

**Catskill Central School District**

**Required Audit Reports  
Under Uniform Guidance  
For the Year Ended  
June 30, 2024**

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**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 GOVERNMENT AUDITING STANDARDS**

November 1, 2024

To the Board of Education of the  
Catskill Central 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 the Catskill Central School District (School District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 1, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 that we considered to be a significant deficiency.

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(Continued)

**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 GOVERNMENT AUDITING STANDARDS (Continued)**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 is required to be reported under *Government Auditing Standards*.

**School District's Response to Finding**

The School District's response to the finding identified in our audit described in the accompanying schedule of finding and questioned costs. The 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 them.

**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.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

January 25, 2025

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

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

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

We have audited the Catskill Central School District's (School District) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2024. The School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Catskill Central 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 major federal program for the year ended June 30, 2024.

***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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School 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 School District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal programs.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE (Continued)**

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 School 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 the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance might be material weaknesses or significant deficiencies in internal control over compliance, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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.

(Continued)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (Continued)**

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002 to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on Riverhead Central School District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Catskill Central School District's response was not subjected to the other 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 results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

November 1, 2024

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

**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 Catskill Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated November 1, 2024 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.

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**CATSKILL CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing</u>	<u>Pass Through Grant Number</u>	<u>Expenditures</u>
<b>U.S. Department of Agriculture</b>			
Passed through New York State Department of Education			
<i>Child Nutrition Cluster</i>			
National School Lunch Program (food donations)	10.555	N/A	\$ 27,415 *
School Breakfast Program	10.553	N/A	107,441
National School Lunch Program	10.555	N/A	506,075 *
Summer Food Service Program for Children	10.559	N/A	<u>7,118</u>
Total Child Nutrition Cluster			<u>648,049</u>
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	<u>11,454</u>
Total U.S. Department of Agriculture			<u>659,503</u>
<b>U.S. Department of Education</b>			
Passed through New York State Department of Education			
<i>Special Education Cluster (IDEA)</i>			
Special Education Grants to States	84.027	0032-24-0287	392,196
Special Education Preschool Grants	84.173	0033-24-0287	<u>24,563</u>
Total Special Education Cluster (IDEA)			<u>416,759</u>
Title I Grants to Local Educational Agencies	84.010	0021-24-1040	411,954
Title I Grants to Local Educational Agencies	84.010	0021-23-1040	106,538
Title I Grants to Local Educational Agencies	84.010	0011-24-2028	<u>48,701</u>
Total Title I Grants to Local Educational Agencies			<u>567,193</u>
Supporting Effective Instruction State Grants	84.367	0147-24-1040	46,904
Supporting Effective Instruction State Grants	84.367	0147-23-1040	<u>35,891</u>
Total Improving Teacher Quality State Grants			<u>82,795</u>
Student Support and Academic Enrichment Program	84.424	0204-24-1040	29,761
Student Support and Academic Enrichment Program	84.424	0204-23-1040	<u>539</u>
Total Student Support and Academic Enrichment Program			<u>30,300</u>
COVID-19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ARP Homeless II	84.425U	5218-21-1040	5,450
COVID-19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ARP Learning Loss	84.425U	5884-21-1040	115,827
COVID-19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - CRRSA - ESSER II	84.425D	5891-21-1040	435,318
COVID-19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ARP Summer Enrichment	84.425U	5882-21-1040	53,683
COVID-19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ARP Comprehensive After School	84.425 U	5883-21-1040	78,020
COVID-19 - American Rescue Plan - Elementary and Secondary Emergency Relief - APR ESSER III	84.425U	5880-21-1040	<u>1,019,880</u>
Total COVID-19 Education Stabilization Fund			<u>1,708,178</u>
Total U.S. Department of Education			<u>2,805,225</u>
Total expenditures of federal awards			<u>\$ 3,464,728</u>
Total National School Lunch Program	10.555		533,490 *

The accompanying notes are an integral part of these financial statements.

## Catskill Central School District

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2024

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#### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the Catskill Central School District (School District), under programs of the federal government for the year ended June 30, 2024. The information in this 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 School District, it is not intended to and does not present the financial position or the respective changes in financial position of the governmental activities, and each major fund of the School District.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are presented in conformity with accounting principles generally accepted in the United States and the amounts presented are derived from the School District's general ledger.

#### 3. PASS-THROUGH PROGRAMS

Where the School District receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Assistance Listing number advised by the pass-through grantor.

