

WATERVLIET CITY SCHOOL DISTRICT
SINGLE AUDIT REPORTS
JUNE 30, 2021



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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, 2021, 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 14, 2021.

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) 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 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 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 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 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*.

We noted certain matters that we have reported to management of the District in a separate letter dated October 14, 2021.

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 14, 2021



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**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 *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, 2021. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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* (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, 2021.

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. 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.

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 14, 2021, 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.

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.

Leah Becker & Charamonte, CPAs PC

Albany, New York
October 14, 2021

WATERVLIET CITY SCHOOL DISTRICT

Schedule Of Expenditures Of Federal Awards

For The Year Ended June 30, 2021

Federal Grantor/Pass-Through	Grantor/Program Title	CFDA Number	Agency or Pass- Through	Expenditures
<u>U.S Department of Agriculture</u>				
Passed-Through NYS Education Department:				
Child Nutrition Cluster:				
Non-Cash Assistance (food distribution)				
	National School Lunch Program	10.555	-	\$ 31,030
	Non-Cash Assistance subtotal			<u>31,030</u>
Cash Assistance:				
	Summer Food Service for Children	10.559	-	<u>829,764</u>
	Cash Assistance subtotal			<u>829,764</u>
	Total Child Nutrition Cluster			<u>860,794</u>
	Fresh Fruits and Vegetables	10.582	-	<u>21,101</u>
	Total Passed-Through NYS Education Department			<u>881,895</u>
	Total U.S. Department of Agriculture			<u>881,895</u>
<u>U.S. Department of Education</u>				
Passed-Through NYS Education Department:				
Special Education Cluster (IDEA):				
	IDEA Part B, Section 611	84.027A	0032-21-0032	392,788
	IDEA Part B, Section 619, Preschool	84.173A	0033-21-0032	<u>21,902</u>
	Total Special Education Cluster (IDEA)			414,690
ESEA Title I, Basic Grant:				
	ESEA Title I, Basic Grant	84.010A	0021-21-0065	412,447
	ESEA Title I, School Improvement Grant	84.010A	0011-21-3152	<u>6,825</u>
	Total ESEA Title I, Basic Grant			419,272
	Title IIA, Supporting Effective Instruction	84.367A	0147-21-0065	72,162
	Title IIIA, English Language Acquisition Grants	84.365A	0293-21-0065	15,569
	ESEA Title IV Part A	84.424A	0204-21-0065	21,066
	CARES Act - Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-0065	59,551
	CARES Act - Governor's Emergency Education Relief Fund	84.425C	5895-21-0065	57,431
	Homeless Assist Act - VIIB	84.196A	0212-21-3117	<u>90,000</u>
	Total Passed-Through NYS Education Department			<u>1,149,741</u>
	Impact Aid (Title VII of ESEA)	84.041A		<u>22,115</u>
	Total U.S. Department of Education			<u>1,171,856</u>
	Total Federal Awards Expended			<u>\$ 2,053,751</u>

WATERVLIET CITY SCHOOL DISTRICT

Notes To Schedule Of Expenditures Of Federal Awards

For The Year Ended June 30, 2021

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.

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.

WATERVLIET CITY SCHOOL DISTRICT

Notes To Schedule Of Expenditures Of Federal Awards

For The Year Ended June 30, 2021

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 \$31,030 of commodities under the National School Lunch Program (CFDA 10.555).

WATERVLIET CITY SCHOOL DISTRICT

Schedule Of Findings And Questioned Costs

June 30, 2021

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 deficiency(ies) identified?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

• Material weakness(es) identified?

_____ Yes X No

• Significant deficiency(ies) 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 federal programs:

Name of Federal Program or Cluster

CFDA Number(s)

Child Nutrition Cluster

10.555

10.559

Dollar threshold used to distinguish between Type A and Type B

\$ 750,000

Auditee qualified as a low-risk auditee?

 X Yes _____ No

WATERVLIET CITY SCHOOL DISTRICT

Schedule Of Findings And Questioned Costs

June 30, 2021

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, 2021

There were no findings for the prior audit for the year ended June 30, 2020.