

**ROSELLI, CLARK & ASSOCIATES**  
Certified Public Accountants

**TOWN OF SALISBURY, MASSACHUSETTS**

**FEDERAL AWARD REPORTS**

**PURSUANT TO THE**

**UNIFORM GUIDANCE**

**YEAR ENDED JUNE 30, 2019**



**TOWN OF SALISBURY, MASSACHUSETTS  
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YEAR ENDED JUNE 30, 2019**

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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 Salisbury, 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 Salisbury, Massachusetts, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Town of Salisbury, Massachusetts' basic financial statements and have issued our report thereon dated January 22, 2020.

**Internal Control Over Financial Reporting**

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

*Roselli Clark + Associates*

Roselli, Clark and Associates  
Certified Public Accountants  
Woburn, Massachusetts  
January 22, 2020



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

To the Honorable Board of Selectmen  
Town of Salisbury, Massachusetts

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

We have audited the Town of Salisbury, 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 Salisbury, Massachusetts' major federal programs for the year ended June 30, 2019. The Town of Salisbury, Massachusetts' major federal programs are 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

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

***Opinion on Each Major Federal Programs***

In our opinion, the Town of Salisbury, 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, 2019.

### ***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 2019-001. Our opinion on each major federal program is not modified with respect to these matters.

The Town of Salisbury, Massachusetts' response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's 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 Salisbury, 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 Salisbury, 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 Salisbury, 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a significant deficiency.

The Town of Salisbury, 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's 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.

### **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 Salisbury, Massachusetts, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Town of Salisbury, Massachusetts's basic financial statements. We have issued our report thereon dated January 22, 2020, 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.



Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
January 22, 2020

**TOWN OF SALISBURY, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2019**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Number</b>	<b>Passed Through to Subrecipients</b>	<b>Federal Expenditures</b>
<b><u>U.S. Department of Agriculture</u></b>				
<b>SNAP Cluster</b>				
<i>Passed through the University of Massachusetts Medical School</i>				
Supplemental Nutrition Assistance Program (SNAP)	10.551		\$ -	\$ 9,401
<b>Total U.S. Department of Agriculture</b>			-	9,401
<b><u>U.S. Department of Housing &amp; Urban Development</u></b>				
<i>Passed through the Commonwealth of Massachusetts- Executive Office of Housing and Community Development</i>				
Community Development Block Grants/State's Program	14.228	17CDF807	49,554	368,000
Community Development Block Grants/State's Program (Program Income)	14.228	Not available	-	47,114
Total Community Development Block Grants/State's Program			49,554	415,114
<i>Passed through the North Shore Home Consortium</i>				
Home Investment Partnerships Program	14.239	Not available	-	15,130
<b>Total U.S. Department of Housing &amp; Urban Development</b>			49,554	430,244
<b><u>U.S. Department of Fisheries &amp; Wildlife Services</u></b>				
<i>Passed through the Commonwealth of Massachusetts - Department of Fish &amp; Game</i>				
Clean Vessel Act	15.616	TOWNOFSALISBURY2019	-	9,072
<b>Total U.S. Department of Fisheries &amp; Wildlife Services</b>			-	9,072
<b><u>U.S. Department of Justice</u></b>				
<i>Passed through the Massachusetts State Police</i>				
Internet Crimes Against Children Task Force	16.543	SCPOL618018SALIS2640	-	920
<i>Passed through the Commonwealth of Massachusetts - Executive Office of Public Safety and Security</i>				
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	SCEPSBJAG1FY19SALISB	-	19,964
<b>Total U.S. Department of Justice</b>			-	20,884
<b><u>U.S. Department of Transportation</u></b>				
<b>Highway Safety Cluster</b>				
<i>Passed through the Commonwealth of Massachusetts Executive Office of Public Safety and Security</i>				
State and Community Highway Safety	20.600	2019SALISBURYPEDBIKE	-	3,064
<b>Total U.S. Department of Transportation</b>			-	3,064
<b><u>U.S. Department of Homeland Security</u></b>				
<i>Direct Award</i>				
Assistance to Firefighters Grant	97.044		-	928,572
<i>Passed through the Commonwealth of Massachusetts- Massachusetts Emergency Management Agency</i>				
Emergency Management Performance Grants	97.042	FY19EMPG1800000SALIS	-	2,494
<b>Total U.S. Department of Homeland Security</b>			-	931,066
<b>Total Federal Grant Award Expenditures</b>			\$ 49,554	\$ 1,403,731

See notes to Schedule of Expenditures of Federal Awards



**TOWN OF SALISBURY, MASSACHUSETTS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2019**

**A. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Salisbury, Massachusetts (the Town) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

**B. 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 accompanying Schedule includes the federal grant transactions of the Town. Although some of these programs may be supplemented with state and other revenue, only federal activity is shown. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

The Town has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**TOWN OF SALISBURY, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

**A. Summary of Audit Results**

***FINANCIAL STATEMENTS***

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	No
Noncompliance material to financial statements noted?	No

***FEDERAL AWARDS***

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	Yes

***IDENTIFICATION OF MAJOR PROGRAMS***

<u>Name of Federal Program</u>	<u>CFDA Number(s)</u>
Assistance to Firefighters Grant	97.044
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
Auditee qualified as a low-risk auditee?	No

**B. Financial Statement Findings**

None

**TOWN OF SALISBURY, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019  
(Continued)**

**C. Federal Award Findings and Questioned Costs**

**2019-001 U.S. Department of Homeland Security  
Assistance to Firefighters Grant – CFDA 97.044**

*Criteria:* The Uniform Guidance requires written policies regarding cash management, determination of allowable costs, employee travel, procurement and subrecipient monitoring.

*Condition:* The Town has not documented in writing its policies regarding federal awards.

*Cause:* Lack of documentation of policies and procedures.

*Effect:* The Town is not in compliance with the Uniform Guidance requirements.

*Questioned Costs:* None

*Repeat Finding from Prior Year:* No

*Recommendation:* The Town should implement procedures to properly document all federal awards policies required by the Uniform Guidance.

*Views of Responsible Official:* Management agrees with the finding.



**Town of Salisbury  
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Salisbury, Massachusetts 01952**

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Corrective Action Plan

Finding 2019-001

*Condition:* The Town does not have written policies and procedures for the management and oversight of its federal awards.

*Corrective Action Planned:* The Town will issue written policies and procedures for the management and oversight of its federal awards.

*Anticipated Completion Date:* June 30, 2020

*Contact:* Karen J. Snow, Finance Director/Town Accountant