

**REGIONAL SCHOOL DISTRICT NO. 17
FEDERAL AND STATE SINGLE AUDIT REPORTS
JUNE 30, 2023**

**REGIONAL SCHOOL DISTRICT NO. 17
FEDERAL AND STATE SINGLE AUDIT REPORTS
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SEWARD AND MONDE

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INDEPENDENT AUDITORS' 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 Members of the
Board of Education
Regional School District No. 17
Higganum, Connecticut

We have audited, in accordance with U.S. 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Regional School District No. 17 (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 7, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statement. 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 audit performed 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.

Seward and Monde

North Haven, Connecticut
February 7, 2024

SEWARD AND MONDE

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Members of the
Board of Education
Regional School District No. 17
Higganum, Connecticut

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Regional School District No. 17's (the District) compliance with the types of compliance requirements described in *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, 2023. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Regional School District No. 17 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, 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; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' 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.

Auditors' 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 generally accepted auditing standards, 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 generally accepted auditing standards, 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 Regional School District No. 17'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 Regional School District No. 17'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 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 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 the internal control over compliance was for the limited purpose described in the Auditors' 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 have not been 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 Regional School District No. 17, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated February 7, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming our 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.

Seward and Monde

North Haven, Connecticut
February 7, 2024

REGIONAL SCHOOL DISTRICT NO. 17
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE OR CLUSTER TITLE	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through the CT Department of Education:			
Child Nutrition Cluster:			
School breakfast program		12060-20508-82079-2022	\$ 3,364
School breakfast program		12060-20508-82079-2023	28,940
	10.553		<u>32,304</u>
National school lunch program		12060-20560-82079-2022	21,585
National school lunch program		12060-20560-82079-2023	152,611
National school lunch program - commodities			33,577
	10.555		<u>207,773</u>
Total Child Nutrition Cluster			<u>240,077</u>
State administrative expenses for child nutrition	10.560	12060-23126-82079-2023	<u>52,572</u>
State pandemic electronic benefit transfer (P-EBT) administrative costs grant	10.649	12060-29802-82079-2023	<u>3,140</u>
U. S. Department of Treasury			
Passed through the CT Department of Education:			
COVID 19 - Coronavirus state and local fiscal recovery funds		12060-29636-82079-2021	<u>292,705</u>
U. S. Department of Education			
Passed through the CT Department of Education:			
Special Education Cluster:			
Special education - grants to states		12060-20977-82032-2022	185,109
Special education - grants to states		12060-20977-82032-2023	226,149
Special education activities		12060-20977-82032-2021	10,000
Paraeducator professional development activities		12060-20977-82032-2021	5,000
CT - SEDS implementation stipend		12060-20977-82032-2023	2,470
Passed through SERC:			5,000
SEDS stipend	84.027		<u>433,728</u>
Special education - preschool grants	84.173	12060-20983-82032-2023	<u>20,866</u>
Total Special Education Cluster			<u>454,594</u>
Title I grants to local educational agencies		12060-20679-82070-2022	6,085
Title I grants to local educational agencies		12060-20679-82070-2023	56,503
	84.010		<u>62,588</u>
Supporting effective instruction state grants	84.367	12060-20858-84131-2022	<u>26,106</u>
Career and technical education - basic grants to states	84.048	12060-20742-84010-2023	<u>16,624</u>
Student support and academic enrichment grant	84.424	12060-22854-82079-2022	<u>2,652</u>
COVID-19 - Education stabilization fund:			
ESSER II	84.425D	12060-29571-82079-2021	14,795
ESSER II state set-aside	84.425D	12060-29571-82079-2021	1,210
ESSER II special education recovery activities	84.425D	12060-29571-82032-2021	5,956
ESSER II bonus special populations recovery grant	84.425D	12060-29571-82032-2021	27,113
ARP ESSER	84.425U	12060-29636-82032-2021	42,181
ARP IDEA 611	84.425U	12060-23083-82032-2022	23,459
ARP IDEA 619	84.425U	12060-29684-82079-2022	278
			<u>114,992</u>
Total Federal Awards			<u>\$ 1,266,050</u>

See note to schedule of expenditures of federal awards.

REGIONAL SCHOOL DISTRICT NO. 17
NOTE TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes federal grant activity of Regional School District No. 17 (the District), under programs of the federal government for the year ended June 30, 2023. The information 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).

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 fund balance, changes in net position or cash flows of the District.

