

Clarenceville School District of Oakland and Wayne Counties

**Federal Awards
Supplemental Information
June 30, 2014**

Clarenceville School District of Oakland and Wayne Counties

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Report on Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133

Independent Auditor's Report

To the Board of Education
Clarenceville School District of
Oakland and Wayne Counties

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clarenceville School District of Oakland and Wayne Counties (the "School District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated September 15, 2014 which contained unmodified opinions on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to September 15, 2014.

The accompanying schedule of expenditures of federal awards and reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

Auburn Hills, Michigan
September 15, 2014

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 Management and the Board of Education
Clarenceville School District of
Oakland and Wayne Counties

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clarenceville School District of Oakland and Wayne Counties (the "School District") as of and for the year ended June 30, 2014, and related notes to the financial statements, which collectively comprise the School District's financial statements, and have issued our report thereon dated September 15, 2014.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To Management and the Board of Education
Clarenceville School District of
Oakland and Wayne Counties

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clarenceville School District of Oakland and Wayne Counties' 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

Auburn Hills, Michigan
September 15, 2014

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Education
Clarenceville School District of
Oakland and Wayne Counties

Report on Compliance for Each Major Federal Program

We have audited Clarenceville School District of Oakland and Wayne Counties' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2014. Clarenceville School District of Oakland and Wayne Counties' major federal program is 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 the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Clarenceville School District of Oakland and Wayne Counties' 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 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 Clarenceville School District of Oakland and Wayne Counties' 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 Clarenceville School District of Oakland and Wayne Counties' compliance.

To the Board of Education
Clarenceville School District of
Oakland and Wayne Counties

Opinion on Each Major Federal Program

In our opinion, Clarenceville School District of Oakland and Wayne Counties complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Clarenceville School District of Oakland and Wayne Counties 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 Clarenceville School District of Oakland and Wayne Counties' 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 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 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 a 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 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.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Education
Clarenceville School District of
Oakland and Wayne Counties

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Plante & Morse, PLLC

Auburn Hills, Michigan
September 15, 2014

Clarenceville School District of Oakland and Wayne Counties

Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2013	Federal Funds/Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2014
Clusters:							
Child Nutrition Cluster - U.S. Dept of Agriculture - Passed through Michigan Dept of Education:							
Non-Cash Assistance (Commodities):							
National School Lunch Program - Entitlement commodities - 2013-2014	10.555	\$ 45,464	\$ -	\$ -	\$ 40,312	\$ 40,312	\$ -
Cash Assistance:							
National School Breakfast Program:	10.553						
2012-2013		89,889	89,889	16,518	16,518	-	-
2013-2014		77,261	-	-	77,261	77,261	-
National School Lunch Program:	10.555						
2012-2013		383,890	377,313	65,476	72,053	6,577	-
2013-2014		398,728	-	-	398,728	398,728	-
Cash Assistance Subtotal		<u>949,768</u>	<u>467,202</u>	<u>81,994</u>	<u>564,560</u>	<u>482,566</u>	<u>-</u>
Total Child Nutrition Cluster		995,232	467,202	81,994	604,872	522,878	-
Special Ed Cluster - U.S. Dept of Education - Passed through Oakland County ISD-IDEA:							
Project number 130450	84.027	471,951	437,415	69,188	69,188	34,536	34,536
Project number 140450		422,161	-	-	-	375,810	375,810
Subtotal IDEA		<u>894,112</u>	<u>437,415</u>	<u>69,188</u>	<u>69,188</u>	<u>410,346</u>	<u>410,346</u>
IDEA Preschool -							
Project number 130460	84.173	18,365	16,014	490	2,841	2,351	-
Project number 140460		9,776	-	-	9,776	9,776	-
Total IDEA Preschool		<u>28,141</u>	<u>16,014</u>	<u>490</u>	<u>12,617</u>	<u>12,127</u>	<u>-</u>
Total Special Education Cluster		922,253	453,429	69,678	81,805	422,473	410,346
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through the Oakland County ISD - Medical Assistance Program (Medicaid, Title XIX):							
2012-2013	93.778	3,647	3,647	3,647	3,647	-	-
2013-2014		4,164	-	-	4,164	4,164	-
Total Medicaid Cluster		<u>7,811</u>	<u>3,647</u>	<u>3,647</u>	<u>7,811</u>	<u>4,164</u>	<u>-</u>

Clarenceville School District of Oakland and Wayne Counties

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2014

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2013	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2014
Other federal awards:							
U.S. Department of Education:							
Passed through the Michigan Dept of Education:							
Title I Part A:							
	84.010						
Project number 131530 1213		\$ 393,893	\$ 366,063	\$ 68,137	\$ 93,119	\$ 24,982	\$ -
Project number 141530 1314		338,094	-	-	321,513	327,294	5,781
Total Title I, Part A		731,987	366,063	68,137	414,632	352,276	5,781
Title II Part A:							
Project number 130520 1213	84.367	102,272	49,558	25,635	44,014	18,379	-
Project number 140520 1314		87,894	-	-	70,449	70,468	19
Total Title II Part A		190,166	49,558	25,635	114,463	88,847	19
Total programs passed through the Michigan Department of Education		922,153	415,621	93,772	529,095	441,123	5,800
U.S. Department of Education -							
Passed through the Farmington Public School District - Title III:							
	84.365A						
Project number 130580 1213		9,719	3,306	3,306	3,306	-	-
Project number 140580 1314		14,805	-	-	-	9,839	9,839
Total Title III		24,524	3,306	3,306	3,306	9,839	9,839
Total federal awards		<u>\$ 2,871,973</u>	<u>\$ 1,343,205</u>	<u>\$ 252,397</u>	<u>\$ 1,226,889</u>	<u>\$ 1,400,477</u>	<u>\$ 425,985</u>

Clarenceville School District of Oakland and Wayne Counties

Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 1,378,631
Revenue not reported in the funds until collected or collectible within 60 days of year end	<u>21,846</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 1,400,477</u>

Clarenceville School District of Oakland and Wayne Counties

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

Note 1 - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Clarenceville School District of Oakland and Wayne Counties under programs of the federal government for the year ended June 30, 2014. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of Clarenceville School District of Oakland and Wayne Counties, it is not intended to and does not present the financial position, changes in net position, or cash flows, if applicable, of Clarenceville School District of Oakland and Wayne Counties. Pass-through entity identifying numbers are presented where available.

Note 2 - Grant Auditor Report

Management has utilized the Cash Management System (CMS) Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.

Note 3 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of OMB Circular A-133.

The grantee received no noncash assistance during the year ended June 30, 2014 that is not included on the schedule of expenditures of federal awards.

Clarenceville School District of Oakland and Wayne Counties

Schedule of Findings and Questioned Costs Year Ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.010	Title I, Part A

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None