

**MONOMOY REGIONAL SCHOOL DISTRICT**  
REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS  
AND THE UNIFORM GUIDANCE  
FOR THE YEAR ENDED JUNE 30, 2018

**MONOMOY REGIONAL SCHOOL DISTRICT**

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**INDEPENDENT AUDITOR'S 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 Honorable School Committee  
Monomoy Regional School District  
Chatham, Massachusetts

We were engaged to audit, 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 Monomoy Regional School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Monomoy Regional School District's basic financial statements and have issued our report thereon dated January 10, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Monomoy Regional 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 Monomoy Regional School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Monomoy Regional School 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 entity'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.

Our consideration of internal control was for the limited purpose described in 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 Monomoy Regional School 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 entity's internal control or on compliance. This report is an integral part of an engagement to perform an audit in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Scappini & Pina, P.C.*

Norwell, Massachusetts

January 10, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable School Committee  
Monomoy Regional School District  
Chatham, Massachusetts

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

We have audited the Monomoy Regional 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 the Monomoy Regional School District's major federal programs for the year ended June 30, 2018. Monomoy Regional 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 Monomoy Regional 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 audit 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 Monomoy Regional 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 Monomoy Regional School District's compliance.

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

In our opinion, the Monomoy Regional 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, 2018.

### **Report on Internal Control over Compliance**

Management of the Monomoy Regional 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 Monomoy Regional 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 Monomoy Regional 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.

### **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 aggregate remaining fund information of the Monomoy Regional School District as of and for the year ended June 30, 2018, and have issued our report thereon dated January 10, 2019, which contained an unmodified opinion 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.

*Scappini & Pina, P.C.*

Norwell, Massachusetts

January 10, 2019

**MONOMOY REGIONAL SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2018

Federal Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	Agency or Passthrough Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through the Commonwealth of Massachusetts:			
Child Nutrition Cluster (cash assistance)	10.555	DOENUT201801SL	\$ 283,006
Non-Cash Assistance - Food Commodities - National School Lunch Program	10.555	N/A	<u>32,968</u>
Total Child Nutrition Cluster			315,974
<u>U.S. Department of Education</u>			
Passed through the Commonwealth of Massachusetts:			
Special Education Cluster (IDEA):			
Special Education Entitlement	84.027	240-146365-2018-0712	490,668
Special Education - Inclusive Preschool Learning Environments	84.173	39118MONOMOYRSD	30,000
Special Education - Early Childhood Entitlement	84.173	26118MONOMOYRSD	<u>11,653</u>
Total Special Education Cluster			532,321
Title I, Part A Cluster: Title I Grants to Local Educational Agencies (LEAs)	84.010	305-142749-2018-0712	214,781
Safe and Supportive School Grant	84.184	335-202038-2018-0712	5,000
Improving Teacher Quality State Grants	84.367	140-140199-2018-0712	74,963
Title III: English Language Acquisition and Academic Achievement Program	84.031A	180-136881-2018-0712	22,389
Title IV, Part A: Student Support and Academic Enrichment	84.424	309-140200-2018-0712	<u>3,932</u>
Total U.S. Department of Education			321,065
U.S. Department of Justice			
Passed through the Commonwealth of Massachusetts:			
Opioid Affected Youth Initiative	16.842	17YOPGMONOMOYRSCHOOL	5,543
U.S. Department of Health and Human Services			
Passed through the MA Department of Early Education and Care:			
Child Care & Development Block Grant - Coord. Family & Community Engagement	93.575	237-000-4-000-O	<u>2,220</u>
Total			<u>\$ 1,177,123</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule

**MONOMOY REGIONAL SCHOOL DISTRICT**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2018

**Note 1. Scope of Audit**

The Monomoy Regional School District (“District”) is a governmental agency established by the laws of the Commonwealth of Massachusetts.

All operations related to the District’s Federal Grant Programs are included in the scope of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The U.S. Department of Education has been designed as the District’s oversight agency for the audit.

**Note 2. Period Audited**

Single audit testing procedures were performed for the District’s federal grant transactions during the year ended June 30, 2018.

**Note 3. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2018. 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 District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

**Note 4. Summary of significant accounting policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. For new awards or modifications of existing awards after December 26, 2014, the expenditures reported in the Schedule follow the cost principles of the Uniform Guidance. For existing awards prior to December 26, 2014, the expenditures follow the cost principles contained in OMB Circular A-122, Cost Principles for Non-Profit Organizations. The cost principles indicate that certain types of expenditures are not allowable or are limited as to reimbursement. The information included in the Schedule may not fully agree with other federal award reports the District submits to federal awarding or pass-through entities. The District reported no subrecipients.

**Note 5. Cash and Non-Cash Assistance – Child Nutrition Cluster**

The following defines the cash and non-cash assistance provided by the U.S. Department of Agriculture’s Child Nutrition Cluster – School Breakfast Program (CFDA #10.553) and National School Lunch Program (CFDA #10.555).

- Cash assistance – expenditures represent federal reimbursement for meals during the year.
- Non-cash assistance – represents food commodities received under a state distribution formula and are valued at federally published wholesale prices for the purposes of this Schedule. Such commodities are not recorded in the financial records, although memorandum records are maintained.

**MONOMOY REGIONAL SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2018**

**A. Summary of Audit 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

Federal Awards

Internal control over major programs:

Material weakness(es) identifies?                    \_\_\_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 2 CFR 200.516?                    \_\_\_yes                    \_\_x\_\_no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027; 84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

The auditee qualified as a low-risk auditee?                    \_\_\_yes                    \_\_x\_\_no

**B. Findings – Financial Statement Audit – None**

**C. Prior Year Findings – Financial Statement Audit - None**

**D. Findings – Major Federal Award Programs - None**

**E. Prior Year Findings – Major Federal Award Programs**

**Significant Deficiency: Special Education Cluster – CFDA #84.027 and #84.173**

2017-001: District failed to maintain effort

*Recommendation:* Recommended the District implements policies and procedures to ensure MOE calculations are performed timely and accurately. Additionally, it was suggested the District maintain comprehensive records of their expenditures and allowable reductions to determine and ensure compliance with the required federal MOE.

**MONOMOY REGIONAL SCHOOL DISTRICT**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018

*Current Status:* The District received a waiver from the Compliance Department for their fiscal year 2017 failure to maintain effort. The waiver was granted as it was a result of a student that aged out of the program during the school year. The District has implemented procedures to track and monitor their MOE calculations. The District's special education expenditure levels were maintained in the current year.

**Other Matters: All Federal Grants**

2017-002: Enhance formalized documentation surrounding grant compliance

*Recommendation:* The District should adhere to the requirements of the Uniform Guidance and establish documented internal control policies and procedures in accordance with the guidance provided by the *Standards for Internal Control in the Federal Government* (the Green Book), issued by the Comptroller General of the United States, and the *Internal Control – Integrated Framework*, issued by the Committee of Sponsoring Organizations and the Treadway Commission. In addition, the documented policies and procedures should be reviewed and approved by the School Committee.

*Current Status:* The District developed a Grant Management Manual in response to this recommendation. The Manual was reviewed and approved by the School Committee.