

ROSELLI, CLARK & ASSOCIATES
Certified Public Accountants

TOWN OF SALISBURY, MASSACHUSETTS
FEDERAL AWARD REPORTS
PURSUANT TO THE
UNIFORM GUIDANCE
YEAR ENDED JUNE 30, 2020



TOWN OF SALISBURY, MASSACHUSETTS
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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, 2020, and the related notes to the financial statements, which collectively comprise the Town of Salisbury, Massachusetts's basic financial statements and have issued our report thereon dated December 23, 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.

Town of Salisbury, Massachusetts
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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
December 23, 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, 2020. 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, 2020.

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 efficiencies. 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.

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, 2020, 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 December 23, 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

Town of Salisbury, Massachusetts
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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

Roselli, Clark & Associates
Certified Public Accountants
Woburn, Massachusetts
December 23, 2020

TOWN OF SALISBURY, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Pass-Through Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Agriculture</u>				
SNAP Cluster				
<i>Passed through the University of Massachusetts Medical School</i>				
Supplemental Nutrition Assistance Program (SNAP)	10.551		\$ -	\$ 9,295
Total U.S. Department of Agriculture				
			<u>-</u>	<u>9,295</u>
<u>U.S. Department of Housing & Urban Development</u>				
<i>Passed through the Commonwealth of Massachusetts - Executive Office of Housing and Community Development</i>				
Community Development Block Grants/State's Program	14.228	CDF-G-2017-Salisbury-00807	34,472	100,106
Community Development Block Grants/State's Program	14.228	CDF-G-2019-Salisbury-00866	12,614	452,684
Community Development Block Grants/State's Program (Program Income)	14.228	Not available	<u>-</u>	<u>14,175</u>
Total Community Development Block Grants/State's Program			<u>47,086</u>	<u>566,965</u>
<i>Passed through the North Shore Home Consortium</i>				
Home Investment Partnerships Program	14.239	Not available	<u>-</u>	<u>30,097</u>
Total U.S. Department of Housing & Urban Development				
			<u>47,086</u>	<u>597,062</u>
<u>U.S. Department of Fisheries & Wildlife Services</u>				
<i>Passed through the Commonwealth of Massachusetts - Department of Fish & Game</i>				
Clean Vessel Act	15.616	TOWNOFSALISBURYFYR20	<u>-</u>	<u>1,288</u>
Clean Vessel Act	15.616	SALISBURYCVA9222FY19	<u>-</u>	<u>3,538</u>
Clean Vessel Act	15.616	TOWNOFSALISBURYFY2019	<u>-</u>	<u>4,129</u>
Clean Vessel Act	15.616	TOWNOFSALISBURYEQF20	<u>-</u>	<u>56,250</u>
Total U.S. Department of Fisheries & Wildlife Services				
			<u>-</u>	<u>65,205</u>
<u>U.S. Department of Justice</u>				
<i>Passed through the Massachusetts State Police</i>				
Internet Crimes Against Children Task Force	16.543	SCPOL618018SALIS2640	<u>-</u>	<u>80</u>
<i>Passed through the Commonwealth of Massachusetts - Office of Attorney General</i>				
Community Oriented Policing Program	16.710	20COPSOTSALISBURY000	<u>-</u>	<u>8,631</u>
Total U.S. Department of Justice				
			<u>-</u>	<u>8,711</u>

(continued)

See notes to Schedule of Expenditures of Federal Awards

TOWN OF SALISBURY, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Pass-Through Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Transportation</u>				
Highway Safety Cluster				
Passed through the Commonwealth of Massachusetts -				
Executive Office of Public Safety and Security				
State and Community Highway Safety	20.600	2018OTENF2022SALISBU	-	3,604
State and Community Highway Safety	20.600	2019SALISBURYPEDBIKE	-	3,879
Total U.S. Department of Transportation			-	7,483
<u>U.S. Department of the Treasury</u>				
Passed through the Commonwealth of Massachusetts -				
Executive Office for Administration and Finance				
COVID-19 - Coronavirus Relief Fund	21.019	COVID19 259	-	17,400
Total U.S. Department of the Treasury			-	17,400
<u>U.S. Department of Homeland Security</u>				
Passed through the Commonwealth of Massachusetts -				
Massachusetts Emergency Management Agency				
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	CTFEMA4379SALIS00131	-	29,675
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	CTFEMA4372SALIS00110	-	523
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	CTFEMA4372SALIS00168	-	4,411
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	CTFEMA4372SALIS00195	-	12,809
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	CTFEMA4372SALIS00313	-	14,932
Total Disaster Grants - Public Assistance (Presidentially Declared)			-	62,350
Emergency Management Performance Grants	97.042	FY20EMPG190000SALIS	-	2,684
Total U.S. Department of Homeland Security			-	65,034
Total Federal Grant Award Expenditures			\$ 47,086	\$ 770,190

(concluded)

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, 2020

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, 2020. 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.

C. U.S. Department of Homeland Security Programs

U.S. Department of Homeland Security's Disaster Grants – Public Assistance (Presidentially Declared Disaster) expenditures are recognized when the Federal Emergency Management Administration (FEMA) approves the Town's project worksheet (PW) and the Town has incurred the eligible expenditures. The amounts reported in the Schedule include \$62,350 of expenditures incurred in prior fiscal years but awarded by FEMA in the current fiscal year.

TOWN OF SALISBURY, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

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	No
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	No

IDENTIFICATION OF MAJOR PROGRAMS

<u>Name of Federal Program</u>	<u>CFDA Number(s)</u>
Community Development Block Grant/State's Program	14.228
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

C. Federal Award Findings and Questioned Costs

None



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Summary Schedule of Prior Audit Findings

2019-001 U.S. Department of Homeland Security

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

Status: Corrected.