

SOUTHERN WORCESTER COUNTY
REGIONAL VOCATIONAL SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND INDEPENDENT AUDITORS' REPORTS REQUIRED
UNDER THE SINGLE AUDIT ACT AMENDMENTS OF 1996**

FOR THE YEAR ENDED JUNE 30, 2011

**SOUTHERN WORCESTER COUNTY REGIONAL VOCATIONAL SCHOOL DISTRICT
SINGLE AUDIT
TABLE OF CONTENTS**

	<u>PAGE</u>
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 <i>Government Auditing Standards</i>	1-2
Schedule of Expenditures of Federal Awards	3-4
Notes to the Schedule of Expenditures of Federal Awards	5
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	6-7
Schedule of Findings and Questioned Costs	8
Summary Schedule of Prior Audit Findings	9

**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 School Committee
Southern Worcester County Regional Vocational School District
Charlton, Massachusetts

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining information of the Southern Worcester County Regional Vocational School District, as of and for the year ended June 30, 2011, which collectively comprise the Southern Worcester County Regional Vocational School District's basic financial statements and have issued our report thereon dated November 22, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Southern Worcester County Regional Vocational School District's internal control over financial reporting as a basis for designing our auditing procedures 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 Southern Worcester County Regional Vocational School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Southern Worcester County Regional Vocational School District's internal control over financial reporting.

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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Southern Worcester County Regional Vocational School District's financial statements are free of 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*.

We noted certain matters that we reported to management of the Southern Worcester County Regional Vocational School District in a separate letter dated November 22, 2011.

This report is intended solely for the information and use of management, the School Committee, others within the entity, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Scanlon & Associates, LLC

Scanlon & Associates, LLC
South Deerfield, Massachusetts

November 22, 2011

**SOUTHERN WORCESTER COUNTY REGIONAL VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grantor/Pass-Through Grantor/ Program Title	State/ Pass-Through Identification Number	Federal CFDA Number	Federal Awards Expended
U. S. Department of Education			
Direct Program:			
Student Financial Assistance Cluster:			
Federal Pell Grant Program		84.063	\$ 69,847
Federal Direct Student Loans		84.268	174,185
Total Student Financial Assistance Cluster			<u>244,032</u>
Passed Through Commonwealth of Massachusetts			
Department of Elementary and Secondary Education:			
Title I, Part A Cluster:			
Title I - 2010	305-159-0-0876-K	84.010	24,630
Title I - 2010	305-419-0-0876-K	84.010	4,996
Title I - 2011	305-204-1-0876-L	84.010	161,466
ARRA - Title I - 2011	770-187-1-0876-L	84.389	52,275
Total Title I, Part A Cluster			<u>243,367</u>
Special Education Cluster:			
Special Education PL 94-142 Allocation - 2010	240-120-0-0876-K	84.027	21,124
Special Education PL 94-142 Allocation - 2011	240-273-1-0876-L	84.027	251,283
ARRA - SPED IDEA - 2010	760-013-0-0876-K	84.391	123
ARRA - SPED IDEA - 2011	760-240-1-0876-L	84.391	142,427
Total Special Education Cluster			<u>414,957</u>
Career and Technical Education:			
Occupational Education - Vocational Skills - 2010	400-015-0-0876-K	84.048	26,924
Occupational Education - Vocational Skills - 2011	400-024-1-0876-L	84.048	141,690
Total Career and Technical Education			<u>168,614</u>
Safe and Drug Free Schools and Communities:			
Drug Free Schools - 2011	332-189-1-0876-L	84.186	1,141
Improving Teacher Quality:			
Teacher Quality - 2010	140-263-0-0876-K	84.367	8,250
Teacher Quality - 2011	140-167-1-0876-L	84.367	38,937
Total Improving Teacher Quality			<u>47,187</u>
State Fiscal Stabilization Fund:			
ARRA - Stabilization - 2011	780-118-1-0876-L	84.394	50,196
Race to the Top Incentive Grants:			
ARRA - Race to the Top - 2011	201-195-1-0876-L	84.395	8,907
Education Jobs Fund:			
ARRA - Education Jobs - 2011	206-119-1-0876-L	84.410	132,719
Total U. S. Department of Education			<u>1,311,120</u>
TOTAL FEDERAL AWARDS EXPENDED - PAGE 1 OF 2			<u>\$ 1,311,120</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**SOUTHERN WORCESTER COUNTY REGIONAL VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grantor/Pass-Through Grantor/ Program Title	State/ Pass-Through Identification Number	Federal CFDA Number	Federal Awards Expended
U. S. Department of Agriculture			
Passed Through Commonwealth of Massachusetts			
Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
School Breakfast Program	14-054-2	10.553	\$ 11,062
National School Lunch Program	14-054-2	10.555	<u>123,512</u>
Total Child Nutrition Cluster			<u>134,574</u>
School Lunch Commodities	14-054-2	10.565	<u>16,254</u>
Total U. S. Department of Agriculture			<u>150,828</u>
U. S. Department of Health and Human Services			
Passed Through Tri-Valley Elder Services, Inc.:			
Special Programs for the Aging - Title III, Part C - Nutrition Services		93.045	<u>3,505</u>
Total U. S. Department of Health and Human Services			<u>3,505</u>
TOTAL FEDERAL AWARDS EXPENDED - 2 OF 2			154,333
TOTAL FEDERAL AWARDS EXPENDED - 1 OF 2			<u>1,311,120</u>
TOTAL FEDERAL AWARDS EXPENDED			<u><u>\$1,465,453</u></u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**SOUTHERN WORCESTER COUNTY REGIONAL VOCATIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2011**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the Southern Worcester County Regional Vocational School District under programs of the federal government for the year ended June 30, 2011. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Southern Worcester County Regional Vocational School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Southern Worcester County Regional Vocational School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting.
- (2) Pass-through entity identifying numbers are presented where available.

