

ROSELLI, CLARK & ASSOCIATES
Certified Public Accountants

TOWN OF FALMOUTH, MASSACHUSETTS

FEDERAL AWARD REPORTS

PURSUANT TO THE

UNIFORM GUIDANCE

YEAR ENDED JUNE 30, 2024



**TOWN OF FALMOUTH, MASSACHUSETTS
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Members of the Select Board
Town of Falmouth, 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, the discretely presented component unit and the aggregate remaining fund information of the Town of Falmouth, Massachusetts, as of and for the year ended June 30, 2024 (except for the Falmouth Contributory Retirement System and the Falmouth Economic Development Corporation which are as of December 31, 2023), and the related notes to the financial statements, which collectively comprise the Town of Falmouth, Massachusetts's basic financial statements and have issued our report thereon dated January 10, 2025. The financial statements of the Falmouth Contributory Retirement System and the Falmouth Economic Development Corporation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Falmouth Contributory Retirement System and the Falmouth Economic Development Corporation.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Falmouth, 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.

Roselli Clark + Associates

Roselli, Clark and Associates
Certified Public Accountants
Woburn, Massachusetts
January 10, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Members of the Select Board
Town of Falmouth, Massachusetts

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Town of Falmouth, 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 Falmouth, Massachusetts' major federal programs for the year ended June 30, 2024. The Town of Falmouth, Massachusetts' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Special Education Cluster (IDEA) (ALN 84.027 & 84.173)

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Town of Falmouth, Massachusetts complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Special Education Cluster (IDEA) (ALN 84.027 & 84.173) program for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Town of Falmouth, 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 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, 2024.

Basis for Qualified and Unmodified Opinions

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Falmouth, 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 qualified and

unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Falmouth, Massachusetts' compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Special Education Cluster (IDEA) (ALN 84.027 & 84.173)

As described in the accompanying schedule of findings and questioned costs, the Town of Falmouth, Massachusetts' did not comply with requirements regarding procurement, suspension and debarment for its Special Education Cluster (IDEA) (ALN 84.027 & 84.173) program as described in finding number 2024-001. Compliance with such requirements is necessary, in our opinion, for the Town of Falmouth, Massachusetts to comply with requirements applicable to that program.

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 Falmouth, Massachusetts' federal programs.

Auditor's 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 Falmouth, 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 generally accepted auditing standards, *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 Falmouth, Massachusetts' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Audit Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain 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 of Falmouth, Massachusetts' 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 Falmouth, 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 of Falmouth, Massachusetts' 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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Falmouth, Massachusetts' response to noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibility 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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 Falmouth, Massachusetts' response to internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Falmouth, Massachusetts, as of and for the year ended June 30, 2024 (except for the Falmouth Contributory Retirement System and the Falmouth Economic Development Corporation which are as of December 31, 2023), and the related notes to the financial statements, which collectively comprise the Town of Falmouth, Massachusetts's basic financial statements. We have issued our report thereon dated January 10, 2025, which contained unmodified opinions on those financial statements. Our audit was performed 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.



Roselli, Clark & Associates
Certified Public Accountants
Woburn, Massachusetts

March 31, 2025, except for our report on the Schedule of Expenditures of Federal Awards, for which the date is January 10, 2025

**TOWN OF FALMOUTH, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

<u>Federal Grantor/ Pass-Through Grantor / Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Child Nutrition Cluster				
<i>Passed through the Commonwealth of Massachusetts - Department of Elementary and Secondary Education</i>				
School Breakfast Program	10.553	01-096	\$ -	\$ 127,913
National School Lunch Program:	10.555	01-096		
Cash Assistance			-	578,724
Non-Cash Assistance (Commodities)			-	110,012
Total National School Lunch Program			<u>-</u>	<u>688,736</u>
Total Child Nutrition Cluster			<u>-</u>	<u>816,649</u>
Total U.S. Department of Agriculture			<u>-</u>	<u>816,649</u>
<u>U.S. Department of Interior</u>				
<i>Direct Award</i>				
National Fish Passage	15.685		-	76,524
<i>Passed through the Commonwealth of Massachusetts - Department of Fish and Game / Division of Marine Fisheries</i>				
Clean Vessel Act	15.616	TOWNOFFALMOUTHFY2023	-	8,642
Clean Vessel Act	15.616	TOWNOFFALMOUTHFY2021	-	1,173
Total Clean Vessel Act			<u>-</u>	<u>9,815</u>
Total U.S. Department of Interior			<u>-</u>	<u>86,339</u>
<u>U.S. Department of Justice</u>				
<i>Direct Award</i>				
Bulletproof Vest Partnership Program	16.607		-	8,478
<i>Passed through the Town of Barnstable, Massachusetts</i>				
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	Not available	-	20,905
Total U.S. Department of Justice			<u>-</u>	<u>29,383</u>
<u>U.S. Department of Transportation</u>				
Highway Safety Cluster				
<i>Passed through the Commonwealth of Massachusetts - Executive Office of Public Safety and Security</i>				
State and Community Highway Safety	20.600	2023MRSPFALMOUTHXXXX	-	8,967
National Priority Safety Programs	20.616	2023MRSPFALMOUTHXXXX	-	1,960
Total Highway Safety Cluster			<u>-</u>	<u>10,927</u>
Total U.S. Department of Transportation			<u>-</u>	<u>10,927</u>

