



Pearl River School District

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April 1, 2022

Ms. Alexandria Battaglia
R. S. Abrams & Co., LLP
3033 Express Drive North, Suite 100
Islandia, NY 11749

Dear Ali,

The Board of Education and the District's Administration extend a thank you to you and the R.S. Abrams team for the time and effort devoted to the Pearl River School District Single Audit00 Report for the fiscal year ended June 30, 2021. We accept your findings based on your review of our internal controls as your report dated March 8, 2022.

Please accept this document as the District's Corrective Action Plan.

Finding #2021-001:

R.S. Abrams Finding: According to Uniform Guidance Section 200.430 Compensation - Personal Services, charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must comply with the established written accounting policies and practices of the District and support the distribution of salaries and wages among specific activities or cost objectives while reasonably reflecting the total activity for which the employee is compensated. The District did not take timely action to obtain Payroll Certification Forms from employees whose salaries were funded through federal funds.

R.S. Abrams Recommendation: The Auditors recommend the District comply with their written policies and procedures to obtain Payroll Certification Forms in a timely manner to be in compliance with the Uniform Guidance.

District Response: The District thanks RS Abrams for their recommendation and would like to note complete understanding of the process whereby Payroll Certification Forms must be completed for employees whose salaries were funded through federal funds. The exception noted by RS Abrams relates to employees who were paid from ESSER I Funds, all other Federal Fund grants had no exception. The ESSER I Funds for the 2020-21 School Year were required to be accounted for in the General Fund and not the Federal Aid Fund. Hence the District did not complete Forms. Once the District confirmed that ESSER I funds were classified as federal funds, all Forms were completed. Starting with the 2021-22 school year,

the District Treasurer, Deirdre Cavanaugh, will be responsible for obtaining Payroll Certification Forms from employees whose salaries were funded through federal funds in a timely manner.

Finding #2021-002:

R.S. Abrams Finding: According to the OMB Compliance Supplement, IDEA Part B funds received by a school district cannot be used, except under certain limited circumstances, to reduce the level of expenditures for the education of children with disabilities made by the school district from local funds, or a combination of state and local funds, below the level of those expenditures for the preceding fiscal year. To meet this requirement, school districts must meet (1) the eligibility standard using budgeted amounts and (2) the compliance standard using prior year's expenditures. While the District did ultimately meet the necessary requirements for the eligibility standards using budgeted amounts, the District did not complete the maintenance of effort calculator for eligibility for the 2020-21 year with accurate information.

R.S. Abrams Recommendation: We recommend the District develop a system to review the maintenance of effort calculator with all supporting documentation before submitting it to NYSED.

District Response: The District thanks RS Abrams for their recommendation and has now developed a more formal review process for the maintenance of effort calculator with all supporting documentation prior to submission to NYSED, as they suggested. The District also thanks RS Abrams for noting that regardless, the District met the maintenance of effort eligibility for 2020-21. Starting with the MOE Calculator due March 31, 2022, the District Treasurer, Deirdre Cavanaugh, has developed a system to review the maintenance of effort calculator with all supporting documentation.

Thank you.

A handwritten signature in blue ink, appearing to read "Anna Marie Trimmer". The signature is fluid and cursive, with the first name "Anna" and last name "Trimmer" being the most legible parts.

**PEARL RIVER UNION FREE SCHOOL DISTRICT
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

**PEARL RIVER UNION FREE SCHOOL DISTRICT
SINGLE AUDIT REPORT
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R.S. ABRAMS & CO., LLP

Accountants & Consultants for Over 75 years

Robert S. Abrams (1926-2014)

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**INDEPENDENT AUDITOR'S 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**

To the Board of Education
Pearl River Union Free School District

Report on Compliance for Each Major Federal Program

We have audited Pearl River Union Free School District's (the "District") 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 District's major federal programs for the fiscal year ended June 30, 2021. The 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 federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 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 the District's compliance.

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Opinion on Each Major Federal Program

In our opinion, the 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 fiscal year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item #2021-001. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in their corrective action plan. The 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 the 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 the 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 the 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 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.

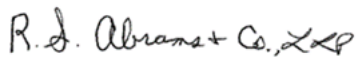
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items #2021-001 and 2021-002, that we consider to be significant deficiencies.

The District's response to the internal control over compliance findings identified in our audit is described in their corrective action plan. The 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 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 fiduciary fund of the District as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 12, 2021, 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.



R.S. Abrams & Co., LLP

Islandia, NY

March 8, 2022

(except for our report on the schedule of expenditures of federal awards, for which the date is October 12, 2021)

