

WHITMAN-HANSON REGIONAL SCHOOL DISTRICT
GAO AND OMB REPORTS
YEAR ENDED JUNE 30, 2021



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GAO AND OMB REPORTS
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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**

Honorable School Committee
Whitman-Hanson Regional 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, each major fund, and the aggregate remaining fund information of Whitman-Hanson Regional School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Whitman-Hanson Regional School District's basic financial statements, and have issued our report thereon dated April 1, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Whitman-Hanson Regional School District's internal control over financial reporting (internal control) as a basis for designing 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 Whitman-Hanson Regional School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Whitman-Hanson Regional 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.

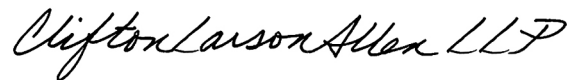
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Whitman-Hanson Regional 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 financial statements. 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Boston, Massachusetts
April 1, 2022



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

Honorable School Committee
Whitman-Hanson Regional School District

Report on Compliance for Each Major Federal Program

We have audited the Whitman-Hanson Regional School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Whitman-Hanson Regional School District's major federal programs for the year ended June 30, 2021. The Whitman-Hanson Regional School District's major federal programs are identified in the summary of auditors' 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 federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Whitman-Hanson Regional 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 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 the 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 the Whitman-Hanson Regional 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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the Whitman-Hanson Regional School District's compliance.

Basis for Qualified Opinion on Special Education Cluster

As described in the accompanying schedule of findings and questioned costs, the Whitman-Hanson Regional School District did not comply with requirements regarding Assistance Listing Numbers 84.027 and 84.173, Special Education Cluster, as described in finding number 2021-001 for Period of Performance. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to the program.

Qualified Opinion on Special Education Cluster

In our opinion, except for noncompliance described in the Basis for Qualified Opinion paragraph, the Whitman-Hanson Regional 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 the Special Education Cluster for the year ended June 30, 2021.

Unmodified Opinion on Other Major Federal Program

In our opinion, the Whitman-Hanson Regional 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 its other major federal program identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

The Whitman-Hanson Regional School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Whitman-Hanson Regional School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Whitman-Hanson Regional 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 Whitman-Hanson Regional 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 Whitman-Hanson Regional 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Whitman-Hanson Regional School District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Whitman-Hanson Regional School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 result 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 Whitman-Hanson Regional School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Whitman-Hanson Regional School District. We issued our report thereon dated April 1, 2022, 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 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.



