

**Woodhaven-Brownstown School District  
Woodhaven, Michigan**

**SUPPLEMENTARY INFORMATION  
TO FINANCIAL STATEMENTS  
(FEDERAL AWARDS)**

**June 30, 2015**

Woodhaven-Brownstown School District

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Education  
Woodhaven-Brownstown School District  
Woodhaven, Michigan

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

We have audited the compliance of Woodhaven-Brownstown School District (the District) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2015. The 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 programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the 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 Woodhaven-Brownstown 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 Woodhaven-Brownstown School District's compliance.

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

In our opinion, Woodhaven-Brownstown 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, 2015.

***Other Matter***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on the major federal program is not modified with respect to this matter.

Woodhaven-Brownstown School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of Woodhaven-Brownstown 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 Woodhaven-Brownstown School District's 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 its 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 Woodhaven-Brownstown 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.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Woodhaven-Brownstown School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 29, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

October 29, 2015

Woodhaven-Brownstown School District

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

Federal Grantor / Pass-Through Grantor Program Title	CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	(Memo Only) Prior Years' Expenditures	Balance July 1, 2014 Accrued or (Unearned) Revenue	Cash Receipts In-Kind Payments	Expenditures	Balance June 30, 2015 Accrued or (Unearned) Revenue
U.S. DEPARTMENT OF AGRICULTURE								
Passed Through the Michigan Department of Education								
School Breakfast Program 2014-15	10.553 <sup>(e)</sup>	151970	\$ 145,724	\$ -	\$ -	\$ 145,724	\$ 145,724	\$ -0-
National School Lunch Program 2014-15 Cash assistance - USDA entitlement commodities <sup>(a)</sup> 2014-15	10.555 <sup>(e)</sup>	82365 151960	93,246 <u>677,422</u>	- -	- -	93,246 <u>677,422</u>	93,246 <sup>(h)</sup> <u>677,422</u>	-0- -0-
			<u>770,668</u>	-0-	-0-	<u>770,668</u>	<u>770,668</u>	-0-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			916,392	-0-	-0-	916,392	916,392	-0-
U.S. DEPARTMENT OF EDUCATION								
Passed Through the Michigan Department of Education								
Title I Grants to Local Educational Agencies 2013-14 Regular - Part A 2014-15 Regular - Part A	84.010 <sup>(d)</sup>	1415301314 1515301415	812,090 <u>851,565</u>	720,471 -	102,467 -	132,518 <u>678,830</u>	30,051 <u>774,281</u>	-0- <u>95,451</u>
			1,663,655	720,471	102,467	811,348	804,332	95,451
Improving Teacher Quality State Grants (Title II, Part A) 2013-14 2014-15	84.367	1405201314 1505201415	192,338 <u>192,215</u>	175,904 -	4,459 -	9,344 <u>179,616</u>	4,885 <u>179,616</u>	-0- -0-
			384,553	175,904	4,459	188,960	184,501	-0-

The notes accompanying are an integral part of this schedule.

Woodhaven-Brownstown School District

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended June 30, 2015

Federal Grantor / Pass-Through Grantor Program Title	CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	(Memo Only) Prior Years' Expenditures	July 1, 2014 Accrued or (Unearned) Revenue	Cash Receipts In-Kind Payments	Expenditures	June 30, 2015 Accrued or (Unearned) Revenue
U.S. DEPARTMENT OF EDUCATION - CONTINUED								
Passed Through the Michigan Department of Education and Wayne RESA								
Special Education Grants to States (IDEA)	84.027	(f)						
2014-15 Transition			N/A	\$ 1,848	\$ -	\$ -	\$ 1,726	\$ -0-
2013-14 Regular			1404501314	1,121,568	1,121,568	180,506	180,506	-0-
2014-15 Regular			1504501415	1,138,392	-	-	687,775	450,617
				<u>2,261,808</u>	<u>1,121,568</u>	<u>180,506</u>	<u>870,007</u>	<u>1,140,118</u>
							1,140,118	450,617
Special Education Preschool Grants (Preschool Incentive)	84.173	(f)						
2013-14			1404601314	42,813	42,813	3,315	3,315	-0-
2014-15			1504601415	30,672	-	-	21,305	9,367
				<u>73,485</u>	<u>42,813</u>	<u>3,315</u>	<u>24,620</u>	<u>30,672</u>
							30,672	9,367
TOTAL U.S. DEPARTMENT OF EDUCATION			4,383,501	2,060,756	290,747	1,894,935	2,159,623	555,435
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Passed Through the Michigan Department of Human Services and Wayne RESA								
Medical Assistance Program								
Title XIX								
Outreach	93.778							
2014-15			82365	48,844	-	-	48,844	48,844
				<u>48,844</u>	<u>-</u>	<u>-</u>	<u>48,844</u>	<u>-0-</u>
TOTAL FEDERAL AWARDS			<u>\$ 5,348,737</u>	<u>\$ 2,060,756</u>	<u>\$ 290,747</u>	<u>\$ 2,860,171</u>	<u>\$ 3,124,859</u>	<u>\$ 555,435</u>
						(c)	(b)(9)	

