

**SOUTHERN WORCESTER COUNTY**  
**REGIONAL VOCATIONAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND INDEPENDENT AUDITORS' REPORTS REQUIRED  
UNDER THE SINGLE AUDIT ACT AMENDMENTS OF 1996**

**FOR THE YEAR ENDED JUNE 30, 2010**

**SOUTHERN WORCESTER COUNTY REGIONAL VOCATIONAL SCHOOL DISTRICT  
SINGLE AUDIT  
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**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 School Committee  
Southern Worcester County Regional Vocational School District  
Charlton, Massachusetts

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining information of the Southern Worcester County Regional Vocational School District, as of and for the fiscal year ended June 30, 2010, which collectively comprise the Southern Worcester County Regional Vocational School District's basic financial statements and have issued our report thereon dated October 4, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Southern Worcester County Regional Vocational School District's internal control over financial reporting as a basis for designing our auditing procedures 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 Southern Worcester County Regional Vocational School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Southern Worcester County Regional Vocational School District's internal control over financial reporting.

*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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in

internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Southern Worcester County Regional Vocational School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Southern Worcester County Regional Vocational School District in a separate letter dated October 4, 2010.

This report is intended solely for the information and use of management of the Southern Worcester County Regional Vocational School District's School Committee, others within the entity, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Scanlon & Associates, LLC  
October 4, 2010

**SOUTHERN WORCESTER COUNTY REGIONAL VOCATIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010**

| Federal Grantor/Pass-Through Grantor/<br>Program Title                  | State/<br>Pass-Through<br>Identification<br>Number | Federal<br>CFDA<br>Number | Federal<br>Awards<br>Expended |
|---|--|---------------------------|-------------------------------|
| <b>U. S. Department of Agriculture</b>                                  |  |                           |                               |
| Passed Through Commonwealth of Massachusetts                            |  |                           |                               |
| Department of Elementary and Secondary Education:                       |  |                           |                               |
| School Lunch Commodities  | 14-054-2   | 10.550                    | \$ 16,609                     |
| School Breakfast Program  | 14-054-2   | 10.553                    | 14,048                        |
| National School Lunch Program   | 14-054-2   | 10.555                    | 124,310                       |
| <b>Total U. S. Department of Agriculture</b>                            |  |                           | <u>154,967</u>                |
| <b>U. S. Department of Education</b>                                    |  |                           |                               |
| Direct Programs:  |  |                           |                               |
| Federal Pell Grant Program  |  | 84.063                    | 39,268                        |
| Federal Direct Student Loans  |  | 84.268                    | 52,248                        |
| Passed Through Commonwealth of Massachusetts                            |  |                           |                               |
| Department of Elementary and Secondary Education:                       |  |                           |                               |
| Title I - 2009  | 305-167-9-0876-J                                   | 84.010                    | 28,423                        |
| Title I - 2009  | 305-468-9-0876-J                                   | 84.010                    | 227                           |
| Title I - 2010  | 305-159-0-0876-K                                   | 84.010                    | 158,186                       |
| Special Education PL 94-142 Allocation - 2009                           | 240-099-9-0876-J                                   | 84.027                    | 15,778                        |
| Special Education PL 94-142 Allocation - 2010                           | 240-120-0-0876-K                                   | 84.027                    | 249,101                       |
| Occupational Education - Vocational Skills - 2009                       | 400-029-9-0876-J                                   | 84.048                    | 5,703                         |
| Occupational Education - Vocational Skills - 2010                       | 400-015-0-0876-K                                   | 84.048                    | 145,576                       |
| Allocation - Equipment - 2010   | 411-038-0-0876-K                                   | 84.048                    | 40,000                        |
| Enhanced Education Through Technology - 2009                            | 160-275-9-0876-J                                   | 84.318                    | 344                           |
| Enhanced Education Through Technology - 2010                            | 160-254-0-0876-K                                   | 84.318                    | 2,258                         |
| Teacher Quality-2009  | 140-358-9-0876-J                                   | 84.367                    | 13,944                        |
| Teacher Quality-2010  | 140-263-0-0876-K                                   | 84.367                    | 30,710                        |
| Teacher Quality-2010  | 140-385-0-0876-K                                   | 84.367                    | 2,758                         |
| ARRA - Title I - 2010   | 770-003-0-0876-K                                   | 84.389                    | 62,207                        |
| ARRA - SPED IDEA - 2010   | 760-013-0-0876-K                                   | 84.391                    | 142,464                       |
| ARRA - Emergency Recovery Program - 2010                                | 780-116-0-0876-K                                   | 84.394                    | 450,977                       |
| <b>Total U. S. Department of Education</b>                              |  |                           | <u>1,440,172</u>              |
| <b>U. S. Department of Health and Human Services</b>                    |  |                           |                               |
| Passed Through Tri-Valley Elder Services, Inc.:                         |  |                           |                               |
| Special Programs for the Aging - Title III, Part C - Nutrition Services |  | 93.045                    | 3,231                         |
| <b>Total U. S. Department of Health and Human Services</b>              |  |                           | <u>3,231</u>                  |
| <b>TOTAL FEDERAL AWARDS EXPENDED</b>                                    |  |                           | <u><u>\$ 1,598,370</u></u>    |

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**SOUTHERN WORCESTER COUNTY REGIONAL VOCATIONAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2010**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Southern Worcester County Regional Vocational School District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B – FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the School Committee  
Southern Worcester County Regional Vocational School District  
Charlton, Massachusetts

Compliance

We have audited the compliance of the Southern Worcester County Regional Vocational School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The Southern Worcester County Regional Vocational 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Southern Worcester County Regional Vocational School District's management. Our responsibility is to express an opinion on the Southern Worcester County Regional Vocational School District's compliance based on our audit.

