

TOWN OF WINCHESTER, MASSACHUSETTS
GAO AND UNIFORM GUIDANCE REPORTS
JUNE 30, 2022



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TOWN OF WINCHESTER, MASSACHUSETTS

GAO AND UNIFORM GUIDANCE REPORTS

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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**

Honorable Select Board
Town of Winchester, Massachusetts
Winchester, 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 Winchester, Massachusetts, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Winchester, Massachusetts' basic financial statements, and have issued our report thereon dated December 16, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Winchester, Massachusetts' internal control over financial reporting (internal control) as a basis for designing 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 Winchester, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Winchester, 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 or significant deficiencies may exist that were not identified.

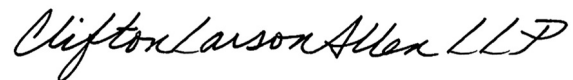
Honorable Select Board
Town of Winchester, Massachusetts

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Winchester, 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 financial statements. 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Boston, Massachusetts
December 16, 2022



**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**

Honorable Select Board
Town of Winchester, Massachusetts
Winchester, Massachusetts

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Winchester, Massachusetts' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Winchester, Massachusetts' major federal programs for the year ended June 30, 2022. The Town of Winchester, Massachusetts' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Winchester, 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Winchester, Massachusetts and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Winchester, Massachusetts' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town of Winchester, Massachusetts' federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Winchester, Massachusetts' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Winchester, Massachusetts' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Winchester, Massachusetts' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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.

Honorable Select Board
Town of Winchester, Massachusetts

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Winchester, Massachusetts' responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Town of Winchester, Massachusetts' responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 Winchester, Massachusetts as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Winchester, Massachusetts' basic financial statements. We have issued our report thereon dated December 16, 2022, 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.



CliftonLarsonAllen LLP

Boston, Massachusetts
December 16, 2022

**TOWN OF WINCHESTER, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022**

<u>Federal Grantor/ Pass-Through Grantor/ Program</u>	Assistance Listing Number	Pass-through Identifying Number	Federal Expenditures	Awards to Subrecipients
U.S. Department of Agriculture				
<u>Passed through the State Department of Elementary & Secondary Education:</u>				
<i>Child Nutrition Cluster</i>				
School Breakfast Program - Cash Assistance	10.553	09-344	\$ 53,275	\$ -
National School Lunch Program - Cash Assistance	10.555	09-344	1,303,074	-
National School Lunch Program - Non-Cash Assistance (Commodities)	10.555	09-344	<u>113,830</u>	<u>-</u>
Subtotal Assistance Listing Number 10.555			<u>1,416,904</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>1,470,179</u>	<u>-</u>
U.S. Department of Interior				
<u>Passed through the State Historical Commission</u>				
Historic Preservation Fund Grants-In-Aid	15.904	SCSECA480020260017000	<u>8,500</u>	<u>-</u>
U.S. Department of Justice				
<u>Passed through the State Executive Office of Public Safety</u>				
Bulletproof Vest Partnership Program	16.607	Not Available	<u>3,024</u>	<u>-</u>
U.S. Department of Treasury				
<u>Passed through the State Department of Administration and Finance</u>				
COVID-19 - Coronavirus Relief Fund	21.019	Not Available	190,270	-
<u>Passed through the State Department of Early Education and Care</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Available	50,186	-
<u>Passed through the State Department of Revenue</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPACNTYSH344	<u>245,175</u>	<u>-</u>
Subtotal Assistance Listing Number 21.027			<u>295,361</u>	<u>-</u>
Total U.S. Department of Treasury			<u>485,631</u>	<u>-</u>
U.S. Department of Education				
<u>Passed through the State Department of Elementary & Secondary Education:</u>				
Title I Distribution (fiscal year 2021)	84.010	305-405570-2021-0344	5,549	-
Title I Distribution (fiscal year 2022)	84.010	305-405570-2022-0344	<u>84,997</u>	<u>-</u>
Subtotal Assistance Listing Number 84.010			<u>90,546</u>	<u>-</u>
<i>Special Education Cluster</i>				
<u>Passed through the State Department of Elementary & Secondary Education:</u>				
SPED 94-142 Allocation (fiscal year 2020)	84.027	240-292547-2020-0344	2,441	-
SPED 94-142 Allocation (fiscal year 2021)	84.027	240-405567-2021-0344	226,938	-
SPED 94-142 Allocation (fiscal year 2022)	84.027	240-405567-2022-0344	779,451	-
SPED Program Improvement	84.027	274-484485-2021-0344	9,613	-
SPED Early Childhood Program Improvement	84.027	298-480773-2021-0344	<u>1,929</u>	<u>-</u>
Subtotal Assistance Listing Number 84.027			<u>1,020,372</u>	<u>-</u>
<u>Passed through the State Department of Early Education and Care</u>				
SPED Early Childhood Allocation	84.173	262-405569-2022-0344	<u>18,000</u>	<u>-</u>
Subtotal Special Education Cluster			<u>1,038,372</u>	<u>-</u>
<u>Passed through the State Department of Elementary & Secondary Education:</u>				
Title III - English Language Acquisition (fiscal year 2020)	84.365	180-292558-2020-0344	1,081	-
Title III - English Language Acquisition (fiscal year 2021)	84.365	180-405566-2021-0344	20,295	-
Title III - English Language Acquisition (fiscal year 2022)	84.365	180-405566-2022-0344	<u>3,327</u>	<u>-</u>
Subtotal Assistance Listing Number 84.365			<u>24,703</u>	<u>-</u>
Title IIA - Improving Teacher Quality (fiscal year 2020)	84.367	140-292557-2020-0344	3,060	-
Title IIA - Improving Teacher Quality (fiscal year 2021)	84.367	140-405565-2021-0344	<u>33,810</u>	<u>-</u>
Subtotal Assistance Listing Number 84.367			<u>36,870</u>	<u>-</u>
COVID 19 - Education Stabilization Fund/ESSER I	84.425D	113-396467-2021-0344	51,176	-
COVID 19 - Education Stabilization Fund/ESSER II	84.425D	119-580599-2022-0344	<u>9,115</u>	<u>-</u>
Subtotal Assistance Listing Number 84.425D			<u>60,291</u>	<u>-</u>
Total U.S. Department of Education			<u>1,250,782</u>	<u>-</u>
U.S. Department of Health and Human Services				
<u>Passed through the State Department of Health and Human Services:</u>				
School-Based Medicaid Reimbursement Program	93.778	1951262	394,968	-
<u>Subrecipient of Cambridge Health Alliance</u>				
Public Health Emergency Preparedness	93.074	Not Available	<u>3,616</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>398,584</u>	<u>-</u>
U.S. Department of Homeland Security				
<u>Passed through the State Office of Emergency Management:</u>				
COVID-19 - Disaster Grants - Public Assistance	97.036	DR 4496	473,983	-
Emergency Management Performance Grants	97.042	FY21EMPG2000000WINST	<u>8,852</u>	<u>-</u>
<u>Direct Programs:</u>				
Assistance to Firefighters	97.044	Not Applicable	104,081	-
Staffing for Adequate Fire & Emergency Response (SAFER) Grant	97.083	Not Applicable	<u>47,778</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>634,694</u>	<u>-</u>
Total			<u>\$ 4,251,394</u>	<u>\$ -</u>

