

**CITY OF NORTHAMPTON, MASSACHUSETTS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND INDEPENDENT AUDITORS' REPORTS REQUIRED  
UNDER THE SINGLE AUDIT ACT AMENDMENTS OF 1996**

**FOR THE YEAR ENDED JUNE 30, 2015**

**CITY OF NORTHAMPTON, MASSACHUSETTS**

**Independent Auditors' Reports Pursuant to  
Governmental Auditing Standards and  
The Single Audit Act Amendments of 1996**

**For the Year Ended June 30, 2015**

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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 Mayor  
City of Northampton, 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 City of Northampton, Massachusetts, as of and for the year ended June 30, 2015, (except for the Northampton Contributory Retirement System, which is as of and for the year ended December 31, 2014), and the related notes to the financial statements, which collectively comprise the City of Northampton, Massachusetts' basic financial statements, and have issued our report thereon dated March 15, 2016.

**Internal Control Over Financial Reporting**

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

*Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

March 15, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Honorable Mayor  
City of Northampton, Massachusetts

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

We have audited the City of Northampton, Massachusetts' compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Northampton, Massachusetts' major federal programs for the year ended June 30, 2015. The City of Northampton, 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 the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Northampton, 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 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 City of Northampton, Massachusetts' compliance with those requirements and performing such other procedures as we considered necessary in 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 City of Northampton, Massachusetts' compliance.

***Basis for Qualified Opinion on Title I (CFDA No. 84.010) and Special Education Grants (CFDA No. 84.027)***

As described in the accompanying schedule of findings and questioned costs, the City of Northampton, Massachusetts, did not comply with requirements regarding CFDA No. 84.010, Title I, and CFDA No. 84.027, Special Education Grants, as described in finding number 2015-001 for Allowable Costs/Cost Principles. Compliance with such requirements is necessary, in our opinion, for the City of Northampton, Massachusetts, to comply with the requirements applicable to that program.

### ***Qualified Opinion on Title I (CFDA No. 84.010) and Special Education Grants (CFDA No. 84.027)***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City of Northampton, Massachusetts, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA No. 84.010, Title I, and CFDA No. 84.027, Special Education Grants for the year ended June 30, 2015.

### ***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the City of Northampton, 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of the City of Northampton, 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 City of Northampton, 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 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 City of Northampton, 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 were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001, that we consider to be a significant deficiency.

The City of Northampton, 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 City of Northampton, 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 Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

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 City of Northampton, Massachusetts, as of and for the year ended June 30, 2015, (except for the Northampton Contributory Retirement System, which is as of and for the year ended December 31, 2014), and the related notes to the financial statements, which collectively comprise

the City of Northampton, Massachusetts' basic financial statements. We issued our report thereon dated March 15, 2016, 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 U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

March 15, 2016

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor/ Program Title	State/ Pass-Through Identification Number	Federal CFDA Number	Federal Awards Expended
<b>U. S. Department of Agriculture</b>			
Passed Through Commonwealth of Massachusetts			
Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
Northampton Public Schools:			
School Breakfast Program	08-210	10.553	\$ 38,272
National School Lunch Program	08-210	10.555	303,143
Smith Vocational and Agricultural High School:			
School Breakfast Program	08-210A	10.553	14,795
National School Lunch Program	08-210A	10.555	80,960
Total Child Nutrition Cluster			<u>437,170</u>
Commodity Supplemental Food Program:			
Northampton Public Schools	08-210	10.565	35,187
Smith Vocational and Agricultural High School	08-210A	10.565	13,602
Total Commodity Supplemental Food Program			<u>48,789</u>
<b>Total U. S. Department of Agriculture</b>			<u>485,959</u>
<b>U. S. Department of Housing and Urban Development</b>			
Direct Programs:			
Community Development Block Grants/Entitlement Grants:			
Community Development Block Grant		14.218	449,483
Program Income		14.218	22,539
Total Community Development Block Grant - Entitlement Grants			<u>472,022</u>
Supportive Housing Program		14.235	45,790
<b>Total U. S. Department of Housing and Urban Development</b>			<u>517,812</u>
<b>U. S. Department of the Interior</b>			
Passed Through Commonwealth of Massachusetts			
Executive Office of Energy and Environmental Affairs:			
Norwottuck/Mass Central Rail Trail Project	25-00502	15.916	2,310
<b>Total U. S. Department of the Interior</b>			<u>2,310</u>
<b>TOTAL PAGE 1 OF 5</b>			<u>\$ 1,006,081</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.



