

# **Chippewa Valley Schools**

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

# Chippewa Valley Schools

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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  
Chippewa Valley Schools

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chippewa Valley Schools (the "School District") as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise Chippewa Valley Schools' basic financial statements. We issued our report thereon dated October 14, 2013, which contained an unmodified opinion on the basic financial statements of the School District. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited basic financial statements subsequent to October 14, 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Auburn Hills, Michigan  
October 14, 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  
Chippewa Valley Schools

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 basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chippewa Valley Schools (the "School District") as of and for the year ended June 30, 2013 and related notes to the financial statements, which collectively comprise Chippewa Valley Schools' basic financial statements and have issued our report thereon dated October 14, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the basic financial statements, we considered Chippewa Valley Schools' 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 basic 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  
Chippewa Valley Schools

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Chippewa Valley Schools' basic 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 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*

Auburn Hills, Michigan  
October 14, 2013

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

Independent Auditor's Report

To the Board of Education  
Chippewa Valley Schools

**Report on Compliance for the Major Federal Program**

We have audited Chippewa Valley Schools' (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. Chippewa Valley Schools' 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 Chippewa Valley Schools' 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 Chippewa Valley Schools' 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 Chippewa Valley Schools' compliance.

To the Board of Education  
Chippewa Valley Schools

### ***Opinion on the Major Federal Program***

In our opinion, Chippewa Valley Schools 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**

The management of Chippewa Valley Schools 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 Chippewa Valley Schools' internal control over compliance with the types of requirements that could have a direct and material effect on its 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 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.

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*

Auburn Hills, Michigan  
October 14, 2013

# Chippewa Valley Schools

## 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 (Deferred) Revenue at June 30, 2012	Federal Funds/ Payments In-kind Received	Final Expenditures	Accrued (Deferred) Revenue at June 30, 2013
Clusters:							
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:							
Cash assistance:							
National School Breakfast Program 2012-2013	10.553	\$ 126,593	\$ -	\$ -	\$ 126,593	\$ 126,593	\$ -
National School Lunch Program 2012-2013	10.555	<u>1,287,516</u>	<u>-</u>	<u>-</u>	<u>1,287,516</u>	<u>1,287,516</u>	<u>-</u>
Cash assistance subtotal		1,414,109	-	-	1,414,109	1,414,109	-
Noncash assistance (commodities) -							
National School Lunch Program - Entitlement commodities 2012-2013	10.555	<u>180,382</u>	<u>-</u>	<u>-</u>	<u>152,655</u>	<u>152,655</u>	<u>-</u>
Total Child Nutrition Cluster		1,594,491	-	-	1,566,764	1,566,764	-
Workforce Investment Act Cluster - U.S. Department of Labor - Passed through Macomb County ISD:							
SRC: 31 WIA Out of School Youth Regular - Project number 11-12		61,072	60,904	8,716	8,716	-	-
SRC:31 WIA Younger Youth Summer Component - Contract number 12-050/20		15,000	-	-	14,998	14,998	-
SRC:31 WIA Younger Youth Continuum - Contract number 12-050/21		<u>36,200</u>	<u>-</u>	<u>-</u>	<u>31,281</u>	<u>35,978</u>	<u>4,697</u>
Total Workforce Investment Act Cluster		112,272	60,904	8,716	54,995	50,976	4,697

See Notes to Schedule of Expenditures  
of Federal Awards.



# Chippewa Valley Schools

## 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 (Deferred) Revenue at June 30, 2012	Federal Funds/ Payments In-kind Received	Final Expenditures	Accrued (Deferred) Revenue at June 30, 2013
Clusters (Continued):							
Special Education Cluster - U.S. Department of Education - Passed through the Macomb County ISD:							
IDEA, Part B:							
	84.027A						
Project number 110450/1012 CB		\$ 2,505,506	\$ 2,505,506	\$ 74,612	\$ 74,612	\$ -	\$ -
Project number 110450/1113 CB		2,621,302	2,391,666	842,988	1,006,500	229,636	66,124
Project number 120450/1214 CB		2,646,802	-	-	1,835,260	2,585,607	750,347
Total IDEA, Part B		7,773,610	4,897,172	917,600	2,916,372	2,815,243	816,471
Preschool Incentive:							
	84.173A						
Project number 110460/1113		83,560	83,560	35,921	35,921	-	-
Project number 120460/1214		74,215	-	-	49,931	74,215	24,284
Total Preschool Incentive		157,775	83,560	35,921	85,852	74,215	24,284
Total Special Education Cluster - Passed through the Macomb County ISD		7,931,385	4,980,732	953,521	3,002,224	2,889,458	840,755
Title I, Part A Cluster - U.S. Department of Education - Passed through the Michigan Department of Education - Title I, Part A:							
	84.010						
Project number 121530/1112		1,182,745	926,216	189,834	324,008	134,174	-
Project number 131530/1213		1,516,114	-	-	1,095,189	1,196,640	101,451
Total Title I, Part A Cluster		2,698,859	926,216	189,834	1,419,197	1,330,814	101,451

See Notes to Schedule of Expenditures of Federal Awards.

