

SPACKENKILL UNION FREE SCHOOL DISTRICT

FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2004

SPACKENKILL UNION FREE SCHOOL DISTRICT

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**INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Board of Education of the
Spackenkill Union Free School District:

We have audited the financial statements of the Spackenkill Union Free School District for the year ended June 30, 2004, and have issued our report thereon dated August 12, 2004. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Spackenkill Union Free School District taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.


CPA PC

Claverack, New York
August 12, 2004

SPACKENKILL UNION FREE SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2004

<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>U.S. Department of Education:</u>			
<u>Pass-through from New York</u>			
<u>State Education Department:</u>			
Title I	84.010A	021-04-0680	\$ 105,453
Title III	84.365	293-04-0229	174
IDEA, Part B, Sec. 611	84.027A	032-04-0185	247,257
IDEA, Part B, Sec. 611	84.027A	032-03-0185	24,100
IDEA, Preschool, Sec. 619	84.173A	033-04-0185	16,170
CPSE	84.173A	232-04-0185	3,604
Title IV Drug Free	84.186A	180-04-0680	8,057
Title IV Drug Free	84.186A	180-03-0680	450
Title II Pt D	84.318X	292-04-0680	1,788
Title II Pt D	84.318X	292-03-0680	727
Title II A	84.367A	147-04-0680	10,000
Title II A	84.367A	147-03-0680	25,545
Total U.S. Department of Education			<u>443,325</u>
<u>U.S. Department of Agriculture:</u>			
<u>Pass-through from New York</u>			
<u>State Education Department:</u>			
Food Distribution	10.550		50,936
School Breakfast Program	10.553		8,267
School Lunch Program	10.555		65,850
Total U.S. Department of Agriculture			<u>125,053</u>
Total			<u>\$ 568,378</u>

SPACKENKILL UNION FREE SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Spackenkil Union Free School District and is presented on the modified accrual basis of accounting. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2. Food Distribution

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

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Education of the
Spackenkill Union Free School District:

Compliance

We have audited the compliance of the Spackenkill Union Free School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The Spackenkill 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Spackenkill Union Free School District's management. Our responsibility is to express an opinion on Spackenkill Union Free School District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 Spackenkill 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. Our audit does not provide a legal determination on Spackenkill Union Free School District's compliance with those requirements.

In our opinion, Spackenkill Union Free School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of the Spackenkill Union Free 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 Spackenkill Union Free School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Education, management, 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.

Raymond G. Preusser
CFA PC

Claverack, New York
August 12, 2004

SPACKENKILL UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Spackenkill Union Free School District.
2. No instances of noncompliance material to the financial statements of Spackenkill Union Free School District were disclosed during the audit.
3. The auditors' report on compliance for the major federal award programs for Spackenkill Union Free School District expresses an unqualified opinion.
4. There were no audit findings relative to the major federal award programs for Spackenkill Union Free School District.
5. The programs tested as major programs include:

Special Education Cluster
IDEA, Part B, Sec. 611 #84.027
IDEA, Preschool, Sec. 619 #84.173

6. The threshold for distinguishing Types A and B programs was \$300,000.
7. Spackenkill Union Free School District was determined to be a low-risk auditee.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

None