



CITY OF BROCKTON, MASSACHUSETTS

Auditors' Reports as Required by Office of
Management and Budget (OMB) Circular A-133 and
Government Auditing Standards and Related Information

Year ended June 30, 2011

CITY OF BROCKTON, MASSACHUSETTS

Table of Contents

	Page
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program, Internal Control over Compliance, and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133	Exhibit I
Schedule of Expenditures of Federal Awards	Exhibit II
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	Exhibit III
Schedule of Findings and Questioned Costs	Exhibit IV



KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Exhibit I

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Major Program, Internal Control over Compliance, and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133

The Honorable Mayor and City Council
City of Brockton, Massachusetts:

Compliance

We have audited the City of Brockton, Massachusetts' (the City) 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's major federal programs for the year ended June 30, 2011. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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 NonProfit 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'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. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item *2011-01*.

Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of



Exhibit I

expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City'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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2011-01. 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.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on the response.

Schedule of Expenditures of Federal Awards

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 as of and for the year ended June 30, 2011, and have issued our report thereon dated April 11, 2012. Our report includes an explanatory paragraph regarding the City adopting the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements.

This report is intended solely for the information and use of management, the Board of Selectmen, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

July 16, 2012

(except the schedule of expenditures of federal awards, which is as of April 11, 2012)

CITY OF BROCKTON, MASSACHUSETTS

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

Federal grantor/passed-through grantor/program title	CFDA number	Federal expenditures
U.S. Department of Agriculture:		
Passed through State Department of Elementary and Secondary Education:		
Food Donation	10.550	\$ 435,964
School Breakfast Program (note 4)	10.553	1,547,468
National School Lunch Program (note 4)	10.555	4,630,386
Child and Adult Care Food Program	10.558	6,122
Special Summer Food Service Program for Children (note 4)	10.559	190,064
Total U.S. Department of Agriculture		<u>6,810,004</u>
U.S. Department of Defense:		
Direct Programs:		
US Army Junior ROTC	12.000	98,698
Total U.S. Department of Defense		<u>98,698</u>
U.S. Department of Housing and Urban Development:		
Direct programs:		
Community Development Block Grant – Entitlement Grants (note 4)	14.218	1,936,948
Community Development Block Grant – ARRA (note 4)	14.253	93,448
Homeless Prevention and Rapid Re-Housing Program Technical Assistance – ARRA	14.257	307,189
Total U.S. Department of Housing and Urban Development		<u>2,337,585</u>
U.S. Department of Justice:		
Direct programs:		
Part E – Developing, Testing and Demonstrating Promising New Programs	16.541	110,426
ARRA – Public Safety Partnership and Community Policing Grants	16.710	497,163
Total direct programs		<u>607,589</u>
Passed through State Division of Fire Services:		
Byrne Formula Grant Program	16.579	47,729
Community Capacity Development Office	16.595	11,045
Edward Byrne Memorial Justice Assistance Grant Program (note 4)	16.738	35,898
Edward Byrne Memorial Justice Assistance Grant – ARRA (note 4)	16.803	289,003
Passed through State Executive Office of Public Safety Violence Against Women		
ARRA – Formula Grants	16.588	23,849
Total pass-through programs		<u>407,524</u>
Total U.S. Department of Justice		<u>1,015,113</u>
U.S. Department of Environmental Protection Agency:		
Passed through Massachusetts Water Pollution Abatement Trust:		
ARRA – Capitalization Grants for Drinking Water State Revolving Fund	66.468	551,815
Total pass-through programs		<u>551,815</u>
Total U.S. Department of Environmental Protection Agency		<u>551,815</u>
U.S. Department of Energy:		
Direct Programs:		
ARRA – Energy Efficiency and Conservation Block Grant Program	81.128	427,104
Total U.S. Department of Energy		<u>427,104</u>
U.S. Department of Labor:		
Passed through Brockton Area Workforce Investment Board:		
ARRA – WIA Adult Program (note 4)	17.258	71,995
WIA Youth Activities (note 4)	17.259	90,945
ARRA – Dislocated Workers (note 4)	17.260	1,848
Total pass through programs		<u>164,788</u>
Total US Department of Labor		<u>164,788</u>