**TOWN OF WINCHESTER, MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Winchester, Massachusetts and is presented on the modified accrual basis of accounting. 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). Expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 – INDIRECT COSTS

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

NOTE 3 – U.S. DEPARTMENT OF AGRICULTURE PROGRAMS

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 School Breakfast Program – Cash Assistance and the National School Lunch Program – Cash Assistance represent cash receipts from federal reimbursements.

NOTE 4 – U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

The amount reported for the School-Based Medicaid Reimbursement Program represents federal cash receipts related to Administrative Activity Claims.

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

**TOWN OF WINCHESTER, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal Control over Financial Reporting:

- Material weakness(es) identified? _____ Yes x No
- Significant deficiency(ies) identified? _____ Yes x None reported

Noncompliance material to the financial statements noted? _____ Yes x No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes x No
- Significant deficiency(ies) identified? x Yes _____ None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x Yes _____ No

Identification of Major Programs:

Name of federal program or cluster	Assistance Listing Number
Child Nutrition Cluster	10.553, 10.555
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee?	<u> X </u> Yes _____ No

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**TOWN OF WINCHESTER, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs

2022-001

Federal Agency: U.S. Department of Agriculture

Federal Program: Child Nutrition Cluster

Assistance Listing Number: 10.553, 10.555

Pass-Through Agency: Massachusetts Department of Elementary & Secondary Education

Pass-Through Number(s): 09-344

Award Period: July 1, 2021 – June 30, 2022

Type of Finding: Significant Deficiency in Internal Control Over Compliance

Compliance Requirement: Suspension and Debarment

Criteria or Specific Requirement: The Code of Federal Regulations (CFR) Title 2 Part 200.214 states that nonfederal entities are subject to the nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. Nonfederal entities must verify that contracts with certain parties are not debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

Condition and Context: For the one vendor in our statistically valid sample, the Town received a certification of suspension and debarment status dated November 1, 2021. The previous certification received from the vendor was dated January 21, 2020. Certifications (or other methods of verification) should be received/performed every 12 months at a minimum.

Questioned Costs: None.

Cause: Procedures were not in place to timely document the verification that all vendors were not suspended or debarred from participation in Federal assistance programs or activities.

Effect: While this did not occur in the instance identified in this finding, lack of verification of vendors' debarment or suspension status could cause federal grant funds to be expended with vendors that are excluded from participation in Federal assistance programs or activities.

Repeat Finding: No.

Recommendation: We recommend procedures be implemented to annually (at a minimum) document the verification that all vendors are not suspended or debarred from participation in Federal assistance programs or activities.

Views of Responsible Officials: Management agrees with the finding.