

**BROWNSVILLE AREA SCHOOL DISTRICT**

**SINGLE AUDIT REPORT**

**YEAR ENDED JUNE 30, 2016**

BROWNSVILLE AREA SCHOOL DISTRICT  
SINGLE AUDIT REPORT  
YEAR ENDED JUNE 30, 2016

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
Independent Auditor's Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance Required by Uniform Guidance, and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3 – 5
Schedule of Expenditures of Federal Awards	6 – 7
Notes to Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs	10 – 11
Summary Schedule of Prior Audit Findings	12

# Zelenkofske Axelrod LLC

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

Independent Auditor's Report

To the Members of the Board  
Brownsville Area School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America 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 BROWNSVILLE AREA SCHOOL DISTRICT, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the BROWNSVILLE AREA SCHOOL DISTRICT's basic financial statements, and have issued our report thereon dated April 18, 2017.

These financial statements are the responsibility of the BROWNSVILLE AREA SCHOOL DISTRICT's management. Our responsibility is to express opinions on these financial statements based on our audit. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

## Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the BROWNSVILLE AREA SCHOOL DISTRICT's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the BROWNSVILLE AREA SCHOOL DISTRICT's internal control. Accordingly, we do not express an opinion on the effectiveness of the BROWNSVILLE AREA SCHOOL DISTRICT's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as finding 2016 – 001 to be a material weakness.

---

### **Harrisburg**

830 Sir Thomas Court, Suite 100  
Harrisburg, PA 17109  
717.561.9200 Fax 717.561.9202

### **Philadelphia**

2370 York Road, Suite A-5  
Jamison, Pa 18929  
215.918.2277 Fax 215.918.2302

### **Pittsburgh**

3800 McKnight E. Drive, Suite 3805  
Pittsburgh, PA 15237  
412.367.7102 Fax 412.367.7103

### **Greensburg**

210 Tollgate Hill Road  
Greensburg, PA 15601  
724-834-2151 Fax 724-834-5969

# Zelenkofske Axelrod LLC

To the Members of the Board  
Brownsville Area School District  
Page 2

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. We did not identify any significant deficiencies that we did not consider to be material weaknesses.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether BROWNSVILLE AREA 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.

## **BROWNSVILLE AREA SCHOOL DISTRICT's Response to Findings**

BROWNSVILLE AREA SCHOOL DISTRICT's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. BROWNSVILLE AREA SCHOOL DISTRICT's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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.

*Zelenkofske Axelrod LLC*

ZELENKOFSCHE AXELROD LLC

Pittsburgh, Pennsylvania  
April 18, 2017

# Zelenkofske Axelrod LLC

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

Independent Auditor's Report

To the Members of the Board  
Brownsville Area School District

## **Report on Compliance for Each Major Federal and DHS Program**

We have audited the compliance of BROWNSVILLE AREA SCHOOL DISTRICT with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on each of BROWNSVILLE AREA SCHOOL DISTRICT's major federal programs for the year ended June 30, 2016. BROWNSVILLE AREA 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.

## **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its contracts, and federal awards applicable to its federal programs.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of BROWNSVILLE AREA SCHOOL DISTRICT's major federal programs based on our audit of the types of compliance requirements referred to above. 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; 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). Those standards, and Uniform Guidance 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 BROWNSVILLE AREA 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 on compliance for each major federal program. However, our audit does not provide a legal determination of BROWNSVILLE AREA SCHOOL DISTRICT's compliance.

---

### ***Harrisburg***

830 Sir Thomas Court, Suite 100  
Harrisburg, PA 17109  
717.561.9200 Fax 717.561.9202

### ***Philadelphia***

2370 York Road, Suite A-5  
Jamison, Pa 18929  
215.918.2277 Fax 215.918.2302

### ***Pittsburgh***

3800 McKnight E. Drive, Suite 3805  
Pittsburgh, PA 15237  
412.367.7102 Fax 412.367.7103

### ***Greensburg***

210 Tollgate Hill Road  
Greensburg, PA 15601  
724-834-2151 Fax 724-834-5969

# Zelenkofske Axelrod LLC

To the Members of the Board  
Brownsville Area School District  
Page 4

## **Opinion on Each Major Federal and DHS Programs**

In our opinion, BROWNSVILLE AREA SCHOOL 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, 2016.