(Continued)

See notes to Schedule of Expenditures of Federal Awards

**TOWN OF FALMOUTH, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

<u>Federal Grantor/ Pass-Through Agency / Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. Department of the Treasury</u>				
<i>Direct Award</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		-	607,616
<i>Passed through Barnstable County, Massachusetts</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	-	1,334,782
<i>Passed through the Commonwealth of Massachusetts - Massachusetts Emergency Management Agency</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	FY24P0102JBCCFALMO	-	12,327
Total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			-	<u>1,954,725</u>
Total U.S. Department of the Treasury				
			-	<u>1,954,725</u>
<u>National Endowment for the Humanities</u>				
<i>Passed through the Commonwealth of Massachusetts - Massachusetts Board of Library Commissioners</i>				
Grants to States - Library Services and Technology Act	45.310	24FALMOUTHLIBRARY000	-	15,077
Total National Endowment for the Humanities				
			-	<u>15,077</u>
<u>U.S. Department of Education</u>				
Special Education Cluster (IDEA)				
<i>Passed through the Commonwealth of Massachusetts - Department of Elementary and Secondary Education</i>				
Special Education: Grants to States	84.027	240-000558-2024-0096	-	838,524
Special Education: Grants to States	84.027	240-705173-2023-0096	-	44,707
Special Education: Grants to States	84.027	240-541074-2022-0096	-	3,852
Special Education: Grants to States	84.027	274-484213-2021-0096	-	2,037
COVID-19 - Special Education: Grants to States	84.027X	252-541075-2022-0096	-	16,559
Total Special Education - Grants to States			-	<u>905,679</u>
Special Education - Preschool Grants	84.173	262-000559-2024-0096	-	11,464
Special Education - Preschool Grants	84.173	262-705174-2023-0096	-	12,534
Special Education - Preschool Grants	84.173	262-541076-2022-0096	-	30
Total Special Education - Preschool Grants			-	<u>24,028</u>
Total Special Education Cluster (IDEA)				
			-	<u>929,707</u>

(Continued)

See notes to Schedule of Expenditures of Federal Awards

**TOWN OF FALMOUTH, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass-Through Agency / Program Title	Assistance Listing Number	Pass-Through Number	Passed Through to Subrecipients	Total Expenditures
<i>Passed through the Commonwealth of Massachusetts - Department of Elementary and Secondary Education</i>				
Title I Grants to Local Educational Agencies	84.010	305-000549-2024-0096	-	426,305
Title I Grants to Local Educational Agencies	84.010	305-685837-2023-0096	-	46,364
Total Title I Grants to Local Educational Agencies			-	472,669
Career and Technical Education - Basic Grants to States	84.048	400-000552-2024-0096	-	28,436
Career and Technical Education - Basic Grants to States	84.048	400-705155-2023-0096	-	13,780
Career and Technical Education - Basic Grants to States	84.048	422-677702-2023-0096	-	37
Total Career and Technical Education - Basic Grants to States			-	42,253
English Language Acquisition State Grants	84.365	180-000547-2024-0096	-	1,393
English Language Acquisition State Grants	84.365	180-685839-2023-0096	-	16,118
English Language Acquisition State Grants	84.365	180-558201-2022-0096	-	2,543
Total English Language Acquisition State Grants			-	20,054
Supporting Effective Instruction State Grants	84.367	140-000546-2024-0096	-	20,521
Supporting Effective Instruction State Grants	84.367	140-685838-2023-0096	-	41,652
Total Supporting Effective Instruction State Grants			-	62,173
Student Support and Academic Enrichment Program	84.424	309-000548-2024-0096	-	20,422
Student Support and Academic Enrichment Program	84.424	309-685840-2023-0096	-	22,043
Total Student Support and Academic Enrichment Program			-	42,465
COVID-19 - Education Stabilization Fund	84.425U	119-585290-2022-0096	-	824,399
COVID-19 - Education Stabilization Fund	84.425U	324-619599-2022-0096	-	33,000
Total COVID-19 - Education Stabilization Fund			-	857,399
Total U.S. Department of Education			-	2,426,720
<u>U.S. Department of Homeland Security</u>				
<i>Passed through the Commonwealth of Massachusetts - Massachusetts Emergency Management Agency</i>				
Homeland Security Grant Program	97.067	FY23HSGP2200000FALMO	-	1,788
Emergency Management Performance Grants	97.042	FY23EMPG2200000FALMO	-	8,500
Total U.S. Department of Homeland Security			-	10,288
Total Federal Grant Award Expenditures			\$ -	\$ 5,350,108

(Concluded)

See notes to Schedule of Expenditures of Federal Awards

**TOWN OF FALMOUTH, MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Falmouth, Massachusetts (the Town) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

B. Summary of Significant Accounting Policies

Accounting policies and financial reporting practices permitted for municipalities in Massachusetts are prescribed by the Uniform Municipal Accounting System (UMAS) promulgated by the Commonwealth of Massachusetts Department of Revenue.