CliftonLarsonAllen LLP

Boston, Massachusetts
April 1, 2022

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/ Pass-Through Grantor/ Program</u>	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
<u>Passed through the State Department of Elementary & Secondary Education:</u>				
<i>Child Nutrition Cluster</i>				
School Breakfast Program - Cash Assistance	10.553	04-221-1	\$ -	\$ 97,302
School Snack Program- Cash Assistance	10.553	04-221-1	-	389
Total CFDA 10.553			-	97,691
National School Lunch Program - Cash Assistance	10.555	04-221-1	-	452,011
COVID-19: National School Lunch Program - Cash Assistance (CARES)	10.555	04-221-1	-	19,337
National School Lunch Program - Non-Cash Assistance (Commodities)	10.555	04-221-1	-	46,721
Total CFDA 10.555			-	518,069
School Nutrition Equipment Assistance for Schools	10.579	722-505503-2021-0780	-	20,989
Total Child Nutrition Cluster			-	636,749
Total U.S. Department of Agriculture			-	636,749
U.S. Department of Treasury				
<u>Passed through the State Department of Elementary & Secondary Education:</u>				
COVID-19: Coronavirus Relief Fund - School Lunch	21.019	04-221-1	-	6,745
<u>Passed through the Town of Whitman, Massachusetts</u>				
COVID-19: Coronavirus Relief Fund	21.019	Not Available	-	172,274
Total CFDA 21.019			-	179,019
Total U.S. Department of Treasury			-	179,019
U.S. Department of Education				
<u>Passed through the State Department of Elementary & Secondary Education:</u>				
<i>Title I, Part A Cluster</i>				
Title I Distribution (fiscal year 2020)	84.010	305-304161-2020-0780	-	3,724
Title I Distribution (fiscal year 2021)	84.010	305-304161-2020-0780	-	298,013
Total CFDA 84.010			-	301,737
<i>Special Education Cluster</i>				
SPED 94-142 Allocation (fiscal year 2020)	84.027	240-309262-2020-0780	-	32,043
SPED 94-142 Allocation (fiscal year 2021)	84.027	240-413300-2021-0780	-	973,362
SPED 21st Century/Enhanced (fiscal year 2020)	84.027	244-338332-2020-0780	-	4,776
SPED 21st Century/Enhanced (fiscal year 2021)	84.027	244-504551-2021-0780	-	320
SPED 21st Century/Enhanced (fiscal year 2020)	84.027	645-309318-2020-0780	-	31,136
Total CFDA 84.027			-	1,041,637
SPED Early Childhood Program Improvement (fiscal year 2021)	84.173	298-487638-2021	-	1,129
<u>Passed through the State Department of Early Education and Care:</u>				
SPED Early Childhood Allocation (fiscal year 2020)	84.173	262-424606-2021-0780	-	36,364
Total CFDA 84.173			-	37,493
Total Special Education Cluster			-	1,079,130
<u>Passed through the State Department of Elementary & Secondary Education:</u>				
21st Century Learning Centers (fiscal year 2021)	84.287C	646-501730-2021-0780	-	65,851
Title IV (fiscal year 2019)	84.424	309-304243-2020-0780	-	8,100
Title IV (fiscal year 2020)	84.424	309-413320-2021-0780	-	10,000
Total CFDA 84.424			-	18,100
Improving Teacher Quality (fiscal year 2020)	84.367	140-304242-2020-0780	-	7,984
Improving Teacher Quality (fiscal year 2020)	84.367	140-413310-2021-0780	-	65,976
Total CFDA 84.367			-	73,960
COVID-19: Education Stabilization Fund: ESSER Funds	84.425D	113-379555-2021-0780	-	292,173
COVID-19: Education Stabilization Fund: ESSER II Funds	84.425D	115-501358-2021-0780	-	69
Total CFDA 84.425			-	292,242
Total U.S. Department of Education			-	1,831,020
U.S. Department of Health and Human Services				
<u>Passed through the State Executive Office of Health and Human Services:</u>				
School-Based Medicaid Reimbursement Program	93.778	110032880	-	197,850
Total Medicaid Cluster			-	197,850
Total Federal Expenditures			\$ -	\$ 2,844,638

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Whitman-Hanson Regional School District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR 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 Whitman-Hanson Regional School District, it is not intended to and does not present the financial position or changes in financial position of the Whitman-Hanson Regional School District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The District did not elect to use the 10% de minimis cost rate for indirect costs identified in §200.414 of the Uniform Guidance.

NOTE 3 U.S. DEPARTMENT OF AGRICULTURE

The amount reported for the National School Lunch Program – Non-Cash Assistance (Commodities) represents non-monetary assistance and is reported in the schedule at the fair market value of the commodities received. The amounts reported for the National School Lunch Program – Cash Assistance and School Breakfast Program – Cash Assistance represent cash receipts from federal reimbursements.

NOTE 4 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

The amount reported for the School-Based Medicaid Reimbursement Program represents federal reimbursements for the Administrative Activity Claims.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? x yes _____ no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Qualified Opinion (Noncompliance) - Special Education Cluster (84.027 and 84.173)

Unmodified Opinion – Education Stabilization Fund (84.425)
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.027 & 84.173	Special Education Cluster
84.425D	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? x yes _____ no

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2021-001

Federal Agency: Department of Education

Federal Program: Special Education Cluster

Pass-Through Agency: Massachusetts State Department of Elementary and Secondary Education

Pass-Through Number(s): Various – See Schedule of Expenditures of Federal Awards

Assistance Listing Numbers: 84.027, 84.173

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Material Noncompliance (Qualified Opinion)

Compliance Requirement: Period of Performance

Criteria or specific requirement: 2 CFR Part 200, 200.309 states that a non-federal agency may charge to the federal award only allowable costs incurred during the period of performance.

Condition: The Whitman-Hanson Regional School District did not have adequate controls designed to ensure expenditures charged to the grant were incurred during the period of performance.

Questioned Costs: \$29,956

Context: For 12 of 13 transactions tested in our statistically valid sample, we identified the District charged expenditures to the grant that were incurred outside the period of performance.

Cause: Procedures are not in place to ensure expenditures charged to the grant were incurred during the period of performance.

Effect: The expenditures incurred prior to and subsequent to period of performance dates are subject to disallowance and are considered questioned costs.

Recommendation: We recommend procedures be implemented to ensure that all costs charged to the grant are incurred within the grant period of performance.

Views of responsible officials: Management agrees with the finding.

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