
Clarenceville School District of Oakland and Wayne Counties

Federal Awards Supplemental Information
June 30, 2020

Independent Auditor's Reports

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Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2020 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 20, 2020, which contained an unmodified opinion 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 October 20, 2020.

The accompanying schedule of expenditures of federal awards and the 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 the Uniform Guidance, 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

October 20, 2020

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 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, 2020 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District'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 financial statements. 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*.

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

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 School District'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

October 20, 2020

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance
Required by the Uniform Guidance

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' (the "School District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2020. The School District's 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School 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* (the "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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the School 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 School 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 School District's internal control over compliance.

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

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.

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.

Plante & Moran, PLLC

October 20, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2019	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2020	Current Year Cash Transferred to Subrecipients
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:										
Noncash Assistance (Commodities) -										
National Lunch Program Commodities 2019-2020	N/A	10.555	\$ 56,262	\$ -	\$ -	\$ -	\$ 56,262	\$ 56,262	\$ -	\$ -
Cash Assistance:										
National School Lunch Program 2018-2019	191960	10.555	574,209	509,070	-	-	65,139	65,139	-	-
National School Lunch Program 2019-2020	201960	10.555	355,545	-	-	-	355,545	355,545	-	-
COVID-19 Unanticipated School Closure Program - Summer Food Service Program 2019-2020	200902	10.555	193,795	-	-	-	193,795	193,795	-	-
National School Lunch Program (incl. commodities) subtotal		10.555	1,179,811	509,070	-	-	670,741	670,741	-	-
National School Breakfast Program 2018-2019	191970	10.553	228,328	202,708	-	-	25,620	25,620	-	-
National School Breakfast Program 2019-2020	201970	10.553	127,402	-	-	-	127,402	127,402	-	-
National School Breakfast Program subtotal		10.553	355,730	202,708	-	-	153,022	153,022	-	-
Unanticipated School Closure Program - Summer Food Service Program 2019-2020	200901	10.559	54,139	-	-	-	-	54,139	54,139	-
Total Child Nutrition Cluster			1,589,680	711,778	-	-	823,763	877,902	54,139	-
Special Education Cluster - U.S. Department of Education - Passed through the Oakland ISD:										
IDEA Flowthrough:										
IDEA Flowthrough 1819	190450	84.027	386,829	385,886	104,060	-	105,003	943	-	-
IDEA Flowthrough 1920	200450	84.027	365,522	-	-	-	278,880	360,506	81,626	-
Total IDEA Flowthrough		84.027	752,351	385,886	104,060	-	383,883	361,449	81,626	-
IDEA Preschool Incentive - IDEA Preschool 1920	200460	84.173	9,040	-	-	-	7,610	9,040	1,430	-
Total Special Education Cluster			761,391	385,886	104,060	-	391,493	370,489	83,056	-
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through the Oakland ISD - Medicaid Outreach AOP - 1920										
Medicaid Outreach AOP - 1920	N/A	93.778	4,501	-	-	-	4,501	4,501	-	-
Total clusters			2,355,572	1,097,664	104,060	-	1,219,757	1,252,892	137,195	-

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2019	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2020	Current Year Cash Transferred to Subrecipients
U.S. Department of Education Noncluster Programs:										
Title I, Part A - U.S. Department of Education -										
Passed through the Michigan Department of Education:										
Title I, Part A 1819	191530	84.010	\$ 360,366	\$ 312,004	\$ 44,736	\$ -	\$ 44,736	\$ -	\$ -	\$ -
Title I, Part A 1920	201530	84.010	393,053	-	-	-	248,036	365,480	117,444	-
Total Title I, Part A		84.010	753,419	312,004	44,736	-	292,772	365,480	117,444	-
Improving Teacher Quality, Title II - Part A - U.S. Department of Education -										
Passed through the Michigan Department of Education:										
Title II, Part A 1819	190520	84.367	117,602	54,103	6,686	-	6,893	207	-	-
Title II, Part A 1920	200520	84.367	124,449	-	-	-	64,282	66,399	2,117	-
Total Title II, Part A		84.367	242,051	54,103	6,686	-	71,175	66,606	2,117	-
English Language Acquisition Grant - U.S. Department of Education -										
Passed through Michigan Department of Education:										
Title III Limited English Proficient Students 1920	200570	84.365	2,912	-	-	-	-	2,912	2,912	-
Title III Immigrant Students 1819	190580	84.365	15,838	11,403	520	-	520	-	-	-
Title III Immigrant Students 1920	200580	84.365	15,562	-	-	-	-	13,752	13,752	-
Total Title III		84.365	34,312	11,403	520	-	520	16,664	16,664	-
Student Support and Academic Enrichment Program - U.S. Department of Education -										
Passed through the Michigan Department of Education:										
Title IV Part A 1819	190750	84.424	24,822	24,787	6,762	-	6,762	-	-	-
Title IV Part A 1920	200750	84.424	25,177	-	-	-	15,777	23,046	7,269	-
Total Title IV		84.424	49,999	24,787	6,762	-	22,539	23,046	7,269	-
Total U.S. Department of Education noncluster programs			1,079,781	402,297	58,704	-	387,006	471,796	143,494	-
Total federal awards			\$ 3,435,353	\$ 1,499,961	\$ 162,764	\$ -	\$ 1,606,763	\$ 1,724,688	\$ 280,689	\$ -

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, 2020

Revenue from federal sources - As reported on financial statements (includes all funds)	\$	1,887,452
Less grant expenditures incurred in the year ended June 30, 2019 but deferred on the basic financial statements in accordance with GASB Statement No. 33 to be recognized as revenue in the year ended June 30, 2020		<u>(162,764)</u>
Federal expenditures per the schedule of expenditures of federal awards	\$	<u><u>1,724,688</u></u>

Clarenceville School District of Oakland and Wayne Counties

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Clarenceville School District of Oakland and Wayne Counties (the "School District") under programs of the federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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. Pass-through entity identifying numbers are presented where available.

The School District has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect cost, as allowed under the Uniform Guidance.

Note 3 - 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 4 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance.

Clarenceville School District of Oakland and Wayne Counties

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

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

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
10.553, 10.555, 10.559	Child Nutrition Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Clarenceville School District of Oakland and Wayne Counties

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2020

Section II - Financial Statement Audit Findings

Reference Number	Finding
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Current Year None

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
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Current Year None