# Chippewa Valley Schools

## 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 (Deferred) Revenue at June 30, 2012	Federal Funds/ Payments In-kind Received	Final Expenditures	Accrued (Deferred) Revenue at June 30, 2013
Other federal awards:							
U.S. Department of Education - Passed through the Michigan Department of Education:							
Title II, Part A - Teacher/Principal Training & Recruiting:							
Project number 120520/1112	84.367A	\$ 282,342	\$ 253,615	\$ 12,323	\$ 12,323	\$ -	\$ -
Project number 130520/1213		306,721	-	-	222,481	241,739	19,258
Total Title II, Part A - Teacher/Principal Training & Recruiting		589,063	253,615	12,323	234,804	241,739	19,258
Title III - Limited English:							
Project number 120580/1112	84.365A	216,848	84,996	13,287	13,287	-	-
Project number 130580/1213		252,163	-	-	179,279	191,575	12,296
Total Title III - Limited English		469,011	84,996	13,287	192,566	191,575	12,296
Total U.S. Department of Education Passed through the Michigan Department of Education		1,058,074	338,611	25,610	427,370	433,314	31,554
U.S. Department of Education - Passed through the Macomb County ISD:							
Vocational Education - Basic Grants to States (Perkins IV):							
Project number 123520-121216	84.048A	144,291	144,291	57,985	57,985	-	-
Project number 133520-131216		158,720	-	-	53,134	158,720	105,586
Total Vocational Education - Perkins IV		303,011	144,291	57,985	111,119	158,720	105,586
Adult Education - State Administered:							
Project number 121130-125199	84.002A	93,353	93,353	31,399	31,399	-	-
Project number 131130-131198		90,000	-	-	39,848	90,000	50,152
Total Adult Education - State Administered		183,353	93,353	31,399	71,247	90,000	50,152
Subtotal awards passed through the Macomb County ISD		486,364	237,644	89,384	182,366	248,720	155,738

See Notes to Schedule of Expenditures of Federal Awards.

# Chippewa Valley Schools

## 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 (Deferred) Revenue at June 30, 2012	Federal Funds/ Payments In-kind Received	Final Expenditures	Accrued (Deferred) Revenue at June 30, 2013
Other federal awards (Continued):							
U.S. Department of Education - Indian Education -							
Grants to Local Educational Agencies:							
	84.060A						
Grant award #S060A112342		\$ 137,538	\$ 129,917	\$ 31,372	\$ 38,993	\$ 7,621	\$ -
Grant award #S060A122342		<u>140,745</u>	<u>-</u>	<u>-</u>	<u>117,512</u>	<u>124,627</u>	<u>7,115</u>
Total Indian Education Grant		<u>278,283</u>	<u>129,917</u>	<u>31,372</u>	<u>156,505</u>	<u>132,248</u>	<u>7,115</u>
Total U.S. Department of Education Noncluster Programs		1,822,721	706,172	146,366	766,241	814,282	194,407
Department of Health and Human Services -							
Drug Free Community Support:							
	93.276						
Grant Award #5H79SP015883-03/1112		125,000	86,212	2,472	41,260	38,788	-
Grant Award #5H79SP015883-04/1213		<u>125,000</u>	<u>-</u>	<u>-</u>	<u>57,053</u>	<u>77,991</u>	<u>20,938</u>
Total Department of Health and Human Services		<u>250,000</u>	<u>86,212</u>	<u>2,472</u>	<u>98,313</u>	<u>116,779</u>	<u>20,938</u>
Total Federal Awards		<u>\$ 14,409,728</u>	<u>\$ 6,760,236</u>	<u>\$ 1,300,909</u>	<u>\$ 6,907,734</u>	<u>\$ 6,769,073</u>	<u>\$ 1,162,248</u>

See Notes to Schedule of Expenditures of Federal Awards.

# Chippewa Valley Schools

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## 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)	\$ 8,240,856
Less federal interest subsidy on Build America bonds	<u>(1,471,783)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><b>\$ 6,769,073</b></u>

# Chippewa Valley Schools

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## 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 Chippewa Valley Schools 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 Chippewa Valley Schools, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows, if applicable, of Chippewa Valley Schools. 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.

# Chippewa Valley Schools

## 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: 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 program:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee?  Yes  No

# **Chippewa Valley Schools**

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## **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