The accompanying Schedule includes the federal grant transactions of the Town. Although some of these programs may be supplemented with state and other revenue, only federal activity is shown. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

The Town has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

C. U.S. Department of Agriculture Programs

The Town receives non-cash commodities from the U.S. Department of Agriculture as a part of the National School Lunch program. The amounts reported as non-cash assistance represent the fair market value of these commodities received during the year.

The amounts reported as cash assistance represent federal reimbursements for meals provided.

**TOWN OF FALMOUTH, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

A. Summary of Audit Results

FINANCIAL STATEMENTS

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	No
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	No
Type of auditor’s report issued on compliance for major programs:	
Special Education Cluster (IDEA)	Qualified
All other programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	Yes

IDENTIFICATION OF MAJOR PROGRAMS

<u>Name of Federal Program</u>	<u>ALN(s)</u>
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21,027
Special Education Cluster (IDEA)	84.027 & 84.173
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
Auditee qualified as a low-risk auditee?	Yes

B. Financial Statement Findings

None

**TOWN OF FALMOUTH, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

C. Federal Award Findings and Questioned Costs

**2024-001 U.S. Department of Education
Passed-through the Commonwealth of Massachusetts' Department of
Elementary and Secondary Education
Special Education Cluster (IDEA) – ALN 84.027 & 84.173
COVID-19 – Special Education Cluster (IDEA) – ALN 84.027X**

Compliance Finding and Material Weakness in Internal Controls Over Compliance

Criteria: Per 2 CFR section 200.319, procurements must provide for full and open competition.

Condition: Two vendors were awarded a contract without a competitive procurement process.

Cause: The School relied on State procurement exemptions which do not apply to Federal procurements.

Effect: The Town is not in compliance with Federal procurement requirements.

Questioned Costs: \$85,917.50

Repeat Finding from Prior Year: No.

Recommendation: The School should implement procedures to perform procurement procedures on all applicable contracts for goods and services.

Views of Responsible Official: Management agrees with the finding.

D. Summary Schedule of Prior Audit Findings

2023-001 U.S. Department of the Treasury

Condition: Obligations were overstated by \$144,923 on the March 31, 2023 Project and Expenditure report.

Status: Resolved.



Falmouth Public Schools
A Community Committed to Excellence:
Every Student. Every Day.

Office of Finance & Operations
340 Teaticket Highway
E. Falmouth, MA 02536

Paul J. Dart
Director of Finance & Operations
Stacy Stokes
Assistant Director of Finance & Operations
Aja Gonzales
Payroll Coordinator & Business Office Liaison
Melissa Wood
Accounts Payable / Financial Analyst

To: Laura Sitrin, Director of Finance, Town of Falmouth

From: Paul Dart, Director of Finance & Operations

Date: March 31, 2025

RE: IDEA 240 Grant Expenditures

The following outlines the findings, resolution and ongoing corrective actions for the IDEA FY24 Grant and FY25 Grant.

Findings:

Federal Award Findings and Questioned Costs

2024-001 U.S. Department of Education
Passed-through the Commonwealth of Massachusetts' Department of
Elementary and Secondary Education
Special Education Cluster (IDEA) – ALN 84.027 & 84.173
COVID-19 – Special Education Cluster (IDEA) – ALN 84.027X

Resolution:

The following corrective actions have been taken to immediately address this finding and ensure compliance with federal procurement regulations going forward:

- Journal entries have been submitted to the Town Accountant in order to move all FY24 expenses originally charged to the FY24 240 IDEA grant to either the School Choice Contracted Services account or Circuit Breaker Contracted Services account, as appropriate.
- A grant amendment is in process to reallocate funds in the FY24 240 grant originally intended for these specialized vendors to out of district tuition instead, ensuring compliance with procurement requirements.
- In addition to the above corrective actions related to the FY24 grant spending, any expenses for goods and services incurred in FY25 that did not meet federal procurement requirements have been corrected for FY24 grants that remain open.

- Grant amendments and journal entries for the FY25 240 grant and FY25 262 grant are in process for the current fiscal year to maintain compliance.

These actions resolve the issue in the current fiscal year for all grants that are currently open. To strengthen internal controls and prevent recurrence, the Business Office is updating the District procurement policies and procedures to ensure the most restrictive procurement provision is followed for all purchases made with federal funds. All procurement and grant management staff have met to review training on the federal procurement process including thresholds, methods, documentation/justification for non-competitive procurements, and the differences between state and federal regulations. The district is committed to ensuring continued compliance through ongoing staff training, monitoring and policy updates.

For further information or questions regarding this corrective action plan, please do not hesitate to contact me.