TOWN OF WINCHESTER, CONNECTICUT
State Single Audit
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June 30, 2015

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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*

Independent Auditor's Report

To the Board of Selectmen of the
Town of Winchester, CT

We have audited, 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 the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Winchester, CT (Town), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our qualified report thereon dated June 30, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2014-01, 2014-03, and 2015-004 to be material weaknesses.

A significant deficiency is a deficiency, or 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2012-07, 2012-08, and 2015-001 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 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*.

The Town's Response to Findings

The Town's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on the effectiveness of the Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

King, King & Associates

King, King & Associates, CPAs
Winsted, CT
June 30, 2016

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REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT

Independent Auditor's Report

To the Board of Selectmen of the
Town of Winchester, CT

Report on Compliance for Each Major State Program

We have audited the Town of Winchester, CT's (Town) compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2015. The Town's major state 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 the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion for each of the Town's major state 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 State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act 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 state program occurred. An audit includes examining, on a test basis, evidence about the Town'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 state program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major State Program

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the State Single Audit Act and which are described in the accompanying schedule of findings and questioned costs as item 2015-002. Our opinion on each major state program is not modified with respect to these matters.

The Town's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town'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 Town 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 Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, 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 Town's internal control over compliance.

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 were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we identified 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 state 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 state 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 state 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-003 to be a significant deficiency.

The Town's response to the internal control over the compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subject 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 State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon dated June 30, 2016, which contained a qualified opinion on the Cafeteria Fund on those financial statements. In our opinion except for the effect on the accompanying schedule of state financial assistance of the qualified opinion on the financial statements as described above, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act, 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 state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

King, King & Associates

King, King & Associates, CPAs
Winsted, CT
June 30, 2016

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2015

State Grantor Pass-Through Grantor Program Title	State Grant Program Core-CT Number	Expenditures
Department of Education		
Alliance District	11000-SDE64370-17041-82164	369,870
Healthy Foods Initiative	11000-SDE64370-16212-82010	9,559
Health Services	11000-SDE64370-17034	8,502
Child Nutrition Program - (School Lunch State Match)	11000-SDE64370-16211-82051	5,460
Family Resource Centers	11000-SDE64370-16110	109,500
Youth Services Bureau - Enhancement	11000-SDE64370-16201	4,937
Adult Education	11000-SDE64370-17030	11,259
School Breakfast	11000-SDE64370-17046	9,429
After School Program	11000-SDE64370-17084	162,065
Youth Services Bureau	11000-SDE64370-17052	17,389
Common Core	11000-SDE64370-12566	5,903
Office of Early Childhood		
School Readiness and Child Care in Competitive Grant Municipalities	11000-OEC64845-12113	263,377
School Readiness Quality Enhancement	11000-OEC64845-17097	3,790
Connecticut State Library		
Historic Documents Preservation Grants	12060-CSL66094-35150	5,000
Judicial Department		
Parking Fines	34001-JUD95162-40001	1,958
Office of Policy and Management		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	80,035
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	43,134
Reimbursement of Property Taxes - Disability Exemption	11000-OPM20600-17011	1,233
Payment in Lieu of Taxes (PILOT) on Exempt Property of Manufacturing Facilities in Distressed Municipalities	11000-OPM20600-17016	13,820

See notes to schedule.

TOWN OF WINCHESTER, CONNECTICUT

Schedule of Expenditures of State Financial Assistance

For the Year Ended June 30, 2015

State Grantor Pass-Through Grantor Program Title	State Grant Program Core-CT Number	Expenditures
Local Capital Improvement Program	12050-OPM20600-40254	89,360
Municipal Grants-in-aid	12052-OPM20600-43587	287,984
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	60,407
Property Tax Relief for Veterans	11000-OPM20600-17024	2,725
Department of Consumer Protection		
Bingo Payments	34003-DCP39930-42350	38
Department of Economic and Community Development		
Small Town Economic Assistance Program	12052-ECD46260-42411	15,000
Department of Veterans Affairs		
Headstones	11000-DVA21134-16049	300
Department of Energy and Environmental Protection		
Penalties	11000-DEP44140-10020	15,000
Department of Emergency Services and Public Protection		
School Security Competitive Grant Program	12052-DPS32183-43546	41,895
Department of Transportation		
Town Aid Road Grant	12001-DOT57131-43459	301,370
Department of Development Services		
Employment Opportunities & Day Services	11000-DDS50148-16108	230,760
	Total State Financial Assistance Before Exempt Programs	**$ 2,171,059.0**
	EXEMPT PROGRAMS	
Office of Policy and Management		
Mashantucket Pequot and Mohegan Fund	12009-OPM20600-13045	73,635
Department of Education		
Public School Transportation	11000-SDE64370-17027	89,001
Educational Cost Sharing	11000-SDE64370-17041-82010	7,823,991
Charter Schools	11000-SDE64370-17041-84179	946,000
Excess Costs Student Based and Equity	11000-SDE64370-17047	656,150
Nonpublic School Transportation	11000-SDE64370-17049	26,743
Total Department of Education		9,541,885
	Total Exempt Programs	**9,615,520**
	Total State Financial Assistance	**$ 11,786,579**

See notes to schedule.

