

Docket No. 7-279

April 17, 2018

TO: Board of Education

FROM: Emmanuel Glasu

RE: Federal Single Audit Report for the Fiscal Year Ended June 30, 2017

I recommend that the following resolution be adopted:

**RESOLVED** that the Board of Education accepts the Federal Single Audit Report prepared by Cullen & Danowski, LLP, for the fiscal year ended June 30, 2017.



**WEST HEMPSTEAD PUBLIC SCHOOLS**

**FEDERAL SINGLE AUDIT**

June 30, 2017

WEST HEMPSTEAD UNION FREE SCHOOL DISTRICT  
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**WEST HEMPSTEAD UNION FREE SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Total Federal Expenditures
<u>United States Department of Education</u>			
Passed Through New York State,			
Department of Education:			
Title I Grants to Local Educational Agencies	84.010	0021-16-1580	\$ 34,189
Title I Grants to Local Educational Agencies	84.010	0021-17-1580	<u>209,760</u>
			<u>243,949</u>
Special Education Cluster (IDEA)			
Special Education Grants to States	84.027	0032-17-0436	638,174
Special Education Preschool Grants	84.173	0033-17-0436	<u>38,617</u>
Total Special Education Cluster (IDEA)			<u>676,791</u>
English Language Acquisition Grants	84.365	0293-16-1580	(237)
English Language Acquisition Grants	84.365	0293-17-1580	42,354
English Language Acquisition Grants	84.365	0149-16-1580	437
English Language Acquisition Grants	84.365	0149-17-1580	<u>15,992</u>
			<u>58,546</u>
Supporting Effective Instruction State Grant	84.367	0147-16-1580	4,518
Supporting Effective Instruction State Grant	84.367	0147-17-1580	<u>37,790</u>
			<u>42,308</u>
Total Department of Education			<u>1,021,594</u>
<u>United States Department of Agriculture</u>			
Passed Through New York State,			
Department of Education:			
Child Nutrition Cluster			
Cash Assistance			
School Breakfast Program	10.553	N/A	81,030
National School Lunch Program	10.555	N/A	376,556
Non-Cash Assistance (food distribution)			
National School Lunch Program	10.555	N/A	<u>42,114</u>
Total Department of Agriculture			<u>499,700</u>
Total Federal Awards Expended			<u>\$ 1,521,294</u> **

\*\* No amounts were provided to subrecipients.

**WEST HEMPSTEAD UNION FREE SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2017**

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**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the West Hempstead Union Free School District (District) under programs of the federal government for the year ended June 30, 2017. 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 West Hempstead Union Free School District, it is not intended to and does not present the financial position and changes in net position of the West Hempstead Union Free School District.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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, wherein certain types of expenditures are not allowable or limited as to reimbursement.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

Pass-through numbers are presented where available.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

Non-monetary assistance is reported in the schedule at the fair market value of commodities received, which is provided by New York State under the National School Lunch Program.

**3. INDIRECT COSTS**

The West Hempstead Union Free School District did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**4. SUBRECIPIENTS**

No amounts were provided to subrecipients.

**5. OTHER DISCLOSURES**

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.



# WEST HEMPSTEAD UNION FREE SCHOOL DISTRICT

## ADMINISTRATIVE OFFICES

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### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended June 30, 2017

#### FINANCIAL STATEMENTS FINDINGS

##### Material Weakness

##### 2012-001. Year End Closing Adjustments

*Criteria:* The District's internal control over financial reporting must include controls over the year end accounting close process to ensure its financial statements are accurate and free of material misstatements.

*Condition:* The District did not prepare all of the adjusting journal entries to close the books at year end. The District's books and records required a number of audit adjustments to correct misstatements identified during the annual audit. A few of the audit adjustments were material in dollar amounts to the respective funds.

*Recommendation:* The District should develop a plan for recording all required entries needed to close the books at year-end, including reviewing its staffing needs for the treasury and accountant functions.

*Current Status:* There were audit adjustments proposed by the auditors, which were material in dollar amounts to the respective funds.

*Reason for Recurrence:* Due to budget constraints, the District's part-time Treasurer still did not have sufficient time to review the accounting records at year end and was unable to prepare all adjusting journal entries to close the books.

*Planned Corrective Action:* The District will review its Business Office staffing needs and continue to provide training to the staff, as well as implement procedures to ensure the books are maintained timely and accurately during the year. Additionally, the District will ensure that all significant year end journal entries are recorded prior to the audit.

*Person Responsible:* Emmanuel Glasu, Assistant Superintendent for Business and Operations.