CITY OF BROCKTON, MASSACHUSETTS

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

Federal grantor/passed-through grantor/program title	CFDA number	Federal expenditures
U.S. Department of Transportation:		
Passed through State Office of Public Safety:		\$
State and Community Highway Safety	20.600	6,482
Total US Department of Transportation		<u>6,482</u>
U.S. Department of Education:		
Direct programs:		
Safe and Drug-Free Schools and Communities National Program	84.184	49,745
Fund for the Improvement of Education	84.215	235,660
Total direct programs		<u>285,405</u>
Passed through State Department of Elementary and Secondary Education:		
Adult Education – Basic Grants to States	84.002	3,798
Title I – Grants to Local Educational Agencies (note 4)	84.010	4,553,019
Special Education – Grants to States (note 4)	84.027	3,843,115
Vocational Education – Grants to States	84.048	110,565
Special Education - Preschool Grants (kindergarten development) (note 4)	84.173	25,266
Safe & Drug Free Schools and Communities – State Grants	84.186	24,516
Education for Homeless Children & Youth (note 4)	84.196	52,634
Twenty-First Century Community Learning Centers	84.247	514,132
Twenty-First Century Community Learning Centers	84.287	447,632
Technology Literacy Challenge Fund Grants (note 4)	84.318	45,031
Reading First State Grants	84.357	86,792
English Language Acquisition Grants	84.365	613,318
Mathematics and Science Partnership Program	84.366	235,075
Improving Teach Quality State Grants	84.367	1,421,067
School Improvement Grants	84.377	44,534
ARRA – Education Technology State Grants (note 4)	84.386	14,535
ARRA – Education for Homeless Children & Youth (note 4)	84.387	2,126
ARRA – Title I – Grants to Local Educational Agencies (note 4)	84.389	1,684,027
ARRA – Special Education – Grants to States (note 4)	84.391	2,497,503
ARRA – State Fiscal Stabilization Funds – Education (note 4)	84.394	697,902
ARRA – State Fiscal Stabilization Fund Race to the Top	84.395	67,552
Education Jobs Fund	84.410	175,217
Passed through Massachusetts Department of Early Childhood Education & Care:		
ARRA – Special Education Grants to States (note 4)	84.391	92,639
ARRA – Special Education – Preschool Grants (note 4)	84.392	92,129
ARRA – State Fiscal Stabilization Fund Invest in Innovation	84.396	13,180
Passed through Massachusetts Executive Office of Public Safety		
ARRA – State Fiscal Stabilization Fund – Government Services (note 4)	84.397	189,969
Total pass-through programs		<u>17,547,273</u>
Total U.S. Department of Education		<u>17,832,678</u>
Corporation for National and Community Service:		
Passed through State Department of Education:		
Learn and Serve America School and Community Program	94.004	24,853
Total Corp. for National and Community Service		<u>24,853</u>
U.S. Department of Health and Human Services:		
Direct program:		
Medical Reserve Corps Small Grant Program	93.008	7,079
Total direct programs		<u>7,079</u>

CITY OF BROCKTON, MASSACHUSETTS

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

Federal grantor/passed-through grantor/program title	CFDA number	Federal expenditures
Passed through State Department of Public Health:		
Public Health Emergency Preparedness	93.069	\$ 15,901
National Bioterrorism Hospital Preparedness Program	93.889	5,587
Passed through Massachusetts Department of Early Childhood Education & Care:		
Head Start	93.600	186,982
Passed through United Way of Massachusetts and Merrimack Valley:		
ARRA – Child Care and Development Block Grant	93.713	850
Total passed-through programs		<u>209,320</u>
Total U.S. Department of Health and Human Services		<u>216,399</u>
U.S. Department of Homeland Security:		
Direct program:		
Assistance to Firefighters Grant	97.044	229,840
Total direct programs		<u>229,840</u>
Passed through Massachusetts Emergency Management Agency:		
Homeland Security Grant program	97.067	6,455
Total passed-through programs		<u>6,455</u>
Total U.S. Department of Homeland Security		<u>236,295</u>
Institute of Museum and Library Services		
Passed through Massachusetts Board of Library Commissioners:		
Grants to States	45.310	5,429
Total Institute of Museum and Library Services		<u>5,429</u>
Total expenditures of federal awards		<u>\$ 29,727,243</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF BROCKTON, MASSACHUSETTS

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

(1) Definition of Reporting Entity

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal financial assistance programs of the City of Brockton, Massachusetts (the City). All federal awards received directly from federal agencies as well as federal awards passed through other local government agencies are included on the Schedule.

(2) Summary of Significant Accounting Policies

The accounting and reporting policies of the City are set forth below:

(a) Basis of Presentation

The accompanying Schedule is presented using the modified accrual basis of accounting.

(b) School Cafeteria Programs

The City accounts for local, state, and federal expenditures of the National School Breakfast/Lunch programs in one combined fund. Program expenditures in the schedule represent federal reimbursements for meals provided during 2011.