**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor/ Program Title	State/ Pass-Through Identification Number	Federal CFDA Number	Federal Awards Expended
<b>U. S. Department of Justice</b>			
Direct Programs:			
Office on Violence Against Women			
Arrest Policies and Enforcement of Protection Orders			
Grant No. 2014-WB-AX-0048		16.590	\$ 31,131
Arrest Safety Audit		16.590	41,932
Bureau of Justice Assistance			
Bulletproof Vests		16.607	3,975
Edward Byrne Memorial Justice Assistance Grant			
Grant No. 2011-CS-WX-0014		16.738	538
Anti-Crime Task Force		16.738	8,107
Passed Through Commonwealth of Massachusetts			
Northwest District Attorney:			
Anti-Crime Task Force		16.738	19,521
Passed Through Commonwealth of Massachusetts			
Department of Mental Health:			
Jail Diversion Program - 2014		16.745	2,501
Jail Diversion Program - 2015		16.745	7,059
<b>Total U. S. Department of Justice</b>			<u>114,764</u>
<b>U. S. Department of Transportation</b>			
Passed Through Commonwealth of Massachusetts			
Executive Office of Public Safety:			
State and Community Highway Safety:			
Traffic Enforcement - 2014		20.600	855
Traffic Enforcement - 2015		20.600	9,582
Pedestrian/Bike Safety - 2015		20.600	444
Underage Alcohol Enforcement - 2015		20.600	3,729
<b>Total U. S. Department of Transportation</b>			<u>14,610</u>
<b>Institute for Museum and Library Services</b>			
Passed Through Commonwealth of Massachusetts			
Board of Library Commissioners:			
Serving People With Disabilities		45.310	13,150
<b>Total Institute for Museum and Library Services</b>			<u>13,150</u>
<b>TOTAL PAGE 2 OF 5</b>			<u>\$ 142,524</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor/ Program Title	State/ Pass-Through Identification Number	Federal CFDA Number	Federal Awards Expended
<b>U. S. Department of Education</b>			
Passed Through Commonwealth of Massachusetts			
Department of Elementary and Secondary Education:			
Title I Grants to Local Educational Agencies:			
Northampton Public Schools:			
Title I - 2014	305-030706-2014-0210	84.010	\$ 100,025
Title I - 2015	305-043802-2015-0210	84.010	347,456
Title I School Support - 2014	323-034-4-0210-O	84.010	15,338
Title I School Support - 2015	323-029-5-0210-P	84.010	13,581
Smith Vocational and Agricultural High School:			
Title I - 2014	305-018936-2104-0406	84.010	16,970
Title I - 2015	305-043636-2015-0406	84.010	77,704
Total Title I Grants to Local Educational Agencies			<u>571,074</u>
Special Education Cluster:			
Northampton Public Schools:			
Special Education 94-142 Allocation - 2014	240-139-4-0210-O	84.027	61,307
Special Education 94-142 Allocation - 2015	240-201-5-0210-P	84.027	725,117
Special Education Program Improvement - 2015	274-144-5-0210-P	84.027	8,746
Early Childhood SPED Program Improvement - 2015	298-587-5-0210-P	84.173	6,700
Smith Vocational and Agricultural High School:			
Special Education 94-142 Allocation - 2014	240-128-4-0406-O	84.027	12,760
Special Education 94-142 Allocation - 2015	240-361-5-0406-P	84.027	114,044
Total Special Education Cluster			<u>928,674</u>
Career and Technical Education - Basic Grants to States:			
Smith Vocational and Agricultural High School:			
Occupational Education-Vocational Skills - 2014	400-070-4-0406-O	84.048	18,227
Occupational Education-Vocational Skills - 2015	400-066-5-0406-P	84.048	83,818
Total Career and Technical Education - Basic Grants to States			<u>102,045</u>
<b>TOTAL PAGE 3 OF 5</b>			<u>\$ 1,601,793</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor/ Program Title	State/ Pass-Through Identification Number	Federal CFDA Number	Federal Awards Expended
