

West Bloomfield School District

**Federal Awards
Supplemental Information
June 30, 2012**

West Bloomfield School District

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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, 2012, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 11, 2012, which contained unqualified opinions on those financial statements. These basic financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We have not performed any procedures with respect to the audited financial statements subsequent to September 11, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Bloomfield School District's basic financial statements. 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 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

September 11, 2012

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 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, 2012, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 11, 2012. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of West Bloomfield School District is responsible for establishing and maintaining an effective internal control over financial reporting. In planning and performing our audit, we considered West Bloomfield School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to the management of West Bloomfield School District in a separate letter dated September 11, 2012.

This report is intended solely for the information and use of management, the Board of Education, others within the School District, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

September 11, 2012

Report on Compliance with Requirements That Could Have a
Direct and Material Effect on Each Major Program and on
Internal Control Over Compliance in Accordance with OMB Circular A-133

Independent Auditor's Report

To the Board of Education
West Bloomfield School District

Compliance

We have audited the compliance of West Bloomfield School District (the "School District") 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 each of its major federal programs for the year ended June 30, 2012. The major federal programs of West Bloomfield School District are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of West Bloomfield School District's management. Our responsibility is to express an opinion on West Bloomfield School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination on West Bloomfield School District's compliance with those requirements.

In our opinion, West Bloomfield School District 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 federal programs for the year ended June 30, 2012.

To the Board of Education
West Bloomfield School District

Internal Control Over Compliance

The management of West Bloomfield School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered West Bloomfield School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Education, others within the School District, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

September 11, 2012

West Bloomfield School District

Schedule of Expenditures of Federal Awards Year Ended June 30, 2012

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2011	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2012
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 2011-2012	10.555	\$ 126,774	\$ -	\$ -	\$ -	\$ 126,774	\$ 126,774	\$ -
Bonus Commodities 2011-2012	10.555	801	-	-	-	801	801	-
Noncash Assistance subtotal		127,575	-	-	-	127,575	127,575	-
Cash Assistance:								
National School Breakfast Program - 2010-2011	10.553	65,874	65,874	4,415	-	4,415	-	-
National School Lunch Program - 2010-2011	10.555	533,122	533,122	29,417	-	29,417	-	-
National School Breakfast Program - 2011-2012	10.553	73,679	-	-	-	70,411	73,679	3,268
National School Lunch Program - 2011-2012	10.555	539,246	-	-	-	516,987	539,246	22,259
National School Summer Food Service Program - 2011-2012	10.559	6,923	-	-	-	5,433	6,923	1,490
Cash Assistance subtotal		1,218,844	598,996	33,832	-	626,663	619,848	27,017
Total Child Nutrition Cluster		1,346,419	598,996	33,832	-	754,238	747,423	27,017
Special Education Cluster - U.S. Department of Education - Passed through the Oakland County ISD - IDEA:								
Special Education - Grants to States (IDEA, Part B):								
IDEA, Part B:								
Project number 110450	84.027A	1,286,113	1,286,113	239,720	-	239,720	-	-
Project number 120450	84.027A	1,334,743	-	-	-	995,492	1,334,743	339,251
Subtotal IDEA, Part B		2,620,856	1,286,113	239,720	-	1,235,212	1,334,743	339,251
ARRA - IDEA, Part B, Recovery Act - Project number 100455	84.391A	1,490,129	1,395,779	122,337	-	216,687	94,350	-
Total Special Education - Grants to States (IDEA, Part B)		4,110,985	2,681,892	362,057	-	1,451,899	1,429,093	339,251

See Notes to Schedule of Expenditures of Federal Awards.