*Anticipated Completion Date:* Summer 2018

**INDEPENDENT AUDITOR'S 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 Education  
West Hempstead Union Free School District  
West Hempstead, New York

**Report on Compliance for Each Major Federal Program**

We have audited the West Hempstead Union Free School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of West Hempstead Union Free School District's major federal programs for the year ended June 30, 2017. The West Hempstead Union Free School District'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the West Hempstead Union Free School District'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 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 the West Hempstead Union Free School District'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 the West Hempstead Union Free School District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the West Hempstead Union Free School District 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, 2017.

### **Report on Internal Control Over Compliance**

Management of the West Hempstead Union Free School District 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 the West Hempstead Union Free School District'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 the 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 the West Hempstead Union Free School District'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, each major fund and the fiduciary funds of the West Hempstead Union Free School District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the West Hempstead Union Free School District's basic financial statements. We have issued our report thereon dated December 5, 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other 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.

*Cullen & Danowski, LLP*

March 28, 2018

(except for our report on the Schedule of Expenditures of Federal Awards,  
for which the date is December 5, 2017)



**WEST HEMPSTEAD UNION FREE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2017

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**1. SUMMARY OF AUDITOR'S RESULTS**

- A. The auditor's report expresses an unmodified opinion on the financial statements.
- B. One significant deficiency in internal control was disclosed by the audit of the financial statements and it was considered a material weakness.
- C. No instances of noncompliance material to the financial statements were disclosed during the audit.
- D. No significant deficiencies or material weaknesses in internal control over major programs are disclosed by the audit.
- E. The auditor's report on compliance for the major programs expresses an unmodified opinion.
- F. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in Part 3 of this Schedule.
- G. The programs tested as major programs were:

Title I Grants to Local Educational Agencies	CFDA No. 84.010
Child Nutrition Cluster	
School Breakfast Program	CFDA No. 10.553
National School Lunch Program	CFDA No. 10.555

- H. The dollar threshold used to distinguish between Type A and B programs was \$750,000.
- I. The West Hempstead Union Free School District did not qualify as a low-risk auditee.

**2. FINANCIAL STATEMENTS FINDINGS**

**Material Weakness**

2017-001. Year End Closing Adjustments

*Criteria:* The District's internal control over financial reporting must include controls over the year end accounting close process to ensure its financial statements are accurate and free of material misstatements.

*Condition:* The District did not prepare all of the adjusting journal entries to close the books at year end. The District's books and records required a number of audit adjustments to correct misstatements identified during the annual audit. Some audit adjustments were material in dollar amounts to the respective funds.

*Context:* Due to budget constraints, the District only has a Treasurer/Accountant on a part-time basis which does not allow sufficient time to prepare all adjusting journal entries to properly close the books.

*Cause:* There was inadequate time allotted to the accounting function during the year, as well as the year end closing process, and lack of timely supervisory review of the books by management before the start of the annual audit.

**WEST HEMPSTEAD UNION FREE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
For the Year Ended June 30, 2017

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*Effect:* The District's books and records required a number of audit adjustments to correct misstatements during the annual audit. Without these adjustments, the District's financial statements would have been materially misstated.

*Questioned Costs:* None Reported.

*Identification of a Repeat Finding:* This is a repeat finding from previous audits, No. 2012-001.

*Recommendation:* The District should review its staffing needs for the treasury and account functions, and develop a plan and procedures to ensure its books are maintained accurately during the year, and that all journal entries needed to close the books at year end are done before the external audit begins.

*Views of Responsible Officials:* The District will review its Business Office staffing needs and continue to provide training to the staff, as well as implement procedures to ensure the books are maintained timely and accurately during the year. Additionally, the District will ensure that all significant year end journal entries are recorded prior to the audit.

**3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no findings or questioned costs to be reported.



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### CORRECTIVE ACTION PLAN For the Year Ended June 30, 2017

#### FINANCIAL STATEMENTS FINDINGS

##### Material Weakness

##### 2017-001. Year End Closing Adjustments

*Condition:* The District did not prepare all of the adjusting journal entries to close the books at year end. The District's books and records required a number of audit adjustments to correct misstatements identified during the annual audit. Some audit adjustments were material in dollar amounts to the respective funds.

*Planned Corrective Action:* The District will review its Business Office staffing needs and continue to provide training to the staff, as well as implement procedures to ensure the books are maintained timely and accurately during the year. Additionally, the District will ensure that all significant year end journal entries are recorded prior to the audit.

*Responsible Contact Person:* Emmanuel Glasu, Assistant Superintendent for Business and Operations.

*Anticipated Completion Date:* Summer 2018.