<b>U. S. Department of Education</b>			
Passed Through Commonwealth of Massachusetts			
Department of Elementary and Secondary Education:			
Improving Teacher Quality State Grants:			
Northampton Public Schools:			
Teacher Quality - 2013	140-012971-2013-0210	84.367	\$ 82
Teacher Quality - 2014	140-038487-2014-0210	84.367	59,948
Teacher Quality - 2015	140-055862-2015-0210	84.367	35,180
Smith Vocational and Agricultural High School:			
Teacher Quality - 2015	140-055548-2015-0406	84.367	17,117
Total Improving Teacher Quality State Grants			<u>112,327</u>
Race to the Top Incentive Grants:			
Northampton Public Schools:			
Race to the Top - 2015	201-045625-2015-0210	84.395	45,479
Professional Practice Innovation - 2014	213-012-4-0210-O	84.395	34,988
Teacher Leadership Planning		84.395	3,954
Total Race to the Top Incentive Grants			<u>84,421</u>
Passed Through Commonwealth of Massachusetts			
Department of Early Education and Care:			
Special Education Cluster:			
Northampton Public Schools:			
Special Education Early Childhood Allocation - 2014	EEC-262	84.173	1,168
Special Education Early Childhood Allocation - 2015	EEC-262	84.173	23,637
Total Special Education Cluster			<u>24,805</u>
Race to the Top Incentive Grants:			
Northampton Public Schools:			
Race to the Top - ELC - 2015		84.412	7,612
Total Race to the Top Incentive Grants			<u>7,612</u>
<b>TOTAL PAGE 4 OF 5</b>			<u>229,165</u>
<b>TOTAL PAGE 3 OF 5</b>			<u>1,601,793</u>
<b>Total U. S. Department of Education</b>			<u>\$ 1,830,958</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor/ Program Title	State/ Pass-Through Identification Number	Federal CFDA Number	Federal Awards Expended
<b>U. S. Department of Health and Human Services</b>			
Direct Programs:			
Drug Free Communities Support Program Grants:			
Drug Free Communities - 2014		93.276	\$ 37,639
Drug Free Communities - 2015		93.276	96,405
STOP Act - 2014		93.276	20,109
STOP Act - 2015		93.276	39,958
Total Drug Free Communities Support Program Grants			<u>194,111</u>
Food and Drug Administration - Food Safety and Security Standards		93.448	790
Passed Through Commonwealth of Massachusetts			
Department of Public Health:			
Public Health Emergency Preparedness		93.069	117,063
Passed Through Highland Valley Elder Services, Inc.:			
Title III-B-Community Program on Aging		93.044	8,193
<b>Total U. S. Department of Health and Human Services</b>			<u>320,157</u>
<b>U. S. Department of Homeland Security</b>			
Direct Programs:			
Federal Emergency Management Agency			
Assistance to Firefighters		97.044	1,260
Passed Through Commonwealth of Massachusetts			
Emergency Management Agency:			
Emergency Management Performance Grants		97.042	18,359
Passed Through Franklin Regional Council of Governments:			
CIS Phase 2		97.067	357
<b>Total U. S. Department of Homeland Security</b>			<u>19,976</u>
<b>TOTAL PAGE 5 OF 5</b>			340,133
<b>TOTAL PAGE 4 OF 5</b>			229,165
<b>TOTAL PAGE 3 OF 5</b>			1,601,793
<b>TOTAL PAGE 2 OF 5</b>			142,524
<b>TOTAL PAGE 1 OF 5</b>			1,006,081
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			<u>\$ 3,319,696</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2015**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the City of Northampton, Massachusetts, under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City of Northampton, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Northampton, Massachusetts.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting.
- (2) Pass-through entity identifying numbers are presented where available.