West Bloomfield School District

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2012

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2011	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2012
Clusters (Continued):								
Special Education Cluster - U.S. Department of Education - Passed through the Oakland County ISD - IDEA (Continued):								
Special Education - Preschool Grants (IDEA Preschool) - IDEA Preschool:								
Project number 110460	84.173A	\$ 34,177	\$ 34,177	\$ 7,071	\$ -	\$ 7,071	\$ -	\$ -
Project number 120460	84.173A	38,495	-	-	-	32,227	38,495	6,268
Total Special Education - Preschool Grants (IDEA Preschool)		<u>72,672</u>	<u>34,177</u>	<u>7,071</u>	<u>-</u>	<u>39,298</u>	<u>38,495</u>	<u>6,268</u>
Total Special Education Cluster		4,183,657	2,716,069	369,128	-	1,491,197	1,467,588	345,519
Medicaid Cluster - Michigan Department of Community Health - Passed through Oakland County ISD - Medicaid Outreach	93.778	23,323	-	-	-	23,323	23,323	-
Title I, Part A Cluster - U.S. Department of Education - Passed through the Michigan Department of Education:								
Title I, Part A:								
Project number 111530-1011	84.010	513,119	450,601	165,118	-	227,636	62,518	-
Project number 121530-1112	84.010	544,955	-	-	-	384,066	397,516	13,450
ARRA - Title I Grants to Educational Agencies, Recovery Act - Project number 111535-1011	84.389	<u>78,653</u>	<u>73,538</u>	<u>18,461</u>	<u>-</u>	<u>23,576</u>	<u>5,115</u>	<u>-</u>
Total Title I, Part A Cluster		1,136,727	524,139	183,579	-	635,278	465,149	13,450
Title II, Part D Cluster - U.S. Department of Education - Passed through the Michigan Department of Education:								
ARRA - Title II Grants to Educational Agencies, Recovery Act - Passed through the Oakland ISD - Project number 104245-0910								
Project number 114295-1011	84.386	9,788	9,788	9,788	-	9,788	-	-
Project number 104245-0910	84.386	<u>23,527</u>	<u>5,436</u>	<u>93</u>	<u>-</u>	<u>12,676</u>	<u>12,583</u>	<u>-</u>
Total Title II, Part D Cluster		33,315	15,224	9,881	-	22,464	12,583	-

See Notes to Schedule of Expenditures of Federal Awards.

West Bloomfield School District

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2012

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2011	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2012
Other federal awards:								
U.S. Department of Education - Passed through the Michigan Department of Education:								
Passed through the Oakland ISD -								
Safe and Drug-free Schools and Communities -								
Project number 112860-1011	84.186A	\$ 2,000	\$ 949	\$ (1,051)	\$ -	\$ -	\$ 1,051	\$ -
Title II, Part A:								
Project number 110520-1011	84.367	197,681	197,681	39,217	-	39,217	-	-
Project number 120520-1112	84.367	150,181	-	-	-	127,420	150,181	22,761
Total Title II, Part A		347,862	197,681	39,217	-	166,637	150,181	22,761
Adult Education:								
Project number 111130-111127	84.002	77,400	77,400	5,400	-	5,400	-	-
Project number 121130-121127	84.002	86,800	-	-	-	86,800	86,800	-
Project number 121120-125127	84.002	43,400	-	-	-	43,400	43,400	-
Total Adult Education		207,600	77,400	5,400	-	135,600	130,200	-
Title III:								
Project number 110570-1011	84.365	2,312	2,312	648	-	648	-	-
Project number 110580-1011	84.365	108,382	49,429	19,430	-	56,658	37,228	-
Project number 120580-1112	84.365	107,932	-	-	-	76,662	78,080	1,418
Total Title III		218,626	51,741	20,078	-	133,968	115,308	1,418
Education Jobs Fund - Project number 112545-1112	84.410	58,297	-	-	-	58,297	58,297	-
Total U.S. Department of Education		834,385	327,771	63,644	-	494,502	455,037	24,179
Total federal awards		\$ 7,557,826	\$ 4,182,199	\$ 660,064	\$ -	\$ 3,421,002	\$ 3,171,103	\$ 410,165

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, 2012

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 3,991,991
Less federal interest subsidy on Build America Bonds	<u>(820,888)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 3,171,103</u>

West Bloomfield School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2012

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, 2012. 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, 2012

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 programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.010, 84.389	Title I, Part A 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, 2012

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None