

COUNTY OF BARNSTABLE, MASSACHUSETTS

GAO AND OMB A-133 REPORTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

COUNTY OF BARNSTABLE, MASSACHUSETTS

GAO AND OMB A-133 REPORTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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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**

To the Assembly of Delegates and County Commissioners
County of Barnstable, 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 County of Barnstable, Massachusetts, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County of Barnstable, Massachusetts' basic financial statements, and have issued our report thereon dated March 27, 2014.

Internal Control Over Financial Reporting

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

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

CliftonLarsonAllen LLP

Boston, MA
March 27, 2014

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Assembly of Delegates and County Commissioners
County of Barnstable, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the County of Barnstable, Massachusetts' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County of Barnstable, Massachusetts' major federal programs for the fiscal year ended June 30, 2013. The County of Barnstable, Massachusetts' major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the County of Barnstable, 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 fiscal year ended June 30, 2013.

Report on Internal Control over Compliance

Management of the County of Barnstable, Massachusetts is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to previously. In planning and performing our audit of compliance, we considered the County of Barnstable, 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 County of Barnstable, 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. 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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 County of Barnstable, Massachusetts, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County of Barnstable, Massachusetts' basic financial statements. We issued our report thereon dated March 27, 2014, 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 OMB Circular A-133 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, MA
March 27, 2014

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COUNTY OF BARNSTABLE, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013

Federal Grantor/ Pass-Through Grantor/ Program	Federal CFDA Number	Pass-through Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
<u>Direct Program:</u>			
Cooperative Forestry Assistance (Wildfire)	10.664	Not Applicable	\$ 1,150
Energy Audit and Renewable Audit Development Assistance	10.775	Not Applicable	6,100
<u>Passed through the University of Massachusetts:</u>			
USDA Nutrition Education	10.561	12-006817 A 00	7,285
Total U.S. Department of Agriculture			14,535
U.S. Department of Commerce			
<u>Direct Program:</u>			
Economic Development Administration	11.302	Not Applicable	41,128
<u>Passed through the WHOI/Sea Grant Program:</u>			
Coastal Geologist	11.417	A100921	78,713
Coastal Geologist	11.417	A100921 (Amendment #1)	63,984
Total U.S. Department of Commerce			183,825
U.S. Department of Defense			
<u>Direct Program:</u>			
Joint Land Use Study	12.610	Not Applicable	84,233
U.S. Department of Housing and Urban Development			
<u>Direct Program:</u>			
HOME Investment Partnerships Program	14.239	Not Applicable	368,438
U.S. Department of Justice			
<u>Passed through the Massachusetts Children's Alliance:</u>			
Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	1-BARN-MA-SA12	6,394
U.S. Department of Transportation			
<i>Highway Planning and Construction Cluster</i>			
<u>Passed through the MA Department of Transportation:</u>			
Highway Planning and Construction	20.205	INTF00X02009H0056004	132,738
Highway Planning and Construction	20.205	INTF00X02009H0073494	441,059
Total Highway Planning and Construction Cluster			573,797
<u>Passed through the Executive Office of Transportation:</u>			
Federal Transit Metropolitan Planning Grant	20.505	INTF00X02012H0072826	49,463
Federal Transit Metropolitan Planning Grant	20.505	INTF00X02013A0077001	25,494
<u>Passed through the Cape Cod Regional Transit Authority:</u>			
Transit in the Parks	20.520	FT-53-0-01	73,684
Total U.S. Department of Transportation			722,438
U.S. Environmental Protection Agency			
<u>Direct Program:</u>			
Deer Feeding Stations (Lyme Disease)	66.unk	Not Applicable	28,744
<u>Passed through the State Department of Environmental Protection:</u>			
Massachusetts Alternative Septic System Test Center IX	66.605	CT EQE 5014 BARNSTABLEMASSTC 0611	10,088
Massachusetts Alternative Septic System Test Center X	66.605	CT EQE5014BARNSTABLEMASSTC0809	51,643
Total U.S. Environmental Protection Agency			90,475

COUNTY OF BARNSTABLE, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013

<u>Federal Grantor/ Pass-Through Grantor/ Program</u>	<u>Federal CFDA Number</u>	<u>Pass-through Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services			
<u>Passed through the National Association of County and City Health Officials:</u>			
Medical Reserve Corps	93.008	MRC 11 99	262
Medical Reserve Corps	93.008	MRC 12 99	1,531
Medical Reserve Corps	93.008	MRC 13 0099-C	711
<u>Passed through the State Department of Public Health:</u>			
Public Health Emergency Preparedness	93.069	INTF6208P01902414046	201,050
Community Transformation Grants and National Dissemination and Support for Community Transformation Grants	93.531	INTF4200P01W20612039	75,188
National Bioterrorism Hospital Preparedness Program	93.889	INTF6207P01W01510054	4,000
<u>Passed through the State Department of Children and Families:</u>			
Sexual Assault Intervention Network	93.667	INTF0000009921220152	75,400
Total U.S. Department of Health and Human Services			<u>358,142</u>
U.S. Corporation for National and Community Service			
<u>Passed through the Massachusetts Service Alliance:</u>			
AmeriCorps	94.006	A-12-C-04-6001419	40,769
AmeriCorps	94.006	A-11-C-04-6001419	330,875
Total U.S. Corporation for National and Community Service			<u>371,644</u>
Total			<u>\$ 2,200,124</u>

See notes to schedule of expenditures of federal awards.

COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Barnstable, Massachusetts and is presented on the modified accrual basis of accounting. The information included in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 – U.S. Department of Agriculture

The amount reported for the USDA Nutrition Education program represents cash receipts from federal reimbursements.

Note 3 – Sub-recipients

The County of Barnstable, Massachusetts provided the following awards to sub-recipients for the fiscal year ended June 30, 2013:

<u>Program Description</u>	<u>CFDA Number</u>	<u>Amount</u>
HOME Investment Partnerships Program	14.239	\$ 88,797

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

COUNTY OF BARNSTABLE, MASSACHUSETTS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 JUNE 30, 2013

A. 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 No

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 that are not considered to be material weaknesses? _____ Yes X No

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

Were any findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _____ Yes X No

Identification of Major Programs:

Name of federal program or cluster	CFDA Number
HOME Investment Partnerships Program	14.239
Highway Planning and Construction	20.205
AmeriCorps	94.006

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

Auditee qualified as a low-risk auditee? _____ Yes X No

COUNTY OF BARNSTABLE, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None

D. Summary of Prior Audit Findings

None