

BROWNSVILLE AREA SCHOOL DISTRICT

SINGLE AUDIT REPORT

YEAR ENDED JUNE 30, 2015

BROWNSVILLE AREA SCHOOL DISTRICT
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2015

CONTENTS

	<u>Page</u>
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	1-2
Independent Auditors' Report on Compliance for Each Major Program on Internal Control Over Compliance Required by OMB A-133 and on the Schedules of Expenditures of Federal Awards	3-5
Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2015	6
Notes to Schedules of Expenditures of Federal Awards	7 – 8
Schedule of Findings and Questioned Costs for the Year Ended June 30, 2015	10 – 11
Summary Schedule of Prior Audit Findings	12

Zelenkofske Axelrod LLC

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 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, 2015, and the related notes to the financial statements, which collectively comprise BROWNSVILLE AREA SCHOOL DISTRICT's basic financial statements, and have issued our report thereon dated December 23, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of BROWNSVILLE AREA SCHOOL DISTRICT's internal control. Accordingly, we do not express an opinion on the effectiveness of BROWNSVILLE AREA SCHOOL 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 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. 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. 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 from 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

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

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.

Zelenkofske Axelrod LLC

ZELENKOFESKE AXELROD LLC

Pittsburgh, Pennsylvania
December 23, 2015

Zelenkofske Axelrod LLC

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Members of the Board
Brownsville Area School District

Report on Compliance for Each Major Federal Program

We have audited BROWNSVILLE AREA SCHOOL DISTRICT's compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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.

Opinion on Each Major Federal Program

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, 2015.

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

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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, 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 OMB Circular A-133

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the BROWNSVILLE AREA SCHOOL DISTRICT, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise BROWNSVILLE AREA SCHOOL DISTRICT's basic financial statements. We issued our report thereon dated December 23, 2015, 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 expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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.

Zelenkofske Axelrod LLC

ZELENKOSFKE AXELROD LLC

Pittsburgh, Pennsylvania
December 23, 2015

BROWNSVILLE AREA SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

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 6/30/2014	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue 6/30/2015
<u>US Department of Education</u>								
Passed through the Pennsylvania Department of Education								
TITLE I	84.010	013-140052	2013-14	\$ 184,770	\$ 67,169	\$ 184,770	\$ 117,601	\$ -
TITLE I	84.010	013-150052	2014-15	817,636	-	817,636	927,416	109,780
TITLE II-A	84.367	020-140052	2013-14	10,566	-	10,566	14,750	4,184
TITLE II-A	84.367	020-150052	2014-15	223,119	-	223,119	223,119	-
Rural & Low Income Schools	84.358	007-150052	2014-15	<u>32,560</u>	<u>-</u>	<u>32,560</u>	<u>32,560</u>	<u>-</u>
Total US Department of Education				<u>1,268,651</u>	<u>67,169</u>	<u>1,268,651</u>	<u>1,315,446</u>	<u>113,964</u>
<u>US Department of Agriculture</u>								
Passed through the Pennsylvania Department of Education								
Summer Food Program	10.559	264	2014-15	12,778	2,754	12,778	14,211 *	4,187
After School Snacks	10.555	362	2013-14	14,577	14,577	14,577	- *	-
Lunch Hi/Low	10.555	362	2014-15	473,647	-	473,647	485,473 *	11,826
Fresh Fruits and Vegetables Program	10.582	362	2014-15	24,386	4,945	24,386	22,001	2,560
Regular/Needy Breakfast	10.553	365	2013-14	5,138	5,138	5,138	- *	-
Severe need Breakfast	10.553	365	2014-15	162,185	-	162,185	166,407 *	4,222
Distance Learning & Telemedicine Program	10.855		2014-15	<u>155,344</u>	<u>-</u>	<u>155,344</u>	<u>155,344</u> *	<u>-</u>
Passed through Pennsylvania Department of Agriculture								
Donated Commodity	10.555	N/A	2014-15	<u>61,449</u>	<u>(25,048)</u>	<u>61,449</u>	<u>59,093</u> *	<u>(27,404)</u>
Total US Department of Agriculture				<u>909,504</u>	<u>2,366</u>	<u>909,504</u>	<u>902,529</u>	<u>(4,609)</u>
<u>US Department of Health and Human Services</u>								
Passed through the Pennsylvania Department of Public Welfare								
Administrative Claiming Program	93.778	Title 19	2014-15	<u>3,538</u>	<u>-</u>	<u>3,538</u>	<u>3,699</u>	<u>161</u>
Total US Department of Health and Human Services				<u>3,538</u>	<u>-</u>	<u>3,538</u>	<u>3,699</u>	<u>161</u>
Total Federal Awards				<u>\$ 2,181,693</u>	<u>\$ 69,535</u>	<u>\$ 2,181,693</u>	<u>\$ 2,221,674</u>	<u>\$ 109,516</u>

* Denotes tested as a major program

BROWNSVILLE AREA SCHOOL DISTRICT
 NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2015

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.

NOTE 3: PROGRAM CLUSTERS

The following program clusters, as defined by OMB Circular A-133, were treated as a single program for determining major programs:

<u>Cluster name</u>	<u>CFDA #</u>	<u>Amount</u>
	10.553	\$166,407
Child Nutrition Cluster	10.555	544,566
	10.559	<u>14,211</u>
		<u>\$725,184</u>

BROWNSVILLE AREA SCHOOL DISTRICT
 NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
 YEAR ENDED JUNE 30, 2015

NOTE 4: RISK-BASED AUDIT APPROACH

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

Funding Source	Program
84.010	Title I

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

Funding Source	Program
10.855	Distance Learning & Telemedicine Program

The amount expended under programs audited as major federal programs for the year ended June 30, 2015, totaled \$880,528 or 39.63% 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, 2015

Section I - Summary of Auditors' Results:

Financial Statements

Type of auditors' 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 auditors' report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133,
Section .510(a) yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Program or Cluster</u>
10.553	Severe Needs Breakfast
10.555	Lunch Hi/Low
10.559	Summer Food
10.855	Distance Learning & Telemedicine

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes no

BROWNSVILLE AREA SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

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

No matters were reported

Section III – Federal Awards Findings and Questioned costs.

No matters were reported.

YEAR ENDED JUNE 30, 2015

Status of Prior Audit Findings

No prior year audit findings were reported