

West Bloomfield School District

**Federal Awards
Supplemental Information
June 30, 2013**

West Bloomfield School District

Contents

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	I
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance	4-5
Schedule of Expenditures of Federal Awards	6-7
Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards	8
Notes to Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs	10-11

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

Independent Auditor's Report

To the Board of Education
West Bloomfield School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Bloomfield School District (the "School District") as of and for the year ended June 30, 2013 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 11, 2013, which contained unmodified opinions on the financial statements of the School District. 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 11, 2013.

The accompanying schedule of expenditures of federal awards and reconciliation of 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.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

Clinton Township, Michigan
September 11, 2013

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
West Bloomfield School District

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 West Bloomfield School District (the "School District") as of and for the year ended June 30, 2013 and related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 11, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Bloomfield School District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity'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 entity'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
West Bloomfield School District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Bloomfield 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 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 have reported to management of West Bloomfield School District in a separate letter dated September 11, 2013.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

Clinton Township, Michigan
September 11, 2013

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

Independent Auditor's Report

To the Board of Education
West Bloomfield School District

Report on Compliance for the Major Federal Program

We have audited West Bloomfield School District's (the "School District") 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, 2013. West Bloomfield 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 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 West Bloomfield School District's major federal program 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 West Bloomfield 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 the major federal program. However, our audit does not provide a legal determination of West Bloomfield School District's compliance.

To the Board of Education
West Bloomfield School District

Opinion on the Major Federal Program

In our opinion, West Bloomfield 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 its major federal program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of West Bloomfield 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 West Bloomfield School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 entity'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.

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 & Moran, PLLC

Clinton Township, Michigan
September 11, 2013

West Bloomfield School District

Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2012	Adjustments and Transfers	Federal Funds/		Accrued Revenue at June 30, 2013
						Payments In-kind Received	Expenditures	
Clusters:								
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:								
Noncash Assistance (Commodities) - National School Lunch Program - Entitlement Commodities 2012-2013								
	10.555	\$ 144,466	\$ -	\$ -	\$ -	\$ 144,466	\$ 144,466	\$ -
Cash Assistance:								
National School Breakfast Program - 2011-2012	10.553	73,679	73,679	3,268	-	3,268	-	-
National School Lunch Program - 2011-2012	10.555	539,246	539,246	22,259	-	22,259	-	-
National School Breakfast Program - 2012-2013	10.553	72,077	-	-	-	68,724	72,077	3,353
National School Lunch Program - 2012-2013	10.555	518,270	-	-	-	499,839	518,270	18,431
National School Summer Food Service Program - 2011-2012	10.559	6,923	6,923	1,490	-	1,490	-	-
National School Summer Food Service Program - 2012-2013	10.559	7,416	-	-	-	5,178	7,416	2,238
Cash assistance subtotal		<u>1,217,611</u>	<u>619,848</u>	<u>27,017</u>	<u>-</u>	<u>600,758</u>	<u>597,763</u>	<u>24,022</u>
Total Child Nutrition Cluster		1,362,077	619,848	27,017	-	745,224	742,229	24,022
Special Education Cluster - U.S. Department of Education - Passed through the Oakland County ISD - IDEA:								
Special Education - Grants to States (IDEA, Part B):								
Project number 120450	84.027A	1,334,743	1,334,743	339,251	-	339,251	-	-
Project number 130450	84.027A	1,350,696	-	-	-	1,075,083	1,350,696	275,613
Total Special Education - Grants to States (IDEA, Part B)		2,685,439	1,334,743	339,251	-	1,414,334	1,350,696	275,613
Special Education - Preschool Grants (IDEA Preschool):								
Project number 120460	84.173A	38,495	38,495	6,268	-	6,268	-	-
Project number 130460	84.173A	37,409	-	-	-	33,591	37,409	3,818
Total Special Education - Preschool Grants (IDEA Preschool)		<u>75,904</u>	<u>38,495</u>	<u>6,268</u>	<u>-</u>	<u>39,859</u>	<u>37,409</u>	<u>3,818</u>
Total Special Education Cluster		2,761,343	1,373,238	345,519	-	1,454,193	1,388,105	279,431

West Bloomfield School District

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2013

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2012	Adjustments and Transfers	Federal Funds/		Accrued Revenue at June 30, 2013
						Payments In-kind Received	Expenditures	
Clusters:								
Medicaid Cluster - Michigan Department of Community Health - Passed through Oakland County ISD - Medicaid Outreach	93.778	\$ 16,029	\$ -	\$ -	\$ -	\$ 16,029	\$ 16,029	\$ -
Title I, Part A Cluster - U.S. Department of Education - Passed through the Michigan Department of Education - Title I, Part A:								
Project number 121530-1112	84.010	544,955	397,516	13,450	-	120,279	106,829	-
Project number 131530-1213	84.010	504,455	-	-	-	324,137	418,074	93,937
Total Title I, Part A Cluster		1,049,410	397,516	13,450	-	444,416	524,903	93,937
Other federal awards - U.S. Department of Education - Passed through the Michigan Department of Education:								
Title II, Part A:								
Project number 120520-1112	84.367	150,181	150,181	22,761	-	22,761	-	-
Project number 130520-1213	84.367	142,139	-	-	-	107,244	142,139	34,895
Total Title II, Part A		292,320	150,181	22,761	-	130,005	142,139	34,895
Adult education:								
Project number 131130-131127	84.002	85,000	-	-	-	85,000	85,000	-
Project number 131120-135127	84.002	40,000	-	-	-	40,000	40,000	-
Total Adult Education		125,000	-	-	-	125,000	125,000	-
Title III:								
Project number 120580-1112	84.365	107,932	78,080	1,418	-	17,845	16,427	-
Project number 130580-1213	84.365	64,892	-	-	-	48,249	54,442	6,193
Total Title III		172,824	78,080	1,418	-	66,094	70,869	6,193
Total U.S. Department of Education		590,144	228,261	24,179	-	321,099	338,008	41,088
Total federal awards		\$ 5,779,003	\$ 2,618,863	\$ 410,165	\$ -	\$ 2,980,961	\$ 3,009,274	\$ 438,478

See Notes to Schedule of Expenditures
of Federal Awards.

West Bloomfield School District

Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 3,795,718
Federal subsidy interest from qualified school construction bonds	<u>(786,444)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 3,009,274</u>

West Bloomfield School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

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 West Bloomfield School District under programs of the federal government for the year ended June 30, 2013. 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 West Bloomfield School District, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows, if applicable, of West Bloomfield School District. 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.

West Bloomfield School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

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: Unqualified

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 program:

CFDA Numbers	Name of Federal Program or Cluster
84.027A, 84.173A	Special Education Cluster

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

Auditee qualified as low-risk auditee? Yes No

West Bloomfield School District

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2013

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None