TOWN OF WINCHESTER, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2015

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Winchester, CT under programs of the State of Connecticut for the fiscal year ended June 30, 2015. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including education programs, public safety programs, veterans' programs, and environmental programs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Winchester, CT conform to accounting principles generally accepted in the United States of America as applicable to Governments.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The financial statements contained in the Town of Winchester, Connecticut's annual report are prepared on the modified accrual basis of accounting. The following is a summary of such basis:

> Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.
>
> Expenditures are recorded when the related fund liability is incurred, if measurable.

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditure of State Financial Assistance.

2. LOAN PROGRAMS

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the Schedule of Expenditures of State Financial Assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2015:

Department of Environmental Protection:

Clean Water Funds:

Date	Rate	Amount	Beginning	Issued	Retired	Ending
1/08	2%	$ 642,019	$ 429,236	$ -	$ 30,304	$ 398,932

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TOWN OF WINCHESTER, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

We audited the financial statements of the Town of Winchester, CT as of and for the year ended June 30, 2015 and issued our qualified report thereon dated June 30, 2016.

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

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? ____ Yes ✓ No
- Significant deficiency(ies) identified? ✓ Yes ____ None Reported

We have issued an unmodified opinion relating to compliance for major State programs.

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? ✓ Yes ____ No

The following schedule reflects the major programs included in the audit:

State Grantor and Program	State Core - CT Number	Expenditures
Department of Education		
Alliance District	11000-SDE64370-17041-82164	$ 369,870
After School Program	11000-SDE64370-17084	$ 162,065
Office of Policy and Management		
Municipal Grants-In-Aid	12052-OPM20600-43587	$ 287,984
Local Capital Improvement Program	12050-OPM20600-40254	$ 89,360
PILOT- Colleges & Hospitals	12050-OPM20600-17006	$ 43,134
Department of Transportation		
Town Aid Road	11000-DDS50522-16108	$ 301,370

Dollar threshold used to distinguish between type A and type B programs $ 200,000

II. FINANCIAL STATEMENT FINDINGS

- Our report on internal control over financial reporting indicated material weaknesses, as described below:

FINDING #2014-01

Criteria: Adequate controls should be developed for the financial activity of the School Cafeteria Fund

Condition: The School Cafeteria Fund general ledger did not contain all of the activity for the 2015 fiscal year.

Context: Management has identified irregularities in the School Cafeteria Fund and previous year audit procedures indicated that some cash collections were not deposited into the cafeteria bank account. Management of the program was delegated to a third party during the fiscal year; however, the activity for the period prior to delegation was not available for audit.

Effect: Inaccurate financial reporting and potential misappropriation of funds.

Cause: Lack of adequate monitoring of the school cafeteria as referenced in finding #2012-08.

Recommendation: The Cafeteria was decentralized from the Board of Education's accounting system prior to delegation to Education Connection. We recommend that the Board of Education review financial statements and perform monitoring activities on the financial activity of the fund.

Views of Responsible Officials and Planned Corrective Actions:
The Board of Education took corrective action in November 2015 by hiring Education Connection to run the food service program. Reports and financials are reviewed monthly by the Board's Director of Finance & Business Services with the cafeteria manager from Education Connection.

FINDING #2014-03

Criteria: Grant expenditures should be reconciled on a timely basis.

Condition: A prior period adjustment was necessary to eliminate unidentified balances in the BOE Grants Fund.

Context: The BOE Grants Fund contained multiple years of grants receivables and payables due the state. In addition, there are non-grant expenditures that were not reconciled to the District budget. The Town general ledger maintained an offsetting control total, which was adjusted after the outside accounting consultant for the BOE prepared year-end reports and reconciled to the Town.

Effect: Outstanding items that should have been reconciled and closed out were adjusted to zero.

Cause: Past practice

Recommendation: We recommend that the BOE continue to reconcile all outstanding grants as well as grant revenues and expenditures on a timely basis.

Views of Responsible Officials and Planned Corrective Actions:
The Board's Director of Finance & Business Services has worked with the Town to clear out past Board of Education grants impacting the Town cash account. Reconciling the expenditures and receipts will be done on a timely basis.

FINDING #2015-004

Criteria: Financial activity should be timely and accurately reported.

Condition: Financial reporting for funds managed by the Board of Education was not prepared timely.

Context: The Board of Education manages several accounts, including its General Fund, a Grants Fund, the Cafeteria Fund, and the Student Activity Funds. Financial reports for these funds were not available for audit for more than six months after fiscal year-end. The Board retained, at the direction of the State Department of Education, an outside accounting firm to review financial records and to prepare information necessary for the annual audit. The Board prepared the annual reports ED001 and ED141 in the State Department of Education financial reporting system.

Effect: Financial reporting was not available for timely review by management and submission to regulatory agencies.

Cause: The Board of Education did not have the resources necessary to prepare the financial reports.

Recommendation: We recommend that the Board of Education develop and maintain the resources necessary to timely prepare and monitor financial reports and prepare required submissions to regulatory agencies.