(c) Food Distribution Program

Noncash contributions of commodities under the Food Distribution program are received under a State distribution formula and are valued at federally published wholesale prices for purposes of this schedule. Such commodities are not recorded in the financial records, although memorandum records are maintained.

(3) Subrecipient Expenditures

The Community Development Block Grants/Entitlement Grant and the Homeless Prevention and Rapid Re-Housing Program Technical Assistance expenditures in the schedule of expenditures of federal awards represent funds paid by the City to its subrecipient(s).

(4) Clustered Programs

OMB Circular A-133 defines a "cluster" as "a grouping of closely related programs that share common compliance requirements." The table below details the federal programs included in the schedule of expenditures of federal awards that are required by OMB Circular A-133 to be "clustered" for purposes of testing federal compliance requirements and identifying Type A programs

CITY OF BROCKTON, MASSACHUSETTS

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

CFDA #	Program Title	Expenditures
<i>Child Nutrition Cluster:</i>		
10.553	School Breakfast Program	\$ 1,547,468
10.555	National School Lunch Program	4,630,386
10.559	Special Summer Food Service Program for Children	190,064
	<i>Child Nutrition Cluster Total</i>	<u>\$ 6,367,918</u>
<i>CDBG Entitlement Grants Cluster:</i>		
14.218	Community Development Block Grant	\$ 1,936,948
14.253	ARRA – Community Development Block Grant	93,448
	<i>CDBG Entitlement Grants Cluster Total</i>	<u>\$ 2,030,396</u>
<i>JAG Program Cluster:</i>		
16.738	Edward Byrne Memorial Justice Assistance Grant Program	\$ 35,898
16.803	Edward Byrne Memorial Justice Assistance Grant ARRA	289,003
	<i>JAG Program Cluster Total</i>	<u>\$ 324,901</u>
<i>WIA Cluster:</i>		
17.258	ARRA - WIA Adult Program	\$ 71,995
17.259	WIA Youth Activities	90,945
17.260	ARRA - WIA Dislocated Workers	1,848
	<i>WIA Cluster Total</i>	<u>\$ 164,788</u>
<i>Title I, Part A Cluster:</i>		
84.010	Title I Grants to Local Educational Agencies	\$ 4,553,019
84.389	ARRA – Title I Grants to Local Educational Agencies	1,684,027
	<i>Title I, Part A Cluster</i>	<u>\$ 6,237,046</u>
<i>Special Education Cluster (IDEA):</i>		
84.027	Special Education - Grants to States	\$ 3,843,115
84.173	Special Education – Preschool Grants	25,266
84.391	ARRA – Special Education - Grants to States	2,590,142
84.392	ARRA – Special Education – Preschool Grants	92,129
	<i>Special Education (IDEA) Cluster Total</i>	<u>\$ 6,550,652</u>
<i>Education of Homeless Children and Youth Cluster:</i>		
84.196	Education for Homeless Children & Youth	\$ 52,634
84.387	ARRA - Education for Homeless Children & Youth	2,126
	<i>Education of Homeless Children and Youth Cluster Total</i>	<u>\$ 54,760</u>
<i>Educational Technology State Grants Cluster:</i>		
84.318	Technology Literacy Challenge Fund Grants	\$ 45,031
84.386	ARRA - Education Technology State Grants	14,535
	<i>Educational Technology State Grants Cluster Total</i>	<u>\$ 59,566</u>
<i>State Fiscal Stabilization Fund Cluster:</i>		
84.397	State Fiscal Stabilization Fund – Governmental Services	\$ 189,969
84.394	State Fiscal Stabilization Fund – Educational Services	697,902
	<i>State Fiscal Stabilization Fund Cluster Total</i>	<u>\$ 887,871</u>



KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Exhibit III

**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***

The Honorable Mayor and City Council
City of Brockton, Massachusetts:

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 Boston, Massachusetts (the City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 11, 2012. Our report includes an explanatory paragraph regarding the City adopting the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with 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.

For purposes of this report, our consideration of internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and other matters did not include the Brockton Retirement System. We have issued a separate report on our consideration of internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and other matters for this entity. The findings, if any, included in that report are not included herein.

Internal Control over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control over financial reporting 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 combination of deficiencies, in internal control over financial reporting, 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Exhibit III

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of 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*.

We noted certain matters that we reported to management of the City in a separate letter dated April 11, 2012.

