



Great Neck Public Schools

Where Discovery Leads to Greatness

FEDERAL SINGLE AUDIT REPORT

June 30, 2019

GREAT NECK UNION FREE SCHOOL DISTRICT
TABLE OF CONTENTS

	Page
Federal Award Program Information:	
Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	2
Summary Schedule of Prior Audit Findings	3
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	4
Schedule of Findings and Questioned Costs	7
Corrective Action Plan	10

GREAT NECK UNION FREE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
<u>United States Department of Education</u>			
Passed Through New York State, Department of Education:			
Special Education Cluster			
Special Education Grants to States	84.027	0032-19-0452	\$ 1,491,043
Special Education Preschool Grants	84.173	0033-19-0452	42,003
Total Special Education Cluster			<u>1,533,046</u>
Adult Education - Basic Grants to States	84.002	2338-19-3111	<u>149,804</u>
Title I Grants to Local Educational Agencies	84.010	0021-18-1650	10,855
Title I Grants to Local Educational Agencies	84.010	0021-19-1650	<u>511,009</u>
			<u>521,864</u>
English Language Acquisition State Grants	84.365	0293-18-1650	23,085
English Language Acquisition State Grants	84.365	0293-19-1650	1,334
			<u>24,419</u>
Supporting Effective Instruction State Grants	84.367	0147-18-1650	3,844
Supporting Effective Instruction State Grants	84.367	0147-19-1650	161,536
			<u>165,380</u>
Student Support and Academic Enrichment	84.424	0204-19-1650	<u>11,986</u>
			<u>2,406,499</u>
<u>United States Department of Agriculture</u>			
Passed Through New York State, Department of Education:			
Child Nutrition Cluster			
Non-Cash Assistance (food distribution)			
National School Lunch Program	10.555	N/A	153,738
Cash Assistance			
School Breakfast Program	10.553	N/A	23,710
National School Lunch Program	10.555	N/A	<u>529,039</u>
Total Department of Agriculture			<u>706,487</u>
Total Federal Awards Expended			<u>\$ 3,112,986</u>

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019

1. GENERAL

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Great Neck Union Free School District (District) under programs of the federal government for the year ended June 30, 2019. 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 Great Neck Union Free School District, it is not intended to and does not present the financial position and changes in net position of the Great Neck 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.

3. INDIRECT COSTS

The Great Neck Union Free School District has elected not 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.

GREAT NECK UNION FREE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2019

There were no prior audit findings or questioned costs.

**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
Great Neck Union Free School District
Great Neck, New York

Report on Compliance for Each Major Federal Program

We have audited the Great Neck 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 Great Neck Union Free School District's major federal programs for the year ended June 30, 2019. The Great Neck 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 Great Neck 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 Regulation 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 Great Neck 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 Great Neck Union Free School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Great Neck 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, 2019.

Report on Internal Control Over Compliance

Management of the Great Neck 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 Great Neck 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 Great Neck 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be a material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questions costs as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

Great Neck Union Free School District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Great Neck Union Free School's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Great Neck Union Free School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Great Neck Union Free School District's basic financial statements. We have issued our report thereon dated November 12, 2019, 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 19, 2020

*(except for our report on the Schedule of Expenditures of Federal Awards,
for which the date is November 12, 2019)*

GREAT NECK UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

1. SUMMARY OF AUDITOR'S RESULTS

- A. The auditor's report expresses an unmodified opinion on whether the financial statements were prepared in accordance with GAAP.
- B. No significant deficiencies in internal control were disclosed by the audit of the financial statements.
- C. No instances of noncompliance material to the financial statements were disclosed during the audit.
- D. Two significant deficiencies in internal control over major programs were disclosed by the audit. No material weaknesses are reported.
- 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:

Child Nutrition Cluster	
School Breakfast Program	CFDA No. 10.553
Federal Snack Program	CFDA No. 10.555
National School Lunch Program	CFDA No. 10.555
Special Education Cluster	
Special Education Grants to States	CFDA No. 84.027
Special Education Preschool Grants	CFDA No. 84.173

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

2. FINANCIAL STATEMENTS FINDINGS

There were no findings to be reported.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Significant Deficiencies

2019-001. Internal Control Over Compliance – Procurement

**Department of Agriculture and Department of Agriculture, Passed-through New York State,
Department of Education**

Child Nutrition Cluster	
School Breakfast Program	CFDA No. 10.553
Federal Snack Program	CFDA No. 10.555
National School Lunch Program	CFDA No. 10.555

GREAT NECK UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2019

Special Education Cluster

Special Education Grants to States

CFDA No. 84.027

Special Education Preschool Grants

CFDA No. 84.173

Criteria: 2 CFR section 200.303 of the Uniform Guidance requires non-Federal entities receiving Federal awards to establish and maintain internal control over the Federal awards that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Under the Uniform Guidance, Federal awards recipients must maintain written documentation of internal control policies and procedures, such as procurement policies that adhere to state and local law as well as federal regulations and statutes; procedures for documenting how costs are to be allocated to federal awards, documenting actual time and effort for payroll costs charged to federal awards; cash management procedures to minimize the time elapsed between the receipts and disbursements of federal funds; and how to safeguard personally identifiable information.

