

**SINGLE AUDIT REPORT**

**HOLLAND CENTRAL SCHOOL DISTRICT**  
**HOLLAND, NEW YORK**

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**JUNE 30, 2022**

**HOLLAND CENTRAL SCHOOL DISTRICT  
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

The President and Members of the  
Board of Education of  
Holland Central School District  
Holland, New York

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

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

We have audited Holland Central School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and

the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 District as of and for the year ended June 30, 2022, and have issued our report thereon dated September 21, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. 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 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as whole.

*Freed Maxick CPAs, P.C.*

Batavia, New York  
September 21, 2022

**HOLLAND CENTRAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed-Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<b><u>U.S. Department of Agriculture</u></b>				
<b><i>Passed through New York State Bureau of School Food Management:</i></b>				
<b><i>Child Nutrition Cluster</i></b>				
COVID-19 - School Breakfast Program	10.553	141701040000	\$ -	\$ 76,404
COVID-19 - National School Lunch Program	10.555	141701040000	-	344,417
National School Lunch Program - Food Distribution	10.555	141701040000	-	31,082
<i>Total Child Nutrition Cluster</i>			<u>-</u>	<u>451,903</u>
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grants	10.649	141701040000	-	1,803
<i>Total U.S. Department of Agriculture</i>			<u>-</u>	<u>453,706</u>
<b><u>U.S. Department of Education</u></b>				
<b><i>Passed through New York State Education Department:</i></b>				
Title I Grants to Local Educational Agencies	84.010	0021-22-0815	-	124,479
<b><i>Special Education Cluster</i></b>				
Special Education - Grants to States	84.027	0032-21-0231	-	210
Special Education - Grants to States	84.027	0032-22-0231	-	235,757
Special Education - Preschool Grants	84.173	0033-22-0231	-	6,327
<i>Total Special Education Cluster</i>			<u>-</u>	<u>242,294</u>
Supporting Effective Instruction State Grant	84.367	0147-21-0815	-	30,332
Supporting Effective Instruction State Grant	84.367	0147-22-0815	-	150
<i>Total Supporting Effective Instruction State Grant</i>			<u>-</u>	<u>30,482</u>
Student Support and Academic Enrichment Program	84.424	0204-21-0815	-	6,289
Student Support and Academic Enrichment Program	84.424	0204-22-0815	-	6,339
<i>Total Student Support and Academic Enrichment Program</i>			<u>-</u>	<u>12,628</u>
COVID-19 - Education Stabilization Fund - Governor's Emergency Education Relief Fund	84.425C	5896-21-0815	-	52,564
COVID-19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-0815	-	333,615
COVID-19 - Education Stabilization Fund - American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	5880-21-0815	-	311,401
COVID-19 - Education Stabilization Fund - American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	5884-21-0815	-	125,949
COVID-19 - Education Stabilization Fund - American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	5882-21-0815	-	58,750
COVID-19 - Education Stabilization Fund - American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	5883-21-0815	-	46,493
COVID-19 - Education Stabilization Fund - American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	5218-21-0815	-	2,287
<i>Total Education Stabilization Fund</i>			<u>-</u>	<u>931,059</u>
<i>Total U.S. Department of Education</i>			<u>-</u>	<u>1,340,942</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ -</b>	<b>\$ 1,794,648</b>

See notes to schedule of expenditures of federal awards.

**HOLLAND CENTRAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of the federal financial assistance programs administered by the District for the year ended June 30, 2022. 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). Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies are included in the Schedule. 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 position, or cash flows of the District.

**NOTE 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 are limited as to reimbursement. The amounts reported as federal expenditures were obtained from the District's financial reporting system, which is the source of the District's basic financial statements.

**NOTE 3 - INDIRECT COST**

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**HOLLAND CENTRAL SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2022**

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**I. SUMMARY OF AUDITOR’S RESULTS**

***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

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 federal programs:

- Material weakness(es) identified?                      yes           X           no
- Significant deficiency(ies) identified?                      yes           X           none reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?                      yes           X           no

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425C/84.425D/84.425U	COVID-19 - Education Stabilization Fund

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

Auditee qualified as low-risk auditee?                      yes           X           no

**II. FINANCIAL STATEMENT FINDINGS**

There were no financial statement findings noted for the fiscal year ended June 30, 2022.

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no federal award findings or questioned costs noted for the fiscal year ended June 30, 2022.



**HOLLAND CENTRAL SCHOOL DISTRICT  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**II. FINANCIAL STATEMENT FINDINGS**

There were no financial statement findings noted for the fiscal year ended June 30, 2021.

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**2021-001 Activities Allowed or Unallowed and Allowable Costs - Time and Effort Documentation**

*Assistance Listing No. 84.027/84.173: Special Education Cluster  
Year Ended: June 30, 2021  
Federal Agency: U.S. Department of Education  
Passed through the New York State Education Department*

*Criteria:* The District is required to establish and adhere to controls that comply with cost principles identified by the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Subpart E; Sections 200.430, 200.430(a) and 200.430(i) *Standards for Documentation of Personnel Expenses*. In addition, per the *OMB Compliance Supplement*, the District is required to maintain time and effort distribution records in accordance with Uniform Guidance.

*Condition:* The District uses time and effort certifications as their control process for ensuring that payroll expenditures are properly allocated to each applicable grant program. During the audit it was noted that some certifications were unavailable and one instance was documented incorrectly.

*Cause:* Insufficient monitoring of this control process to ensure the time and effort certifications were being completed and maintained in order to determine the allocation of time and effort to grant programs was updated in a timely manner and charged accurately.

*Effect:* Ineffective controls could result in future allocation of unallowable costs or activities to the program.

*Questioned costs:* Questioned costs cannot be reasonably determined.

*Context:* This finding was identified through inquiries of management and audit testing related to activities allowed or unallowed and allowable cost for the major federal program noted above.

*Status:* This finding has been corrected. As of July 1, 2021, the Business Official reviews the grants with the Special Education Director and the Director of Curriculum. All certifications are reviewed and maintained by the District Treasurer and no errors were found during current year Single Audit testing.