

***LINCOLN-SUDBURY REGIONAL SCHOOL DISTRICT***

***REPORTS ON FEDERAL AWARD PROGRAMS***

***FISCAL YEAR ENDED JUNE 30, 2010***

**LINCOLN-SUDBURY REGIONAL SCHOOL DISTRICT**  
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**FISCAL YEAR ENDED JUNE 30, 2010**

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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 Honorable School Committee  
Lincoln-Sudbury Regional School District  
Sudbury, Massachusetts

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lincoln-Sudbury Regional School District (District) as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 2, 2011. Our report was modified to include a reference to other auditors. 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 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 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 Lincoln-Sudbury Regional School District internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lincoln-Sudbury Regional 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.

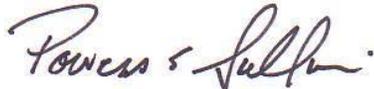
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not 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 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 *Governmental Auditing Standards*.

We noted certain other matters that we reported to management of the Lincoln-Sudbury Regional School District in a separate letter dated August 2, 2011.

This report is intended solely for the information and use of management of the Lincoln-Sudbury Regional School District 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.

A handwritten signature in cursive script, appearing to read "Powers & Sullivan".

August 2, 2011



**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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To the Honorable School Committee  
Lincoln-Sudbury Regional School District  
Sudbury, Massachusetts

## **Compliance**

We have audited the compliance of the Lincoln-Sudbury Regional School District (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 fiscal year ended June 30, 2010. The District's major federal programs are identified in the summary of auditors' 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 District's management. Our responsibility is to express an opinion on the 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 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 District's compliance with those requirements.

In our opinion, the Lincoln-Sudbury Regional 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 fiscal year ended June 30, 2010.

## **Internal Control Over Compliance**

The management of the 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 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, 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.

Our consideration of the 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.

#### 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 District as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated August 2, 2011. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the 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 of the Lincoln-Sudbury Regional School District 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.



August 2, 2011

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

| <u>Federal Grantor/Program Title</u>  | <u>Federal<br/>CFDA<br/>Number</u> | <u>Expenditures</u> |
|---|------------------------------------|---------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE:</b>  |                                    |                     |
| <u>Passed through Massachusetts Department of Education:</u>                                |                                    |                     |
| Non-Cash Assistance (Commodities):  |                                    |                     |
| National School Lunch Program   | 10.555                             | \$ 16,702           |
| Cash Assistance:  |                                    |                     |
| School Breakfast Program  | 10.553                             | 12,441              |
| National School Lunch Program   | 10.555                             | <u>43,873</u>       |
| TOTAL DEPARTMENT OF AGRICULTURE   |                                    | <u>73,016</u>       |
| <br><b>U.S. DEPARTMENT OF EDUCATION:</b>  |                                    |                     |
| <u>Passed through Massachusetts Department of<br/>Elementary &amp; Secondary Education:</u> |                                    |                     |
| Title I Grants to Local Educational Agencies  | 84.010                             | 36,493              |
| Special Education Grants to States  | 84.027                             | 383,718             |
| Improving Teacher Quality State Grants  | 84.367                             | 15,708              |
| ARRA - State Fiscal Stabilization Fund -<br>Education State Grants, Recovery Act            | 84.394                             | 183,765             |
| <u>Passed through State Department of Early Education and Care:</u>                         |                                    |                     |
| ARRA - Special Education - Grants to States, Recovery Act                                   | 84.391                             | <u>373,155</u>      |
| TOTAL EDUCATION   |                                    | <u>992,839</u>      |
| TOTAL   |                                    | <u>\$ 1,065,855</u> |

See notes to Schedule of Expenditures of Federal Awards

**Note 1 - Definition of Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Lincoln-Sudbury Regional School District. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included on the schedule.

**Note 2 - Significant Accounting Policies**

The accounting and reporting policies of the Lincoln-Sudbury Regional School District are set forth below:

(a) Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting. Accordingly, grant expenditures are recognized when the liability is incurred.

(b) School Breakfast and Lunch Program - Program expenditures represent federal reimbursement for meals provided during the fiscal year.

**Note 3 - Program Clusters**

In accordance with Subpart A §\_105 of OMB Circular No. A-133, *Audits of States, Local Governments and Non Profit Organizations*, certain programs have been clustered in determining major programs. The following represents the clustered programs:

| <u>Name of Cluster/Program</u>                            | <u>CFDA<br/>Number</u> |
|---|------------------------|
| <b>Child Nutrition Cluster</b>                            |                        |
| School Breakfast Program                                  | 10.553                 |
| National School Lunch Program                             | 10.555                 |
| <b>Special Education Cluster</b>                          |                        |
| Special Education Grants to States                        | 84.027                 |
| ARRA - Special Education – Grants to States, Recovery Act | 84.391                 |

**A. Summary of Auditors' Results**

1. The auditors' report expresses an unqualified opinion on the financial statements of the Lincoln-Sudbury Regional School District.
2. No significant deficiencies relating to the audit of the basic financial statements are reported in the 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*.
3. No instances of noncompliance material to the basic financial statements of the Lincoln-Sudbury Regional School District were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the Lincoln-Sudbury Regional School District expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for the Lincoln-Sudbury Regional School District.
7. The following programs were tested as major grants:

| <u>Program Title</u>                                    | <u>CFDA<br/>Number</u> |
|---|------------------------|
| Special Education to State                              | 84.027                 |
| ARRA – Special Education Grants to States, Recovery Act | 84.391                 |

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Lincoln-Sudbury Regional School District was not determined to be a low-risk auditee.

**B. Findings-Financial Statements Audit**

None

**C. Findings and Questioned Costs-Major Federal Award Program Audit**

None

**D. Prior Year Audit Findings and Questioned Costs**

None