This report is intended solely for the information and use of the Mayor, City Council, elected officials, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

April 11, 2012

CITY OF BROCKTON, MASSACHUSETTS

Schedule of Findings and Questioned Costs

Year ended June 30, 2011

(1) Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____ yes	<u> x </u> no	
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ yes	<u> x </u> none reported	
Noncompliance material to the financial statements noted?	_____ yes	<u> x </u> no	

Federal Awards

Internal control over major programs:			
• Material weakness(es) identified?	_____ yes	<u> x </u> no	
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> x </u> yes	_____ none reported	

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

Title I, Part A Cluster	Unqualified
Special Education Cluster (IDEA)	Unqualified
ARRA - Drinking Water State Revolving Fund	Unqualified
CDBG Entitlement Grants Cluster	Unqualified
Homeless Prevention and Rapid Re-Housing Program Technical Assistance - ARRA	Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	<u> x </u> yes	_____ no
--	------------------	----------

CITY OF BROCKTON, MASSACHUSETTS

Schedule of Findings and Questioned Costs

Year ended June 30, 2011

Identification of Major Programs

Name of federal program or cluster	CFDA #
Title I, Part A Cluster:	
Title I – Grants to LEA’s	84.010
Title I – Grants to LEA’s, Recovery Act	84.389
Special Education Cluster (IDEA):	
Special Education – Grants to States	84.027
Special Education – Preschool Grants	84.173
Special Education – Grants to States, Recovery Act	84.391
Special Education – Preschool Grants, Recovery Act	84.392
ARRA - Capitalization Grants for Drinking Water State Revolving Fund	66.468
CDBG Entitlement Grants Cluster:	
Community Development Block Grant – Entitlement Grants	14.218
Community Development Block Grant – ARRA	14.253
Homeless Prevention and Rapid Re-Housing Program Technical Assistance - ARRA	14.257

Dollar threshold used to distinguish between
type A and type B programs: \$891,817

Auditee qualified as low-risk auditee? _____ yes x no

(2) Relating to Financial Statements Findings Reported in Accordance with *Government Auditing Standards*

None.

CITY OF BROCKTON, MASSACHUSETTS

Schedule of Findings and Questioned Costs

Year ended June 30, 2011

(3) Findings and Questioned Costs Relating to Federal Awards

Finding Reference: 2011-01

Federal Agency: U.S. Department of Education

Federal Program: ARRA – Title I – Grants to Local Education Agencies (CFDA # 84.389)
 ARRA – Special Education – Grants to States (CFDA # 84.391)
 ARRA – Special Education – Preschool Grants (CFDA # 84.392)

Requirements:

The State Department of Education establishes ARRA reporting guidelines for the benefit of all districts for which ARRA reporting is deemed necessary. The report submitted by the districts is divided into five sections for which different information is required. The following sections are those for which errors were noted during our audit of the City:

1. Section II & III - District/Non-District Employees

Sections two and three of the ARRA filing report, require that school districts report information on district and non-district employees respectively, which are directly funded by an ARRA account.

2. Section V - Vendors

Section five of the ARRA filing report should provide a listing of all vendors that have received ARRA payments to date or are expected to receive payments by June 30, 2012 from a school district.

Findings:*1. Section II & III - District/Non-District Employees*

The City incorrectly included its employee FTE information in Section five as payments made to individual employees. Section V is reserved for vendor payments per ESE guidance.

2. Section V – Vendors

Per ESE guidance, the ARRA report filing should include all payments made to vendors as of inception of the award to present, including those payments which are anticipated to be made by June 30, 2012. Section V of the ARRA filing report is reserved for payments made to vendors. The City reports this information using amounts paid during the year, rather than on a cumulative basis from the inception date of the award.

The City maintains records showing expenditures paid out to third party vendors for each program with an ARRA requirement. These records are in the form of expenditure “flex” reports run at a particular period in time and showing descriptions of the expenditure line items. KPMG was unable to reconcile this underlying data to the ARRA vendor payments reported to the ESE.

CITY OF BROCKTON, MASSACHUSETTS

Schedule of Findings and Questioned Costs

Year ended June 30, 2011

Recommendation:

We recommend that the City revise existing policies and procedures to ensure that information for employees directly funded by ARRA monies is reported in the correct section of the 1512 ARRA report. The City should also adhere to the ARRA reporting guidelines, as provided by the State Department of Education, regarding the nature of the information that should be reported about third party vendors so as to be in compliance with the applicable requirements.

Related Noncompliance:

Based on the above, the City was not fully in compliance with the requirement above.

Questioned Costs:

Unable to determine

Views of Responsible Officials and Corrective Actions:

The City concurs with the conclusions above and will enhance its process for review of the information submitted during the ARRA reporting process.

Contact: Aldo Petronio, Executive Director – Office of Financial Services

Implementation Date: 7/31/2012