**NOTE C - SUBRECIPIENTS**

Of the expenditures presented in the Schedule, the City of Northampton, Massachusetts, provided federal awards to subrecipients as follows:

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Amount Provided</b>
Community Development Block Grant	14.218	\$ 203,214
Supportive Housing Program	14.235	45,790
		<u>\$ 249,004</u>

**NOTE D – FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2015**

**SECTION I – SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of Auditor’s Report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_Yes      X  No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? \_\_\_\_\_Yes      X  No

Noncompliance material to financial statements noted? \_\_\_\_\_Yes      X  No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_Yes      X  No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)?   X  Yes    \_\_\_\_\_None Reported

Type of Auditor’s Report issued on compliance for major programs: *Qualified*

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?   X  Yes    \_\_\_\_\_No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants
84.010	Title I
84.027, 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_Yes      X  No

**SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT**

None

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Noncompliance/Significant Deficiency in Internal Control Over Compliance for Title I and Special Education Grants is described as finding 2005-001 following on pages 15-16.

**SECTION IV – PRIOR YEAR FINDINGS**

Status of prior year finding is described following on page 17.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SUMMARY SCHEDULE OF CURRENT AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Finding 2015-001**

**Non-Compliance/Significant Deficiency in Internal Control Over Compliance – Allowable Costs/Cost Principles – U. S. Department of Education – Title I (CFDA No. 84.010) and Special Education Grants (CFDA No. 84.027) – Time and Effort Certifications – Smith Vocational and Agricultural High School**

*Passed Through Commonwealth of Massachusetts Department of Elementary and Secondary Education*

**Criteria:**

OMB Circular A-87 Attachment B, paragraph 8.h.(3) states, “Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.”

OMB Circular A-87 Attachment B, paragraph 8.h.(4) states, “When employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation...” The personnel activity reports must reflect an after-the-fact distribution of the actual activity of each employee, must account for the total activity for which each employee is compensated, must be prepared at least monthly, must coincide with one or more pay periods, and must be signed by the employee and countersigned by an administrator or supervisor.

**Condition:**

During Fiscal Year 2015, the Smith Vocational and Agricultural High School did not obtain the required time and effort certifications from employees who were paid from the Title I or Special Education 94-142 Allocation grants.

**Cause:**

There was some turnover in personnel who were administering the federal grant programs at Smith Vocational and Agricultural High School during the fiscal year. New personnel at the school in charge of administering the grants were not properly aware of the requirements to obtain time and effort certifications from the personnel whose salaries were paid from federal grants.

**Effect:**

Some employees’ salaries may be inappropriately charged to Federal programs.

**Recommendation:**

The administrators at the Smith Vocational and Agricultural High School should obtain semi-annual or monthly time and effort certifications from all employees paid from all Federal grants.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SUMMARY SCHEDULE OF CURRENT AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Management's Response:**

The Grant Administrators are responsible for hiring grant funded employees and keeping the time and effort data certifying their duties and funding source. The FY16 certifications have already been processed for employees paid from Federal Grants.



**CITY OF NORTHAMPTON, MASSACHUSETTS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Finding 2014-001**

**Noncompliance/Significant Deficiency in Internal Control Over Compliance – U. S. Department of Housing and Urban Development – Community Development Block Grants/Entitlement Grants (CFDA No. 14.218) – Direct Program – Reporting Requirements – Reporting in Accordance with Federal Funding Accountability and Transparency Act (FFATA)**

**Condition:**

The City of Northampton receives Community Development Block Grant funds directly from the U. S. Department of Housing and Urban Development. During the City's Fiscal Year 2014, the City had two subawards over \$25,000 that were awarded on September 30, 2013 and April 16, 2014, and one subcontract for services that, as amended on August 23, 2013, resulted in an obligation over \$25,000. The City did not file the required FFATA reporting until December 12, 2014.

**Status:**

In fiscal year 2015, the City filed the required FFATA reports for subawards over \$25,000.