

BARNSTABLE COUNTY, MASSACHUSETTS

REPORTS ON FEDERAL AWARD PROGRAMS

YEAR ENDED JUNE 30, 2016

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REPORTS ON FEDERAL AWARD PROGRAMS
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**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**

Independent Auditor's Report

To the Honorable Board of Commissioners
Barnstable County, 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 Barnstable County, Massachusetts, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Barnstable County's basic financial statements, and have issued our report thereon dated March 31, 2017.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Barnstable County'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.

A handwritten signature in black ink, appearing to read "Bowers & Sullivan LLC". The signature is written in a cursive, flowing style.

March 31, 2017



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Honorable Board of Commissioners
Barnstable County, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited Barnstable County, 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 Barnstable County's major federal programs for the year ended June 30, 2016. Barnstable County's 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 Barnstable County's 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 Barnstable County's 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 Barnstable County's compliance.

Opinion on Each Major Federal Program

In our opinion, Barnstable County 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, 2016.

Report on Internal Control Over Compliance

Management of Barnstable County, 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 Barnstable County's 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 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 Barnstable County's 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 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 Barnstable County, as of the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Barnstable County's basic financial statements. We issued our report thereon dated March 31, 2017 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 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.



March 31, 2017

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
DIRECT PROGRAMS:				
U.S. DEPARTMENT OF COMMERCE:				
<u>Direct Program:</u>				
Economic Development - Support for Planning Organizations.....	11.302	Not Applicable	\$ -	\$ 88,386
Office for Coastal Management.....	11.473	Not Applicable	-	5,075
TOTAL U.S. DEPARTMENT OF COMMERCE DIRECT PROGRAMS.....			-	93,461
U.S. DEPARTMENT OF DEFENSE:				
<u>Direct Program:</u>				
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies.....	12.610	Not Applicable	-	106
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
<u>Direct Program:</u>				
Home Investment Partnerships Program.....	14.239	Not Applicable	107,774	552,872
U.S. DEPARTMENT OF THE INTERIOR:				
<u>Direct Program:</u>				
National Park Service Conservation, Protection, Outreach, and Education.....	15.954	Not Applicable	-	88,059
U.S. ENVIRONMENTAL PROTECTION AGENCY				
<u>Direct Program:</u>				
Healthy Communities Grant Program.....	66.110	Not Applicable	-	11,624
Regional Applied Research Efforts (RARE).....	66.517	Not Applicable	-	10,980
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY DIRECT PROGRAMS.....			-	22,604
PASS-THROUGH PROGRAMS:				
U.S. DEPARTMENT OF AGRICULTURE:				
<u>Passed through the State University of New York</u>				
Grants for Agricultural Research, Special Research Grants.....	10.200	2012 38500 19656/65586	-	1,766
<u>Passed through the University of Massachusetts:</u>				
Supplemental Nutrition Assistance Program.....	10.551	15 008450 A 00	-	3,245
Supplemental Nutrition Assistance Program.....	10.551	16 008987 A 00	-	18,707
Total Supplemental Nutrition Assistance Program.....			-	21,952
TOTAL U.S. DEPARTMENT OF AGRICULTURE PASS-THROUGH PROGRAMS.....			-	23,718
U.S. DEPARTMENT OF COMMERCE:				
<u>Passed through WHOI/Sea Grant Program:</u>				
Sea Grant Support.....	11.417	A101112	-	169,139
Sea Grant Support.....	11.417	A101083	-	8,453
Sea Grant Support.....	11.417	A101192	-	29,572
<u>Passed through University of Connecticut</u>				
Sea Grant Support.....	11.417	NA13OAR4170200/54162	-	13,139
Total Sea Grant Support.....			-	220,303
<u>Passed through the State Department of Executive Office of Energy and Environmental Affairs</u>				
Coastal Zone Management Administration Awards.....	11.419	NOAA grant NA14NOS4190068	-	5,000
TOTAL U.S. DEPARTMENT OF COMMERCE PASS-THROUGH PROGRAMS.....			-	225,303
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
<u>Passed through the Community Action Committee of the Cape and Islands</u>				
Continuum of Care Program.....	14.267	MA0476L1T031300	-	20,487
Continuum of Care Program.....	14.267	MA0485L1T031400	-	13,482
Total Continuum of Care Program.....			-	33,969
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-SA15	-	10,680
U.S. DEPARTMENT OF TRANSPORTATION:				
<u>Passed through the MA Department of Transportation:</u>				
Highway Planning and Construction.....	20.205	INTF00X02009H0073494	-	598,116
Metropolitan Transportation Planning and State and Non-Metropolitan				
Planning and Research.....	20.505	81406 (FTA Grant MA-80-X009/86823)	-	66,421
Metropolitan Transportation Planning and State and Non-Metropolitan				
Planning and Research.....	20.505	86823 (FTA Grant MA-80-X010)	-	10,063
Total Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research.....			-	76,484
<u>Passed through Massachusetts Emergency Management Agency</u>				
Interagency Hazardous Materials Public Sector Training and Planning Grants.....	20.703	FY16HMPEP1600000BARNs	-	2,374
TOTAL U.S. DEPARTMENT OF TRANSPORTATION PASS-THROUGH PROGRAMS...			-	676,974
U.S. ENVIRONMENTAL PROTECTION AGENCY:				
<u>Passed through the Nature Conservancy</u>				
Healthy Communities Grant Program.....	66.110	A102962	-	1,897
<u>Passed through the State Department of Environmental Protection:</u>				
Performance Partnership Grants.....	66.605	Project # 14-01/319	-	31,010
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY PASS-THROUGH PROGRAMS.....			-	32,907

(Continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
<u>Passed through the National Association of County and City Health Officials</u>				
Medical Reserve Corps Small Grant Program	93.008	MRC 14 0099	-	488
<u>Passed through the State Department of Public Health:</u>				
Public Health Emergency Preparedness.....	93.069	RFR 161326	-	142,941
Block Grants for Prevention and Treatment of Substance Abuse.....	93.959	INTF2903P01200218200	-	131,176
Block Grants for Prevention and Treatment of Substance Abuse.....	93.959	INTF2354M04301822071	-	88,893
Block Grants for Prevention and Treatment of Substance Abuse.....	93.959	INTF2354M04160222077	-	71,310
Total Block Grants for Prevention and Treatment of Substance Abuse.....			-	291,379
<u>Passed through the State Department of Executive Office of Elder Affairs</u>				
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations.....	93.779	CT ELD 0364SHINEPROGRAM2014barn	-	69,092
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations.....	93.779	CT ELD 0364DUALSONECAREFUNDBARN	-	6,066
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations.....			-	75,158
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASS-THROUGH PROGRAMS.....				
			-	509,966
U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:				
<u>Passed through the Massachusetts Service Alliance:</u>				
AmeriCorps.....	94.006	A-15-C-04-6001419	-	57,239
AmeriCorps.....	94.006	A-16-C-04-6001419/15ACHMA001	-	343,628
Total AmeriCorps.....			-	400,867
Volunteer Generation Fund.....	94.021	NVW-16-F-46001419/14VGHMA001	-	4,500
Volunteer Generation Fund.....	94.021	MLK-16-F-46001419/14VGHMA001	-	4,500
Total Volunteer Generation Fund.....			-	9,000
TOTAL U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE PASS-THROUGH PROGRAMS.....				
			-	409,867
U.S. DEPARTMENT OF HOMELAND SECURITY:				
<u>Passed through the Massachusetts Emergency Management Agency</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters).....	97.036	CTFEMA4110BARNC00578	-	13,113
Disaster Grants - Public Assistance (Presidentially Declared Disasters).....	97.036	CTFEMA4214BARN00249	-	3,927
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters).....			-	17,040
Hazard Mitigation Grant.....	97.039	HMGF405120CAPECOD000	-	5,920
Pre-Disaster Mitigation.....	97.047	PDMC1404CAPECOD00000	-	45,437
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY PASS-THROUGH PROGRAMS.....				
			-	68,397
TOTAL.....			\$	107,774
			\$	2,748,883

See notes to schedule of expenditures of federal awards.

(Concluded)

Note 1 - Definition of Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Barnstable County under programs of the federal government for the year ended June 30, 2016. 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 Barnstable County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Barnstable County.

Note 2 - Significant Accounting Policies

The accounting and reporting policies of Barnstable County are set forth below:

- (a) Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting. Accordingly, expenditures are recognized when the liability is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (b) Disaster Grants have been recorded in the year the grant was approved.
- (c) Barnstable County has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

A. Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on the financial statements of Barnstable County.
2. No significant deficiencies relating to the audit of the basic financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Barnstable County were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; And Report On Schedule Of Expenditures Of Federal Rewards Required By The Uniform Guidance.
5. The auditor’s report on compliance for the major federal award programs for Barnstable County, expresses an unmodified opinion on all major federal award programs.
6. There were no audit findings relative to the major federal award programs for Barnstable County.
7. The program tested as a major grant is the Highway Planning and Construction program.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Barnstable County was determined to be a low-risk auditee.

B. Findings - Financial Statements Audit

None.

C. Finding and Questioned Costs – Major Federal Award Programs

None.

D. Prior Year Audit Findings and Questioned Costs

None.