

TOWN OF DOUGLAS, MASSACHUSETTS

**INDEPENDENT AUDITORS' REPORTS REQUIRED BY TITLE 2 U.S. *CODE OF
FEDERAL REGULATIONS* PART 200, *UNIFORM ADMINISTRATIVE REQUIRMENTS,
COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS*
(UNIFORM GUIDANCE) AND *GOVERNMENT AUDITING STANDARDS***

FOR THE YEAR ENDED JUNE 30, 2024

TOWN OF DOUGLAS, MASSACHUSETTS

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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 Board of Selectmen
Town of Douglas, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Douglas, Massachusetts (the "Town"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's 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 Town'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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Boston, MA
April 28, 2025

**Independent Auditors' Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance**

To the Board of Selectmen
Town of Douglas, Massachusetts

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the Town 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

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's federal programs.

Auditors' 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's 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 GAAS, *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's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional 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's 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's 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's 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.

Report on 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 a 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 Auditors' Responsibilities 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated April 28, 2025 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 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.

CBIZ CPAs P.C.

CBIZ CPAs P.C.

Boston, MA

April 28, 2025, except for the Report on the Schedule of Expenditures of Federal Awards, which is dated June 2, 2025.

TOWN OF DOUGLAS, MASSACHUSETTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

<i>Federal Agency</i>	Federal	Pass Through	
Cluster	Assistance	Identifying	Federal
Pass-through Agency	Listing	Number	Expenditures
Program Title	<u>Number</u>	<u>Number</u>	
<i>U.S. Department of Agriculture</i>			
Child Nutrition Cluster			
Passed Through the Massachusetts Department of Elementary and Secondary Education			
School Breakfast Program	10.553	DOENUT2024	\$ 66,495
National School Lunch Program - Cash Assistance	10.555	DOENUT2024	182,275
National School Lunch Program - Non-Cash Assistance	10.555	DOENUT2024	62,464
National School Lunch Program - Supply Chain Assistance	10.555	DOENUT2024	32,384
Farm to School Grant Program	10.575	DOENUT2024	<u>6,738</u>
Total Child Nutrition Cluster			<u>350,356</u>
Total U.S. Department of Agriculture			350,356
<i>U.S. Department of Commerce</i>			
Economic Development Cluster			
Direct Federal Program			
Economic Adjustment Assistance (EDA)	11.307	N/A	<u>2,230,167</u>
Total Economic Development Cluster			<u>2,230,167</u>
Total U.S. Department of Commerce			2,230,167
<i>U.S. Department of Justice</i>			
Direct Federal Program			
Bulletproof Vest Partnership Program	16.607	N/A	7,202
Equitable Sharing Program	16.922	N/A	<u>36,453</u>
Total U.S. Department of Justice			43,655
<i>U.S. Department of Transportation</i>			
Highway Safety Cluster			
Passed Through the Massachusetts Executive Office of Public Safety			
State and Community Highway Safety	20.600	MRSP	<u>1,095</u>
Total Highway Safety Cluster			<u>1,095</u>
Total U.S. Department of Transportation			1,095
<i>U.S. Department of the Treasury</i>			
Passed Through the Massachusetts Executive Office for Administration and Finance			
COVID-19 - Coronavirus Relief Fund	21.019	UNKNOWN	177,033
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	ARPA	<u>283,029</u>
Total U.S. Department of the Treasury			460,062
<i>Environmental Protection Agency</i>			
Passed Through the Massachusetts Water Pollution Abatement Trust			
Drinking Water State Revolving Funds	66.468	4L-99191L22-DW-2022	<u>84,000</u>
Total Environmental Protection Agency			84,000

See notes to schedule of expenditures of federal awards.