Basis of Accounting

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with exception of Federal Assistance Listing #21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles certain types of expenditures are not allowable or are limited as to reimbursement.

2. Indirect Cost Recovery

Regional School District No. 17 did not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

REGIONAL SCHOOL DISTRICT NO. 17
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
For the Year ended June 30, 2023

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' opinion issued: Unmodified

Internal control over financial reporting:

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

Type of auditors' opinion issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance?

 yes X no

Identification of Major Programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program</u>
84.027/84.173	Special Education Cluster
84.425	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

. . .Continued. . .

REGIONAL SCHOOL DISTRICT NO. 17
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
. . . Continued . . .
For the Year ended June 30, 2023

II. FINANCIAL STATEMENT FINDINGS

Finding 2023-001

Criteria

Regional School District No. 17 should have procedures in place to ensure timely and accurate financial reporting. This includes but is not limited to timely reconciliations of bank accounts, journal entry processing and review, and analysis and reconciliation of significant general ledger accounts, such as cash, accounts receivable, accounts payable and accrued payroll.

Condition

Regional School District No. 17 did not perform timely reconciliations; in an effort to reconcile various general ledger accounts, significant volumes of journal entries were made without any management review; and certain general ledger account balances were not in agreement with backup documentation.

Cause

Implementation of new accounting software package in the prior year and turnover of multiple key staff resources, with some positions still unfilled.

Effect

Availability of accurate information related to the District's financial statements delayed the completion of the audit and other submissions required by the State.

Repeat Finding

Yes, similar to prior year finding 2022-001.

Recommendation

We recommend that the District develop adequate policies and procedures for the financial statement closing process to ensure it is completed timely and accurately. The District should continue to discuss continued accounting software issues with their vendor to ensure resolution.

REGIONAL SCHOOL DISTRICT NO. 17
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
. . . Continued . . .
For the Year ended June 30, 2023

Finding 2023-002

Criteria

Regional School District No. 17 should have procedures in place to accurately reconcile the billing and collection activity, along with accounts receivable balance for the general fund and HK Cubs program.

Condition

The billing and collection activity for accounts receivable for the General Fund and HK Cubs programs were recorded within the accounts receivable module of the accounting software in the current year. However, prior year issues regarding older activity and balances have not been resolved within the accounting software. This continues to cause a need to perform additional reconciliation procedures outside of the accounting software. There are no procedures in place to follow up on past due accounts.

Cause

Implementation of new accounting software package in the prior year and turnover of multiple key staff resources, with some positions still unfilled.

Effect

The balances of customer accounts receivable balances required significant analysis in order to reconcile for the audit.

Repeat Finding

Yes, similar to prior year finding 2022-002.

Recommendation

The accounts receivable module of the accounting software needs to be adjusted to reflect current balances. Past due accounts need to be reviewed monthly and follow up procedures need to be put in to place by management.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no Federal award findings or questioned costs.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY THE STATE SINGLE AUDIT ACT

To the Honorable Members of the
Board of Education
Regional School District No. 17
Higganum, Connecticut

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Regional School District No. 17's (the District) compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2023. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Regional School District No. 17 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 state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State 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; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' 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 state 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 state programs.

Auditors' 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 Regional School District No. 17'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 State Single Audit 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 state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, 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 State Single Audit Act, 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 state 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 state 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state 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 Auditors' 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 defines 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 State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of Regional School District No. 17, as of and for the year ended June 30, 2023 and have issued our report thereon dated February 7, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act 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 state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Seward and Monde

North Haven, Connecticut
February 7, 2024

REGIONAL SCHOOL DISTRICT NO. 17
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2023

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	STATE GRANT PROGRAM CORE-CT NUMBER	EXPENDITURES
Department of Education		
Talent development	11000-SDE64000-12552	\$ 2,483
Child nutrition state matching grant	11000-SDE64000-16211	7,437
Healthy food initiative	11000-SDE64000-16212	11,448
School breakfast program	11000-SDE64000-17046	7,986
Adult education	11000-SDE64000-17030	9,017
Department of Energy and Environmental Protection		
Public, educational and governmental programming and education technology investment (PEGPETIA) account	12060-DEP44620-35363	24,246
Total State Financial Assistance Before Exempt Programs		62,617
Exempt Programs		
Department of Education		
Special education - excess costs student based	11000-SDE64000-17047	1,178,697
Total Exempt Programs		1,178,697
Total State Financial Assistance		\$ 1,241,314

See note to schedule of expenditures of state financial assistance.