Identifying numbers, other than the Assistance Listing numbers, which may be assigned by pass-through grantors are not maintained in the School District's financial management system. The School District has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards, as available.

#### 4. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent they are included in the financial reports used as the source for the expenditures presented.

The School District did not elect to use the 10 percent de-minimis indirect cost rate as allowed under the Uniform Guidance.

#### 5. MATCHING COSTS

Matching costs, i.e. the School District's or States share of certain program costs, are not included in the reported expenditures.

#### 6. NON-MONETARY FEDERAL PROGRAM

The School District is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed a non-monetary program. During the year ended June 30, 2024, the School District received food commodities, the fair value of which amounted to \$27,415 and is presented in the Schedule as National School Lunch Program (Division of Donated Foods, Assistance Listing #10.555).

# Catskill Central School District

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

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### 1. SUMMARY OF AUDITOR'S RESULTS

#### Financial Statements

Type of auditor's report issued on whether the School District's financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

#### Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  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 2 CFR 200.516(a)?

Yes  No

Identification of major programs:

Assistance Listing Number(s)

84.425D, 84.425U

Name of Federal Program or Cluster

COVID-19 – Educational Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes  No

## Catskill Central School District

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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#### 2. FINANCIAL STATEMENT FINDINGS

##### Finding 2024-001 (Significant Deficiency)

**Criteria** – The School District should always follow its documented procurement policies when making purchases.

**Condition** – Our audit procedures found a disbursement where management overrode documented internal control procedures. This disbursement was not on the cash disbursement warrant and accordingly, was not approved by the internal claims auditor. This payment resulted in an overpayment to the vendor. Subsequently, a refund was requested.

**Questioned Costs** – None.

**Cause** – Management override of established controls led to improper payment to a vendor.

**Effect** – Revenue and expenditures for a specific grant were overstated prior to adjustment. Adjustment resulted in recording a receivable from the vendor and an offsetting liability to the agency providing the grant funding.

**Recommendation** – We recommend that the School District ensure that only disbursements that have been processed and approved by the internal claims auditor be paid.

**Management Response** – School District management concurs with the finding and will take corrective action.

#### 3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

##### U.S. Department of Education

##### Passed-Through Entity: New York State Department of Education

##### Finding 2024-002 (Significant Deficiency)

###### COVID-19 – Education Stabilization Fund:

ARP Homeless II (Assistance Listing # 84.425U)

ARP Learning Loss (Assistance Listing # 84.425U)

ESSER II (Assistance Listing # 84.425D)

ARP Summer Enrichment (Assistance Listing # 84.425U)

ARP Comprehensive After School (Assistance Listing # 84.425U)

ARP ESSER III (Assistance Listing # 84.425U)

##### Compliance Requirements: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

**Criteria** – Expenditures must be used to prevent, prepare for, and respond to COVID-19. These programs are authorized, as applicable, by the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021, Pub. L. No. 116-260 (December 27, 2020), and the American

## Catskill Central School District

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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Rescue Plan (ARP) Act of 2021, Pub. L. No. 117-2 (March 11, 2021). The regulations in 34 CRF Part 76 (State Administration), 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Award and 31 CFR Part 205 (Cash Management Improvement Act) apply to these programs. The School District must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- (b) Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal awards.
- (c) Evaluate and monitor the non-Federal entity’s compliance with statutes, regulations and the terms and conditions of Federal awards.
- (d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- (e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, State, local and tribal laws regarding privacy and responsibility over confidentiality.

**Condition/Context** – We haphazardly sampled five COVID-19 – Education Stabilization Fund (ESF) expenditures. Our audit procedures found one disbursement where management overrode documented internal control procedures. We viewed invoices, purchase orders, and payment support and noted the disbursement was processed and paid without proper documentation to support the payment made and the payment was processed without the internal claims auditor’s review prior to payment.

**Cause** – Management override of established controls.

**Effect** – Revenues and expenditures for one of the ESF grants were overstated prior to adjustment. Adjustment resulted in recording a receivable from the vendor and an offsetting liability to the pass-through agency providing the grant funding.

**Questioned Costs** – None. The improper payment was subsequently adjusted out of expenditures.

**Recommendation** – We recommend that the School District ensures that only disbursements that have been processed and approved by the internal claims auditor to be paid.

**Management Response** – School District management concurs with the finding and will take corrective action.