

***WATERVLIET CITY SCHOOL DISTRICT***

***SINGLE AUDIT REPORTS***

***JUNE 30, 2018***



Teal, Becker & Chiamonte™  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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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 Education  
Watervliet City School District  
Watervliet, New York

We have audited, 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, the financial statements of the governmental activities and each major fund of the Watervliet City School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Watervliet City School District's basic financial statements, and have issued our report thereon dated October 15, 2018.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Watervliet City School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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.

***Internal Control over Financial Reporting (Continued)***

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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Paul Becker & Charamonte CPAs PC*

Albany, New York  
October 15, 2018



**Independent Auditors' Report  
On Compliance For Each Major Federal Program  
And Report On Internal Control Over Compliance  
In Accordance With The Uniform Guidance**

To The Board Of Education  
Watervliet City School District  
Watervliet, New York

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

We have audited the Watervliet City School District's (the District) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the 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 audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the 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 District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

***Auditors' Responsibility (Continued)***

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 District's compliance.

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

In our opinion, the 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, 2018.

**Report on Internal Control over Compliance**

Management of the 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities and each major fund of the District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 15, 2018, 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 audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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.

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.



Albany, New York  
October 15, 2018

# WATERVLIET CITY SCHOOL DISTRICT

## Notes To Schedule Of Expenditures Of Federal Awards

For The Year Ended June 30, 2018

### **Note 1: Summary Of Certain Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of federal award programs administered by the Watervliet City School District (the District), which is described in Note 1 to the District's accompanying financial statements using the modified accrual basis of accounting. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

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

The basis of accounting varies by federal program, consistent with the underlying regulations pertaining to each program.

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.

### **Note 2: Subrecipients**

No amounts were provided to subrecipients.



# **WATERVLIET CITY SCHOOL DISTRICT**

## **Notes To Schedule Of Expenditures Of Federal Awards**

**For The Year Ended June 30, 2018**

### **Note 3: 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.

### **Note 4: Non-Cash Assistance**

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted \$46,597 of commodities under the National School Lunch Program (CFDA 10.555).

**SUPPLEMENTARY SCHEDULES**

## WATERVLIET CITY SCHOOL DISTRICT

## Schedule Of Expenditures Of Federal Awards

For The Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass- Through Number	Expenditures
<b><u>U.S Department of Agriculture</u></b>			
<b>Passed-Through NYS Education Department:</b>			
Child Nutrition Cluster:			
Non-Cash Assistance (food distribution)			
National School Lunch Program	10.555	-	\$ 46,597
Non-Cash Assistance subtotal			<u>46,597</u>
Cash Assistance			
School Breakfast Program	10.553	-	189,189
National School Lunch Program	10.555	-	519,460
Summer Food Service for Children	10.559	-	<u>66,708</u>
Cash Assistance subtotal			<u>775,357</u>
Total Child Nutrition Cluster			<u>821,954</u>
Total Passed-Through NYS Education Department			<u>821,954</u>
<b>Total U.S. Department of Agriculture</b>			<u>821,954</u>
<b><u>U.S. Department of Education</u></b>			
<b>Passed-Through NYS Education Department:</b>			
Special Education Cluster (IDEA):			
IDEA Part B, Section 611	84.027A	0032-18-0032	371,544
IDEA Part B, Section 619, Preschool	84.173A	0033-18-0032	<u>21,134</u>
Total Special Education Cluster (IDEA)			392,678
Title IIA, Supporting Effective Instruction	84.367A	0147-18-0065	62,567
ESEA Title I, Basic Grant	84.010A	0021-18-0065	<u>425,397</u>
Total Passed-Through NYS Education Department			<u>880,642</u>
<b>Total U.S. Department of Education</b>			<u>880,642</u>
<b>Total Federal Awards Expended</b>			<u>\$ 1,702,596</u>

WATERVLIET CITY SCHOOL DISTRICT

Schedule Of Findings And Questioned Costs

June 30, 2018

**Section I: Summary of Auditors' Results**

*Financial Statements*

Type of auditors' opinion(s) issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiencies identified. \_\_\_\_\_ Yes  X  None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

*Federal Awards*

Internal control over major federal programs:

Material weaknesses identified? \_\_\_\_\_ Yes  X  No

Significant deficiencies identified? \_\_\_\_\_ Yes  X  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  X  No

Identification of major programs:

Name of Federal Program or Cluster CFDA Number(s)

Child Nutrition Cluster 10.553  
10.555  
10.559

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Auditee qualified as a low-risk auditee? \_\_\_\_\_ Yes  X  No

**WATERVLIET CITY SCHOOL DISTRICT**

Schedule Of Findings And Questioned Costs

June 30, 2018

**Section II: Financial Statement Findings**

NONE

**Section III: Federal Awards Findings**

NONE

**WATERVLIET CITY SCHOOL DISTRICT**

Schedule Of Prior Audit Findings

For The Year Ended June 30, 2018

**There were no findings for the prior audit for the year ended June 30, 2017.**