REGIONAL SCHOOL DISTRICT NO. 17
NOTE TO SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2023

The accompanying schedule of expenditures of state financial assistance includes state grant activity of Regional School District No. 17 under programs of the State of Connecticut for the fiscal year ended June 30, 2023. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including food service and special education.

1. Summary of Significant Accounting Policies

The accounting policies of the Regional School District No. 17 conform to U.S. generally accepted accounting principles as applicable to governments.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

REGIONAL SCHOOL DISTRICT NO. 17
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
For the Year ended June 30, 2023

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' opinion issued:

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

___ yes X no

State Financial Assistance

Internal control over major programs:

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

Type of auditors' opinion issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

___ yes X no

- The following schedule reflects the major program included in the audit:

<u>State Grantor and Program</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
Department of Education		
Adult education	11000-SDE64000-17030	\$ 9,017
Department of Energy and Environmental Protection		
Public, educational and governmental programming and education technology investment (PEGPETIA) account	12060-DEP44620-35363	24,246
• Dollar threshold used to distinguish between Type A and Type B programs		<u>\$ 100,000</u>

. . .Continued. . .

REGIONAL SCHOOL DISTRICT NO. 17
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
. . . Continued . . .
For the Year ended June 30, 2023

II. FINANCIAL STATEMENT FINDINGS

Our report on internal control over financial reporting indicated the following material weaknesses as items 2023-001 and 2023-002 listed on pages 10-11.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

There are no State financial assistance findings or questioned costs.

REGIONAL SCHOOL DISTRICT NO. 17
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year ended June 30, 2023

Financial Statement Findings:

Finding 2022-001

Condition: Regional School District No. 17 did not perform timely bank reconciliations; in an effort to reconcile various general ledger accounts, significant volumes of journal entries were made without any management review; and certain general ledger account balances were not in agreement with backup documentation.

Current Status: Finding was first reported for fiscal year ended June 30, 2022 and is being repeated with slight modification as 2023-001. Some progress was made during fiscal year ended June 30, 2023 to address these issues and a new financial team was put in place for the current fiscal year.

Finding 2022-002

Condition: The billing and collection activity for accounts receivable for the General Fund and HK Cubs programs were not always recorded within the accounts receivable module of the accounting software. This required significant additional time to be spent by staff to recreate the activity for the entire year outside of the accounting software. In addition, significant balances needed to be written off due to lack of significant details for the charges and the age of the account balances. There are no procedures in place to follow up on past due accounts.

Current Status: Finding was first reported for fiscal year ended June 30, 2022 and is being repeated with slight modification as 2023-002. Some progress was made during fiscal year ended June 30, 2023 to address these issues, including recording of invoices and receipts and a new financial team was put in place for the current fiscal year.



Regional School District #17

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Corrective Action Plan
2 CFR § 200.511(c)
CT State Single Audit
June 30, 2023

Finding No. 2023-001 - Financial Reporting

Description of Finding - Regional School District No. 17 did not perform timely reconciliations; in an effort to reconcile various general ledger accounts, significant volumes of journal entries were made without any management review; and certain general ledger account balances were not in agreement with backup documentation.

Statement of Concurrence or non-concurrence - The District understands the concerns of the auditor and has already taken proactive steps to address them.

Planned Corrective Action - During FY 22-23, the District brought in additional support from LEARN, a regional educational service agency, to assist with the review of the bank reconciliations. The District will also be implementing procedures to ensure all journal entries are reviewed prior to posting.

Anticipated Completion Date - June 30, 2024.

Responsible Contact Person – Ben Whittaker, Director of Finance and Operations, bwhittaker@rsd17.org, (860) 345-4534

Finding No. 2023-002 - Accounts Receivable

Description of Finding - Prior year issues regarding older activity and balances have not been resolved within the accounting software. This continues to cause a need to perform additional reconciliation procedures outside of the accounting software. There are no procedures in place to follow up on past due accounts

Statement of Concurrence or non-cooccurrence - The District understands the concerns of the auditor and has already taken proactive steps to address them.

Planned Corrective Action – The District experienced several stages of Director and Manager level turnover in FY22 and FY23, and the leadership structure is being changed in FY24 to create a more functional division. The following describes the Corrective Action Plan:

- The Director of Finance and Operations is overseeing the standardization of the collection process across the District and reconciling past due balances.

Anticipated Completion Date – June 30, 2024.

Responsible Contact Person – Ben Whittaker, Director of Finance and Operations, bwhittaker@rsd17.org, (860) 345-4534