

HIGHLAND CENTRAL  
SCHOOL DISTRICT

FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

HIGHLAND CENTRAL SCHOOL DISTRICT

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**INDEPENDENT AUDITORS' 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**

To the Board of Education of the  
Highland Central School District:

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

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

We have audited Highland Central School District's 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 Highland Central School District's major federal programs for the year ended June 30, 2023. The Highland Central 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.

In our opinion, Highland Central 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, 2023.

***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 Highland Central School District and to meet our other ethical responsibilities, in accordance with other 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 Highland Central School 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 Highland Central School 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 Highland Central School 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 Highland Central School 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 Highland Central School 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 Highland Central School 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 Highland Central School 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 governmental activities, each major fund and the aggregate remaining fund information of the Highland Central School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Highland Central School District's basic financial statements. We have issued our report thereon dated October 3, 2023 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 federal awards is presented for purposes of additional analysis as required by 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 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 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 financial statements as a whole.

*Raymond G. Preusser, CPA, P.C.*

Claverack, New York  
October 3, 2023



HIGHLAND CENTRAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Passed through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Education:</u>				
Pass-through from New York State Education Department:				
<u>Special Education Cluster:</u>				
IDEA, Part B, Sec. 611	84.027A	0032-23-0995	\$ -	\$ 440,387
ARP IDEA, Part B, Sec. 611	84.027X	5532-22-0995	-	83,946
IDEA, Part B, Sec. 619	84.173A	0033-23-0995	-	18,846
ARP IDEA, Part B, Sec. 619	84.173X	5533-22-0995	-	5,790
Total Special Education Cluster			-	548,969
Title I	84.010A	0021-23-3405	-	292,872
Title I School Improvement	84.010A	0011-23-3405	-	39,437
Title I School Improvement	84.010A	0011-22-3062	-	152,887
Title IV	84.424A	0204-23-3405	-	9,545
Title II A	84.367A	0147-23-3405	-	6,071
Title II A	84.367A	0147-22-3405	-	15,103
ARP ESSER 3	84.425U	5880-21-3405	-	1,043,871
ARP SLR Comprehensive After School	84.425U	5883-21-3405	-	63,018
ARP SLR Summer Enrichment	84.425U	5882-21-3405	-	3,078
ARP SLR Learning Loss	84.425U	5884-21-3405	-	79,540
ARP SLR Homeless II	84.425W	5218-21-3405	-	851
CRRSA-ESSER 2	84.425D	5891-21-3405	-	1,114,888
Total Pass-through from New York State Education Department			-	3,370,130
Total U.S. Department of Education			-	3,370,130
<u>U.S. Department of Agriculture:</u>				
Pass-through from New York State Education Department:				
<u>Child Nutrition Cluster:</u>				
Cash Assistance				
School Breakfast Program	10.553		-	74,953
National School Lunch Program	10.555		-	329,282
Cash assistance subtotal			-	404,235
Non-Cash Assistance (food distribution)				
National School Lunch Program	10.555		-	95,278
Non-cash assistance subtotal			-	95,278
Total Child Nutrition Cluster			-	499,513
CN Equipment Assistance	10.579		-	33,134
Total U.S. Department of Agriculture			-	532,647
Total Expenditures of Federal Awards			\$ -	\$ 3,902,777

See notes to schedule of expenditures of federal awards.

HIGHLAND CENTRAL SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

**Note 1. Summary of Certain Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards (the schedule) presents the activity of Federal Award Programs administered by the Highland Central School District (the District) and using the modified accrual basis of accounting. The information presented in the 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*). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District financial statements. Federal Awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. When the District has federal awards programs that are charged with indirect costs, they are based upon a rate established by New York State and they have elected not to use the 10% de-minimis indirect cost rate allowed under the Uniform Guidance.

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.

**Note 2. Non-Cash Assistance (Food Distribution)**

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

HIGHLAND CENTRAL SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2023

**Section I- Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:	<b>Unmodified</b>
Internal control over financial reporting:	
Material weakness(es) identified?	<b>No</b>
Significant deficiency(ies) identified?	<b>None reported</b>
Noncompliance material to financial statements noted?	<b>No</b>

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<b>No</b>
Significant deficiency(ies) identified?	<b>None reported</b>
Type of auditor's report issued on compliance for major programs:	<b>Unmodified</b>
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<b>No</b>

Identification of major programs:

ARP ESSER 3	#84.425U
ARP SLR Comprehensive After School	#84.425U
ARP SLR Summer Enrichment	#84.425U
ARP SLR Learning Loss	#84.425U
ARP SLR Homeless II	#84.425W
CRRSA ESSER 2	#84.425D

Dollar threshold used to distinguish between Type A and Type B programs:	<b>\$750,000</b>
Auditee qualified as low-risk auditee?	<b>No</b>

HIGHLAND CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2023

**Section II-Financial Statement Findings**

None

**Section III-Federal Award Findings and Questioned Costs**

None

**Section IV-Federal Award Findings Prior Year**

None