## **Report on Internal Control Over Compliance**

Management of BROWNSVILLE AREA SCHOOL DISTRICT is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered BROWNSVILLE AREA SCHOOL DISTRICT's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of BROWNSVILLE AREA 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. 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, this report is not suitable for any other purpose.

# Zelenkofske Axelrod LLC

To the Members of the Board  
Brownsville Area School District  
Page 5

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the BROWNSVILLE AREA SCHOOL DISTRICT as of and for the year ended June 30, 2016, and have issued our report thereon dated April 18, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the 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 a whole.

*Zelenkofske Axelrod LLC*

ZELENKOSFKE AXELROD LLC

Pittsburgh, Pennsylvania  
April 18, 2017

BROWNSVILLE AREA SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2016

Federal Grantor/ Pass Through Grantor/ Project Title	Federal CFDA Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Total Received for the Year	Accrued or (Deferred) Revenue 6/30/2015	Revenue Recognized	Expenditures	Passed Through to Subrecipients	Accrued or (Deferred) Revenue 6/30/2016
<u>US Department of Education</u>									
Passed through the Pennsylvania Department of Education									
TITLE I	84.010	013-150052	2014-15	\$ 204,409	\$ 109,780	\$ 94,629	\$ 94,629	*	\$ -
TITLE I	84.010	013-160052	2015-16	674,588	-	754,131	754,131	*	79,543
TITLE II-A	84.367	020-150052	2014-15	(119)	-	(119)	(119)	-	-
TITLE II-A	84.367	020-160052	2015-16	222,875	-	209,318	209,318	-	(13,557)
Rural & Low Income Schools	84.358	007-160052	2015-16	21,149	-	23,878	23,878	-	2,729
IDEA Part B	84.027	062-130001	2013-14	271,843	-	271,843	271,843	*	271,843
IDEA B Sec 619	84.173		2013-14	3,734	-	3,734	3,734	*	3,734
Total Special Education Cluster				<u>275,577</u>	<u>-</u>	<u>275,577</u>	<u>275,577</u>	<u>275,577</u>	<u>-</u>
Total US Department of Education				<u>1,398,479</u>	<u>109,780</u>	<u>1,357,414</u>	<u>1,357,414</u>	<u>275,577</u>	<u>68,715</u>
<u>US Department of Agriculture</u>									
Passed through the Pennsylvania Department of Education									
Fresh Fruits and Vegetables Program	10.582	362	2014-15	2,560	2,560	-	-	-	-
Fresh Fruits and Vegetables Program	10.582	362	2015-16	21,120	-	21,120	21,120	-	-

\* Denotes tested as a major program.

