION | | | <u>1,760</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 839,594</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, 2011**

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 transactions of the Town. The receipts and proceeds from Federal grants are recorded on the modified accrual basis whereby revenue is recognized when it becomes available and measurable. Disbursements of Federal grant funds are recorded on the accrual basis.

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 Health & Human Services, Department of Homeland Security, Department of Transportation, and the U.S. Environmental Protection Agency), 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 Homeland Security 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, 2011.

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 2011. 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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Mendon, Massachusetts 01756

Phone: (508) 478-3941

Fax: (508) 478-1779

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 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, 2011, which collectively comprise the Town of Wrentham, Massachusetts' basic financial statements and have issued our report thereon dated June 25, 2012. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

Management of the Town of Wrentham, Massachusetts is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town of Wrentham, Massachusetts' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wrentham, Massachusetts' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Wrentham, Massachusetts' internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town of Wrentham, Massachusetts' financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Wrentham, Massachusetts' financial statements are free of 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*.

We noted certain matters that we reported to management of the Town of Wrentham, Massachusetts in a separate letter dated June 25, 2012.

This report is intended solely for the information and use of management, the Board of Selectmen, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

R. E. Brown & Company

June 25, 2012

**TOWN OF WRENTHAM, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

A. SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report expresses an unqualified opinion on the basic financial statements of the Town of Wrentham, Massachusetts.
2. No significant deficiencies relating to the audit of the basic financial statements are reported in the report on the basic financial statements.
3. No instances of noncompliance material to the basic financial statements of the Town of Wrentham, Massachusetts were disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal award programs are reported in the report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133.
5. The auditor’s report on compliance for the major federal award programs for the Town of Wrentham, Massachusetts expresses an unqualified opinion on all major federal programs.
6. There are no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 reported in this Schedule.
7. The programs tested as major programs included:

| Name | CFDA No. |
|---------------------------|-------------------------------------|
| Special Education Cluster | 84.027, 84.173, 84.391, & 84.392 |

8. The threshold used for distinguishing between **Type A** and **B** programs was \$300,000.
9. The Town of Wrentham, Massachusetts **did not** qualify as a low-risk auditee.

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT – NONE.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT – NONE.

D. PRIOR YEAR FINDINGS & QUESTIONED COSTS – NONE