Views of Responsible Officials and Planned Corrective Actions: Resources are being developed to monitor finances and to prepare reports and submissions in a timely fashion.

- Our report on internal control over financial reporting indicated significant deficiencies as described below:

FINDING #2012-07

Criteria: Disbursements should have evidence of management approval.

Condition: Documentation supporting disbursements from the Student Activity Funds do not consistently show evidence of approval for payment.

Context: Student Activity Funds are maintained at the schools, outside of the centralized business office of the Board of Education. During the prior year's audit testing, a majority of the documents (generally invoices or receipts) selected for review did not have evidence of management approval. Supporting documentation for the current fiscal year was not available for testing during the audit. Summaries of activity were prepared after year-end by the outside accounting consultant.

Effect: Inconsistent evidence of management approval of documents prior to payment.

Cause: Past practice

Recommendation: All supporting documentation for disbursements should have evidence of management approval prior to payment. If payment requested does not have a vendor invoice, a check request form should be completed and approved.

Views of Responsible Officials and Planned Corrective Actions:
Schools now request payments from their respective Student Activity Fund by submitting invoices or Town Check Requests approved by the school principal to the Board of Education Business Office. These invoices and check requests are then reviewed and approved by the Board's Director of Finance & Business Services and submitted to the Town Finance department for payment.

FINDING #2012-08

Criteria: Adequate controls should be maintained over revenues and disbursements from bank accounts.

Condition: A lack of segregation of duties exists over the School Cafeteria Fund and Student Activity Fund bank accounts.

Context: The accounting for the School Cafeteria Fund and Student Activity Funds is maintained outside of the centralized business office of the Board of Education.

Effect: There is a lack of adequate monitoring of the School Cafeteria Fund and Student Activity Fund bank accounts.

Cause: Past practice

Recommendation: Monthly bank reconciliations should be performed or reviewed by an employee of the Board of Education business office to provide adequate monitoring of account activity.

Views of Responsible Officials and Planned Corrective Actions:
Regarding the Cafeteria Fund account, Education Connection recommends payments to vendors which are reviewed and approved by the Board of Education Director of Finance and Business Services. Checks to vendors are cosigned by the Town Finance Director and the Treasurer. Education Connection prepares monthly bank reconciliations for review and approval by the Treasurer and the Finance Director, a copy of which is provided to the Board of Education business office.

Regarding the Student Activity Funds, the school principal now requests a disbursement via a check request or vendor invoice to be paid from the respective student activity bank account. The check request or vendor invoice is reviewed and approved by the Board of Education Director of Finance and Business Services and the resulting check is issued and cosigned by the Town Finance Director and Treasurer. The Treasurer reconciles the Fund bank accounts monthly for approval by the Town Finance Director. The Board of Education business office receives a copy of the bank reconciliation upon request.

FINDING #2015-001

Criteria: Adequate controls should be maintained over journal entries used to record or reclassify expenditures in the general ledger.

Condition: Journal entries selected for testing during the audit of the BOE expenditures did not have approved documentation available to review.

Context: Journal entries are used to record activity in the general ledger. They are commonly used to reclassify expenses from one category to another, such as charging eligible expenditures to grant programs.

Effect: There is a lack of documentation supporting the determination of necessary journal entries and the corresponding management review and approval.

Cause: Unknown

Recommendation: All journal entries should be supported by adequate documentation that has been subjected to management oversight.

Views of Responsible Officials and Planned Corrective Actions:
The Board's Director of Finance & Business Services will sign off on all journal entries.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

FINDING #2015-002

Grantor: State of Connecticut Office of Policy & Management

Program: PILOT on Private Colleges and General/Chronic Disease Hospitals

Core-CT Number: 11000-OPM-20600-17006

Criteria: Form M-37 C&H must be submitted by April 1 of each year.

Condition: While the Form M-37 C&H was submitted, it was submitted six days subsequent to the deadline.

Questioned Costs: No questioned costs

Context: The form is submitted annually by the Assessor's office accompanied by a list of exempt properties eligible for partial reimbursement from the State.

Effect: Unknown.

Cause: Unknown

Recommendation: We recommend that the Form M-37 C&H be timely filed.

Views of Responsible Officials and Planned Corrective Actions: The Form M-37 C&H will be timely filed in the future.

FINDING #2015-003

Grantor: State of Connecticut Department of Education

Program: Multiple Grants

Criteria: Adequate controls should be maintained over financial reporting and related requirements.

Condition: The Board of Education did not timely report its financial and nonfinancial data on the CT State Department of Education ED001 reporting system.

Context: Certain financial and nonfinancial data is required to be input by each local school district into the online ED001 system by September 1 each year.

Effect: Noncompliance with required timeline.

Cause: Financial reporting for the year was not available until after the Board of Education's outside accounting consultant prepared the necessary information.

Recommendation: We recommend that controls over financial reporting be implemented so that timely reporting is available to meet compliance requirements regarding the ED001 filing system.

Views of Responsible Officials and Planned Corrective Actions:
The Board's Director of Finance & Business Services has implemented financial reporting procedures that will allow for timely filing in the ED001 system for the subsequent year.