BROWNSVILLE AREA SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2016

Federal Grantor/ Pass Through Grantor/ Project Title	Federal CFDA Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Total Received for the Year	Accrued or (Deferred) Revenue 6/30/2015	Revenue Recognized	Expenditures	Passed Through to Subrecipients	Accrued or (Deferred) Revenue 6/30/2016
Summer Food Program	10.559	264	2015-16	11,740	4,187	14,747	14,747	-	7,194
Lunch Hi/Low	10.555	362	2014-15	11,825	11,825	-	-	-	-
Lunch Hi/Low	10.555	362	2015-16	484,858	-	484,858	484,858	-	-
Regular/Needy Breakfast	10.553	365	2014-15	4,221	4,221	-	-	-	-
Severe need Breakfast	10.553	365	2015-16	<u>166,873</u>	<u>-</u>	<u>169,173</u>	<u>169,173</u>	<u>-</u>	<u>2,300</u>
Passed through Pennsylvania Department of Agriculture									
Donated Commodity	10.555	N/A	2014-15	<u>82,312</u>	<u>(27,404)</u>	<u>85,862</u>	<u>85,862</u>	<u>-</u>	<u>(23,854)</u>
Total Child Nutrition Cluster				<u>761,829</u>	<u>(7,171)</u>	<u>754,640</u>	<u>754,640</u>	<u>-</u>	<u>(14,360)</u>
Total US Department of Agriculture				<u>785,509</u>	<u>(4,611)</u>	<u>775,760</u>	<u>775,760</u>	<u>-</u>	<u>(14,360)</u>
<u>US Department of Health and Human Services</u>									
Passed through the Pennsylvania Department of Public Welfare									
Medcial Assistance Cluster	93.778	Title 19	2014-15	<u>985</u>	<u>-</u>	<u>985</u>	<u>985</u>	<u>-</u>	<u>-</u>
Total US Department of Health and Human Services				<u>985</u>	<u>-</u>	<u>985</u>	<u>985</u>	<u>-</u>	<u>-</u>
Total Federal Awards				<u>\$ 2,184,973</u>	<u>\$ 105,169</u>	<u>\$ 2,134,159</u>	<u>\$ 2,134,159</u>	<u>\$ 275,577</u>	<u>\$ 54,355</u>

\* Denotes tested as a major program.

BROWNSVILLE AREA SCHOOL DISTRICT  
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED JUNE 30, 2016

NOTE 1: REPORTING ENTITY

The Brownsville Area School District (the "School District") is the reporting entity for financial reporting purposes as defined in Note 1 to the School District's financial statements.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards has been prepared on the basis of accounting practices prescribed or permitted by the Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems, issued by the Pennsylvania Department of Education. These practices, as they apply to the School District, are in conformity with U.S. generally accepted accounting principles. The School District did not use the 10% de minimus indirect cost rate.

NOTE 3: RISK-BASED AUDIT APPROACH

The following Low Risk Type A program was not audited as major:

<u>Funding Source</u>	<u>Program</u>
10.553/10.555/10.559	Child Nutrition Cluster

The following High Risk Type B program was audited as major:

<u>Funding Source</u>	<u>Program</u>
84.027/84.173	Special Education Cluster

The amount expended under programs audited as major federal programs for the year ended June 30, 2016, totaled \$1,124,337 or 52.68% of total federal awards expended.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

BROWNSVILLE AREA SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2016

Section I - Summary of Auditor's Results:

*Financial Statements*

Type of auditor's report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified not considered to be material weaknesses?  
 yes  none reported

Noncompliance material to financial statements noted?  yes  no

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified not considered to be material weaknesses?  
 yes  none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance  
 yes  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Program or Cluster</u>
84.010	Title I
84.027/84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee?  yes  no

BROWNSVILLE AREA SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2016

Section II – Findings Relating to the Financial Statements Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

2016 – 001

Accounting Records

Condition: The accounts of the District should include all significant transactions in the period of benefit.

Criteria: During the audit, certain audit adjustments were required to record transactions in the period of benefit for the General Fund, the Cafeteria Fund, and the Governmental Activities.

Cause: Year end accruals were not made and records were kept on a cash basis.

Effect: The financial records for the General Fund, the Cafeteria Fund, and the Governmental Activities did not reflect the financial activity in the period of benefit, which could result in a material misstatement of the financial statements.

Recommendation: The District should ensure that internal control procedures over financial reporting are sufficient to identify and record all transactions in the period of benefit.

Management Response: The District agrees with the finding and will take measures to better record all transactions in the proper period.

Section III – Federal Awards Findings and Questioned costs.

No matters were reported.

BROWNSVILLE AREA SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2016

Status of Prior Audit Findings

No prior year audit findings were reported