**PEARL RIVER UNION FREE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-through Grantor Program Title	Assistance Listing Number (ALN)	Agency or Pass-through Number	Program Expenditures	Total Expenditures by ALN
<u>U.S. Department of Education</u>				
<u>Passed-through NYS Education Department:</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-21-0775	\$ 675,509	\$ 675,509
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-21-0775	\$ 29,681	29,681
Total Special Education Cluster			\$ 705,190	
Title I Grants to Local Educational Agencies	84.010	0021-21-2560	\$ 306,195	306,195
Supporting Effective Instruction State Grant	84.367	0147-21-2560	\$ 70,276	70,276
Student Support and Academic Enrichment Grants	84.424	0204-21-2560	\$ 21,403	21,403
English Language Acquisition Grants	84.365	0149-21-2560	\$ 6,886	
English Language Acquisition Grants	84.365	0293-21-2560	6,411	13,297
Education Stabilization Fund				
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	5895-21-2560	\$ 50,086	50,086
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-2560	\$ 295,522	295,522
Total Education Stabilization Fund Cluster			\$ 345,608	
Total U.S. Department of Education				\$ 1,461,969
<u>U.S. Department of Agriculture</u>				
<u>Passed-through NYS Education Department:</u>				
National School Lunch Program (Non-Cash Food Distribution)	10.555	N/A	\$ 19,412	\$ 19,412
Summer Food Service Program for Children (Cash Assistance)	10.559	N/A	\$ 415,611	415,611
Total Child Nutrition Cluster			\$ 435,023	
Total U.S. Department of Agriculture				\$ 435,023
Total Federal Awards Expended				\$ 1,896,992

**PEARL RIVER UNION FREE SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Pearl River Union Free School District under programs of the federal government for the fiscal year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the 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 Pearl River Union Free School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Pearl River Union Free School District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The value of food commodities was calculated using the U.S. Department of Agriculture's Food and Nutrition Service commodity price lists. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. Pass-through entity identifying numbers are presented where available.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Matching costs (Pearl River Union Free School District's share of certain program costs) are not included in the reported expenditures.

3. INDIRECT COST RATE

Pearl River Union Free School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. SUBRECIPIENTS

No amounts were provided to subrecipients.

5. OTHER DISCLOSURES

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by Pearl River Union Free School District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.

**PEARL RIVER UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

PART I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion(s) issued: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? _____yes x no

Significant deficiencies identified that are not
considered to be material weakness(es)? _____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 deficiencies identified that are not
considered to be material weakness(es)? x yes x none reported

Type of auditor's opinion(s) issued on compliance for
major programs: *Unmodified*

Any audit findings disclosed that are required to be reported
in accordance with the 2 CFR 200.516(a)? x yes _____no

Identification of major programs:

<u>Name of federal program</u>	<u>Assistance Listing Number(s)</u>
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Special Education Cluster	84.027, 84.173
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COVID-19 – Education Stabilization Fund Cluster	84.425C, 84.425D
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Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
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Auditee qualified as low risk?	_____yes <u> x </u> no
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**PEARL RIVER UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

PART II FINANCIAL STATEMENT FINDINGS

There are no financial statements findings to be reported.

PART III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING # 2021-001

U.S. Department of Education – Passed-through the NYS Education Department

*COVID-19 – Elementary and Secondary School Emergency Relief Fund; Assistance Listing Number 84.425D;
Project #5890-21-2560; Grant Period – Fiscal Year Ended June 30, 2021*

Significant Deficiency

Criteria: According to Uniform Guidance Section 200.430 *Compensation - Personal Services*, charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must comply with the established written accounting policies and practices of the District, and support the distribution of salaries and wages among specific activities or cost objectives while reasonably reflecting the total activity for which the employee is compensated.

Condition: Although the District ultimately obtained *Payroll Certification Forms* from the employees funded through these federal funds, they did not comply with their written procedures regarding the timeliness of obtaining signed *Payroll Certification Forms* from employees whose salaries were funded through federal funds.

Cause: The District did not take timely action to obtain *Payroll Certification Forms* from employees whose salaries were funded through federal funds.

Effect: The salaries for employees who worked on the grant were not properly supported to be in compliance with the District's written procedures and the Uniform Guidance.

Recommendation: We recommend the District comply with their written policies and procedures to be in compliance with the Uniform Guidance.

District's Response: The District's response is included in their corrective plan.

**PEARL RIVER UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINDING # 2021-002

U.S. Department of Education – Passed-through the NYS Education Department

Special Education Grants to States (IDEA, Part B); Assistance Listing Number 84.027; Project #0032-21-0775; Grant Period – Fiscal Year Ended June 30, 2021

Special Education Grants to States (IDEA Preschool); Assistance Listing Number 84.173; Project #0033-21-0775; Grant Period – Fiscal Year Ended June 30, 2021

Significant Deficiency

Criteria: According to the OMB Compliance Supplement, IDEA Part B funds received by a school district cannot be used, except under certain limited circumstances, to reduce the level of expenditures for the education of children with disabilities made by the school district from local funds, or a combination of state and local funds, below the level of those expenditures for the preceding fiscal year. To meet this requirement, school districts must meet (1) the eligibility standard using budgeted amounts and (2) the compliance standard using prior year's expenditures.

Condition: While the District did ultimately meet the necessary requirements for the eligibility standards using budgeted amounts, the District did not complete the maintenance of effort calculator for eligibility for the 2020/21 year with accurate information.

Cause: The District inadvertently utilized incorrect expenditure amounts in the calculation.

Effect: While the District did ultimately meet the necessary requirements for the eligibility standards using budgeted amounts, the District's maintenance of effort calculator for eligibility was submitted to NYSED with inaccurate information.

Recommendation: We recommend the District develop a system to review the maintenance of effort calculator with all supporting documentation before submitting it to NYSED.

District's Response: The District's response is included in their corrective plan.

**PEARL RIVER UNION FREE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

There were no prior year findings or questioned costs.

**PEARL RIVER UNION FREE SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The District's corrective action plan is under separate cover.