Condition: The District had not updated their existing policies and written procedures to conform to Uniform Guidance requirements as of July 1, 2018.

Cause: Staffing constraints limited the District's ability to perform a timely review of its existing policies and written procedures.

Potential Effect: Not having updated written policies and procedures weaken the internal controls over the Federal award and could increase the risk of noncompliance with Federal statutes and regulations.

Questioned Costs: None reported.

Repeat Finding: This is not a repeat finding from the previous audit.

Recommendation: The District should review and update its current written policies and procedures and update them as needed in order to comply with requirements of Uniform Guidance.

Views of Responsible Officials: The District is aware of this finding and is implementing a policy and related procedures in order to comply.

2019-002. Internal Control Over Compliance – Eligibility

Department of Agriculture, Passed-through New York State, Department of Education

Child Nutrition Cluster

School Breakfast Program

CFDA No. 10.553

Federal Snack Program

CFDA No. 10.555

National School Lunch Program

CFDA No. 10.555

Criteria: Under the Child Nutrition Program, certain children enrolled through the District may be eligible to receive meals once a household application for free and reduced price school meals is submitted. Each application prepared by the household contains the household income and the number of household members. Once the information is entered into the District's Point of Sale software it is compared to the

GREAT NECK UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2019

published income eligibility guidelines to determine if the child is eligible for a free or reduce priced meal, or if the child is required to pay full price for meals.

Condition: The District has designated one employee to receive and enter the annual household applications into the District's Point of Sale software. Based on our inquiries and review of forty (40) applications tested for student eligibility (free or reduced), we noted there is no documented secondary review of this information.

Cause: The District does not have a process to perform a secondary review of the applications entered by the designated employee into the Point of Sale software to determine if this information is properly entered.

Potential Effect: With no review process in place, the chance that an application can be entered incorrectly into the Point of Sale software may cause the eligibility status to be incorrectly determined.

Questioned Costs: None reported.

Repeat Finding: This is not a repeat finding from the previous audit.

Recommendation: We recommend that the District establish a process for a secondary review of information input into the District's Point of Sale software to verify its accuracy to the household application for free and reduced price school meals.

Views of Responsible Official: The District agrees with the recommendation and the Assistant Superintendent for Business and Finance will establish a secondary review process to verify all input for applications on a regular basis, and make corrections as necessary by June 30, 2020.

GREAT NECK PUBLIC SCHOOLS
345 Lakeville Road
Great Neck, New York 11020
Telephone (516) 441-4020
Fax (516) 441-4922

John T. Powell
Assistant Superintendent for Business

March 27, 2020

The following are the Great Neck Public School District's responses to findings in your firm's Single Audit engagement for the year ended on June 30, 2019:

Significant Deficiencies

2019-001. Internal Control Over Compliance - Procurement

Department of Education
Department of Agriculture, Passed-through New York State, Department of Education

Child Nutrition Cluster	
School Breakfast Program	CFDA No. 10.553
Federal Snack Program	CFDA No. 10.555
National School Lunch Program	CFDA No. 10.555
Special Education Cluster	
Special Education Grants to States	CFDA No. 84.027
Special Education Preschool Grants	CFDA No. 84.173

Condition: The District had not updated their existing policies and written procedures to conform to Uniform Guidance requirements as of July 1, 2018.

Corrective Action: The District will update its procurement policy and written procedures to be in compliance with the Uniform Guidance requirements dated July 1, 2018.

Responsible Contact Person: Mr. John T. Powell, Assistant Superintendent of Business and Finance

Anticipated Completion Date: June 30, 2020

2019.002. Internal Control Over Compliance - Eligibility

Department of Agriculture, Passed-through New York State, Department of Education

Child Nutrition Cluster	
School Breakfast Program	CFDA No. 10.553
National School Lunch Program	CFDA No. 10.555

Condition: The District has designated one employee to receive and enter the annual household applications into the District's Point of Sale software. Based on our inquiries and review of forty (40) applications tested for student eligibility (free or reduced), we noted there is no documented review of this information.

Corrective Action: While these applications are being regularly reviewed, documentation of the review is not being completed. Beginning immediately, or as soon as physically possible as a result of the COVID-19 pandemic, this documentation will be improved. Going forward, the individual assigned to review applications will indicate on the application that it has been checked against the criteria with their signature. The District's auditor/accountant will, on a periodic basis, review applications for the Food Service employee's signature indicating the application was reviewed prior to being entered into the system,

Responsible Contact Person: Mr. John T. Powell, Assistant Superintendent of Business and Finance

Anticipated Completion Date: April 30, 2020

The Great Neck Public School District is aware of the importance of the independent outside auditor's identification of weaknesses in the District's internal control environment. Efforts will be made to immediately address the above issues that have been identified and procedures to correct them will be implemented.



John T. Powell
Assistant Superintendent for Business

Contact Information:
Mr. John T. Powell
Assistant Superintendent of Business and Finance
Great Neck Union Free School District
345 Lakeville Road
Great Neck, NY 11020
(516) 441-4020