TOWN OF DOUGLAS, MASSACHUSETTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

<i>Federal Agency</i>	Federal	Pass Through	Federal
Cluster	Assistance	Identifying	Expenditures
Pass-through Agency	Listing	Number	
Program Title	Number	Number	
<i>U.S. Department of Education</i>			
Special Education Cluster			
Passed Through the Massachusetts Department of Elementary and Secondary Education			
Special Education Grants to States	84.027	240-000558-2024-0077	287,602
Special Education Grants to States	84.027	240-708459-2023-0077	2,624
Special Education Grants to States - ARP IDEA	84.027	252-563471-2022-0077	4,446
Special Education Preschool Grants	84.173	262-000559-2024-0077	<u>11,414</u>
Total Special Education Cluster			306,086
Passed Through the Massachusetts Department of Elementary and Secondary Education			
Title I Grants to Local Educational Agencies	84.010	305-698804-2023-0077	16,777
Title I Grants to Local Educational Agencies	84.010	305-000549-2024-0077	114,279
Supporting Effective Instruction State Grant	84.367	140-534192-2022-0077	295
Supporting Effective Instruction State Grant	84.367	140-698814-2023-0077	11,065
Supporting Effective Instruction State Grant	84.367	140-000546-2024-0077	11,885
Student Support and Academic Enrichment Program	84.424	309-698818-2023-0077	1,975
Student Support and Academic Enrichment Program	84.424	309-000548-2024-0077	3,500
COVID-19 - Education Stabilization Fund - Supporting SEL Grant	84.425	332-787141-2024-0077	24,697
COVID-19 - Education Stabilization Fund - ESSER	84.425D	115-498678-2021-0077	14,754
COVID-19 - Education Stabilization Fund - ESSER	84.425D	119-563180-2022-0077	<u>144,208</u>
Total U.S. Department of Education			649,521
<i>U.S. Department of Health and Human Services</i>			
Direct Federal Program			
Drug-Free Communities Support Program Grants	93.276	N/A	2,862
Drug-Free Communities Support Program Grants	93.276	N/A	<u>7,353</u>
Total U.S. Department of Health and Human Services			10,215
<i>U.S. Department of Homeland Security</i>			
Direct Federal Program			
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters) - FEMA	97.036	N/A	28
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters) - Vaccine FEMA	97.036	N/A	447
Hazard Mitigation Grant	97.039	N/A	11,127
ALERRT Grant	97.137	N/A	<u>4,113</u>
Total U.S. Department of Homeland Security			<u>15,715</u>
Total Federal Expenditures			<u>\$ 3,844,786</u>

See notes to schedule of expenditures of federal awards.

TOWN OF DOUGLAS, MASSACHUSETTS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Town of Douglas, Massachusetts (the “Town”) under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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 or changes in net position of the Town.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

The amounts reported for the National School Lunch Program – Non-Cash Assistance represent the fair value of commodities received.

Expenditures awarded from the Federal Emergency Management Agency (FEMA), must be presented on the Schedule when: 1) FEMA has approved the Town’s project worksheet (PW) and 2) the Town has incurred the eligible expenditures. The amount reported for Disaster Grants – Public Assistance (Presidentially Declared Disasters), AL 97.036, represents expenditures incurred in prior years that were approved by FEMA during fiscal year 2024.

NOTE 3 - DE MINIMIS COST RATE

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

NOTE 4 - SUBRECIPIENTS

The Town did not provide federal awards to subrecipients.

NOTE 5 – LOW-RISK AUDITEE STATUS

The Town did not meet the requirements of being a low-risk auditee due to late submission of the fiscal year 2023 single audit report.

TOWN OF DOUGLAS, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- | | | |
|---|------------------------------|---|
| • Material weakness(es) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| • Significant deficiency(ies) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None reported |

Non-compliance material to financial statements noted? ☐ Yes ☒ No

FEDERAL AWARDS

Internal control over major federal programs:

- | | | |
|---|------------------------------|---|
| • Material weakness(es) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| • Significant deficiency(ies) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None reported |

Type of auditors’ report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs:

NAME OF FEDERAL PROGRAM OR CLUSTER

ASSISTANCE LISTING NUMBER(S)

Economic Adjustment Assistance (EDA)	11.307
Coronavirus State and Local Fiscal Recovery Fund	21.027

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

TOWN OF DOUGLAS, MASSACHUSETTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

SECTION II – FINANCIAL STATEMENT AND NONCOMPLIANCE FINDINGS

None.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

SECTION IV - SCHEDULE OF PRIOR YEAR FINDINGS

There were no findings reported in the prior year.