# REGIONAL SCHOOL DISTRICT NO. 19

## STATE SINGLE AUDIT REPORT

**JUNE 30, 2013**

**REGIONAL SCHOOL DISTRICT NO. 19**

**STATE SINGLE AUDIT REPORT**

**JUNE 30, 2013**

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# Independent Auditors' Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

To the Members of the Board of Education
Regional School District No. 19

## Report on Compliance for the Major State Program

We have audited the Regional School District No. 19's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on the Regional School District No. 19's major state program for the year ended June 30, 2013. The Regional School District No. 19's major state program is 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 state programs.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for the Regional School District No. 19's major state program 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 State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act 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 state program occurred. An audit includes examining, on a test basis, evidence about the Regional School District No. 19'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 the major state program. However, our audit does not provide a legal determination of the Regional School District No. 19's compliance.

### *Opinion on the Major State Program*

In our opinion, the Regional School District No. 19 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended June 30, 2013.

## Report on Internal Control over Compliance

Management of the Regional School District No. 19 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 Regional School District No. 19's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, 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 Regional School District No. 19'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 state 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 state 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state 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 State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Regional School District No. 19 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Regional School District No. 19's basic financial statements. We issued our report thereon dated November 27, 2013, 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 state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act 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 state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
November 27, 2013

**REGIONAL SCHOOL DISTRICT NO. 19**
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**
**FOR THE YEAR ENDED JUNE 30, 2013**

| State Grantor/Pass-Through Grantor/ Program Title | State Grant Program Core-CT Number | Expenditures |
|---|---|---|
| **Department of Education** | | |
| Vocational Agriculture | 11000-SDE64000-17017 | $ 219,880 |
| Adult Education | 11000-SDE64000-17030 | 57,120 |
| Secondary School Reform | 11000-SDE64370-10020 | 4,940 |
| Total Department of Education | | 281,940 |
| **Department of Social Services** | | |
| Medicaid | 11000-DSS60000-16020 | 5,795 |
| **Total State Financial Assistance Before Exempt Programs** | | 287,735 |
| **Exempt Programs** | | |
| **Department of Education** | | |
| Public School Transportation | 11000-SDE64000-17027 | 160,475 |
| Excess Costs Student Based and Equity | 11000-SDE64000-17047 | 448,061 |
| Total Department of Education | | 608,536 |
| **Department of Construction Services** | | |
| School Construction Grants | 13009-DCS27610-40896 | 293,800 |
| School Construction Grants | 13010-DCS27610-40901 | 1,785,449 |
| Total Department of Construction Services | | 2,079,249 |
| Total Exempt Programs | | 2,687,785 |
| **Total State Financial Assistance** | | $ 2,975,520 |

The accompanying notes are an integral part of this schedule

**REGIONAL SCHOOL DISTRICT NO. 19**
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**
**FOR THE YEAR ENDED JUNE 30, 2013**

## NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the Regional School District No. 19 under programs of the State of Connecticut for the year ended June 30, 2013. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the Schedule presents only a selected portion of the operations of the Regional School District No. 19, it is not intended to, and does not, present the financial position, changes in fund balance or changes in net position of the Regional School District No. 19.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Regional School District No. 19 conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.

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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 Members of the Board of Education
Regional School District No. 19

We have audited, in accordance with the 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, each major fund and the aggregate remaining fund information of the Regional School District No. 19 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Regional School District No. 19's basic financial statements, and have issued our report thereon dated November 27, 2013.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Regional School District No. 19'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 Regional School District No. 19's internal control. Accordingly, we do not express an opinion on the effectiveness of the Regional School District No. 19'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 combination of deficiencies, in internal control 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. A significant deficiency is a deficiency, or 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 may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Regional School District No. 19'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 result of that testing, and not to provide an opinion on the effectiveness of the Regional School District No. 19'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 Regional School District No. 19's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
November 27, 2013

**REGIONAL SCHOOL DISTRICT NO. 19**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**FOR THE YEAR ENDED JUNE 30, 2013**

## I. SUMMARY OF AUDITORS' RESULTS

### Financial Statements

Type of auditors' report 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 |

### State Financial Assistance

Internal control over major 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 programs: Unmodified

| | | | | |
|---|---|---|---|---|
| Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? | ____ | yes | X | no |

The following schedule reflects the major programs included in the audit:

| State Grantor and Program | State Core-CT Number | Expenditures |
|---|---|---|
| Department of Education: | | |
| Vocational Agriculture | 11000-SDE64000-17017 | $ 219,880 |

Dollar threshold used to distinguish between type A and type B programs: $100,000

## II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

## III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.