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 the Southern Worcester Vocational 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. Our audit does not provide a legal determination on the Southern Worcester Vocational School District's compliance with those requirements.

In our opinion, the Southern Worcester County Regional Vocational School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2010-1.

Internal Control Over Compliance

The management of the Southern Worcester County Regional Vocational School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Southern Worcester County Regional Vocational School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 the Southern Worcester County Regional Vocational 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.


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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 2010-1. *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.

The Southern Worcester County Regional Vocational School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Southern Worcester County Regional Vocational School District's responses and, accordingly, we express no opinion on the responses.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern Worcester County Regional Vocational School District as of and for the year ended June 30, 2010, and have issued our report thereon dated October 4, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Southern Worcester County Regional Vocational School District's 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the School Committee, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Scanlon & Associates, LLC  
October 4, 2010



**SOUTHERN WORCESTER COUNTY REGIONAL VOCATIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**Section I - Summary of Auditor's Results**

**Financial Statements**

|   |               |
|---|---------------|
| Type of auditor's report issued:  | Unqualified   |
| Internal control over financial reporting:                                  |               |
| Material weakness identified?   | No            |
| Significant deficiency identified not considered to be a material weakness? | None Reported |
| Noncompliance material to financial statements noted?                       | No            |

**Federal Awards**

|   |   |
|---|---|
| Internal control over major programs:   |   |
| Material weakness identified?   | No  |
| Significant deficiency identified not considered to be a material weakness?                                       | Yes   |
| Type of auditor's report issued on compliance for major programs:   | Unqualified<br>for all major programs,<br>except for<br>Student Financial<br>Assistance Programs,<br>which is qualified |
| Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? | Yes   |

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program</u>  |
|--------------------|---|
| 84.010             | U. S. Department of Education - Title I Grants  |
| 84.027             | U. S. Department of Education - Special Education Grants  |
| 84.063             | U. S. Department of Education - Federal Pell Grant Program  |
| 84.268             | U. S. Department of Education - Federal Direct Student Loans  |
| 84.389             | U. S. Department of Education - Title I Grants, Recovery Act  |
| 84.391             | U. S. Department of Education - Special Education Grants, Recovery Act                                    |
| 84.394             | U. S. Department of Education - State Fiscal Stabilization Fund -<br>Education State Grants, Recovery Act |

|  |           |
|--|-----------|
| Dollar threshold used to distinguish between Type A and Type B programs: | \$300,000 |
| Auditee qualified as a low-risk auditee?                                 | No        |

**Section II - Financial Statement Findings**

There are no material weaknesses or significant deficiencies in internal control over financial reporting noted.

**Section III - Federal Award Findings and Questioned Costs**

A significant deficiency in internal control over compliance is summarized on the following page.

**SOUTHERN WORCESTER COUNTY REGIONAL VOCATIONAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF CURRENT AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010**

**Finding 2010-1**

**Significant Deficiency in Internal Control Over Compliance – Cash Management – U. S. Department of Education – Federal Pell Grant Program (CFDA No. 84.063) and Federal Direct Student Loans (CFDA No. 84.268)**

**Criteria:**

Federal Student Financial Assistance Programs are required to be accounted for separately on the recipient agency's accounting records.

Proper records should be maintained on the amounts receivable from the Federal government.

**Condition:**

In Fiscal Year 2010, the first year that the District received Federal Pell Grants and Federal Direct Student Loans for its adult practical nursing program, the District commingled the receipts from the Federal Student Financial Assistance with other receipts in the practical nursing program, such as tuition payments from students in the program, on the general ledger.

Also, the District did not set up a receivable account on the general ledger of the District.

**Cause:**

This was a new program for the District for the fiscal year.

**Effect:**

Federal Student Financial Assistance receipts may not be properly identified and accounted for by the District.

**Recommendation:**

The District's general ledger should be modified to segregate Federal Student Financial Assistance receipts from other receipts for the practical nursing program.

A receivable account should be set up on the District's general ledger to account for amounts receivable from the Federal government. The receivable should be reconciled to the records maintained by the secretary of the program.

**Management's Response:**

The District will modify its general ledger to segregate Federal Student Financial Assistance receipts from other receipts for the practical nursing program.

A receivable account will be set up on the District's general ledger to account for amounts receivable from the Federal government. The receivable account will be reconciled to the records maintained by the LPN secretary.