NOTE C – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the School Committee
Southern Worcester County Regional Vocational School District
Charlton, Massachusetts

Compliance

We have audited the Southern Worcester County Regional Vocational School District's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Southern Worcester County Regional Vocational School District's major federal programs for the year ended June 30, 2011. The Southern Worcester County Regional Vocational 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Southern Worcester County Regional Vocational School District's management. Our responsibility is to express an opinion on the Southern Worcester County Regional Vocational School District's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Southern Worcester County Regional Vocational 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. Our audit does not provide a legal determination of the Southern Worcester County Regional Vocational School District's compliance with those requirements.

In our opinion, the Southern Worcester County Regional Vocational School District, complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

The management of the Southern Worcester County Regional Vocational School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Southern Worcester County Regional Vocational School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Southern Worcester County Regional Vocational 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern Worcester County Regional Vocational School District, as of and for the year ended June 30, 2011, and have issued our report thereon dated November 22, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of management, the School Committee, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Scanlon & Associates, LLC
Scanlon & Associates, LLC
South Deerfield, Massachusetts

November 22, 2011

**SOUTHERN WORCESTER COUNTY REGIONAL VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified not considered to be a material weakness?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness identified?	No
Significant deficiency identified not considered to be a material weakness?	None Reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
Child Nutrition Cluster:	
10.553	U. S. Department of Agriculture - School Breakfast Program
10.555	U. S. Department of Agriculture - National School Lunch Program
Title I, Part A Cluster:	
84.010	U. S. Department of Education - Title I Grants
84.389	U. S. Department of Education - Title I Grants, Recovery Act
Special Education Cluster:	
84.027	U. S. Department of Education - Special Education Grants
84.391	U. S. Department of Education - Special Education Grants, Recovery Act
Student Financial Assistance Cluster:	
84.063	U. S. Department of Education - Federal Pell Grant Program
84.268	U. S. Department of Education - Federal Direct Student Loans

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as a low-risk auditee?	No

Section II - Financial Statement Findings

There are no material weaknesses or significant deficiencies in internal control over financial reporting noted.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings or questioned costs reported.

Section IV - Prior Year Findings

Status of a prior year finding is reported on page 9.

**SOUTHERN WORCESTER COUNTY REGIONAL VOCATIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011**

Finding 2010-1

U. S. Department of Education – Student Financial Assistance Cluster

**Noncompliance/Significant Deficiency in Internal Control Over Compliance –
Special Tests and Provisions – General Ledger**

Prior Year Comment:

The finding indicated that the District did not segregate receipts from Student Financial Assistance on the District's general ledger from other receipts in the practical nursing program and that the District did not set up a receivable account on the District's general ledger to track the amounts owed from the federal government.

Current Status:

In Fiscal Year 2011, the District set up revenue accounts on the District's general ledger to account for federal Student Financial Assistance separately from non-federal receipts. Also, the District has set up a receivable account on the District's general ledger to track amounts owed from the federal government and reconciles to the records maintained by the practical nursing program secretary.

The finding has been rectified.