The notes accompanying are an integral part of this schedule.

Woodhaven-Brownstown School District

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

**NOTE A: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of Woodhaven-Brownstown School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE B: SUMMARY OF SIGNIFICANT EXPLANATIONS OF SCHEDULE**

The following descriptions identified below as (a) through (h) represent explanations that cross reference to amounts on the Schedule of Expenditures of Federal Awards:

- (a) The current year expenditures for the Food Donation Program are determined based on the 2002/03 guidance provided in the Michigan Department of Education Administrative Policy Number 7. The amounts reported in this schedule as commodities received were taken from the Recipient Entitlement Balance Reports which is in agreement in all material respects with the District's reported amounts.
- (b) The expenditures reported in this schedule are in agreement with the amounts reported in the financial statements and financial reports except as noted in (g) below. The financial reports tested, including claims for advances and reimbursements, were materially correct, complete, accurate, and timely and contain information that is supported by the books and records from which the financial statements have been prepared.
- (c) The amounts reported in this schedule as cash received are in agreement with the "paid during date range" amounts in the Grant Auditor Report.
- (d) Denotes programs tested as "major program."
- (e) Denotes programs required to be clustered by the United States Department of Agriculture.
- (f) Denotes programs required to be clustered by the United States Department of Education.
- (g) Agrees to total revenues from Federal sources per financial statements reconciled as follows:

Federal revenues per financial statements	\$ 3,424,041
Less:	
Medicaid vendor payments not subject to Single Audit	<u>( 299,182)</u>
Federal expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 3,124,859</u>

- (h) The amount of out of condition commodities due to spoilage and shrinkage included in expenditures is immaterial to the Schedule of Expenditures of Federal Awards taken as a whole.

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INDEPENDENT AUDITOR'S 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*

To the Board of Education  
Woodhaven-Brownstown School District  
Woodhaven, Michigan

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 Woodhaven-Brownstown School District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 29, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Woodhaven-Brownstown 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 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*.

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

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

October 29, 2015

Woodhaven-Brownstown School District  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2015

**Section I - Summary of Auditor's Results**

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**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? \_\_\_\_\_ Yes   X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   None reported

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

Any audit findings disclosed that are required to be reported by Section 510(a) of Circular A-133?   X   Yes \_\_\_\_\_ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

**Section II - Financial Statement Findings**

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None noted.

**Section III - Federal Award Findings**

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2015-001 PARENTAL INVOLVEMENT EXPENDITURES

*Finding Type: Immaterial Noncompliance*

*Title I Grants to Local Educational Agencies from U.S. Department of Education passed through Michigan Department of Education, CFDA No. 84.010, pass-through grant numbers 1415301314 and 1515301415*

Condition: During our testing of parental involvement expenditures, we noted that 76.94% of the total budget was spent.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year Ended June 30, 2015

**Section III - Federal Award Findings - Continued**

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2015-001 PARENTAL INVOLVEMENT EXPENDITURES - CONTINUED

Criteria: Local Education Authorities with allocations of more than \$500,000 must reserve at least 1% of that allocation for parental involvement activities. The District must distribute not less than 95% of the amount reserved for parental involvement to schools receiving Title I services.

Cause: The District did not identify this requirement as applicable to the Title I program.

Effect: The District is not in compliance with the applicable Michigan Department of Education guidelines.

Recommendation: We recommend that the District implement procedures to ensure that not less than 95% of the amount reserved for parental involvement is distributed to schools receiving Title I funding in accordance with the Michigan Department of Education School Auditing Manual.

Corrective Action: We have put into place an electronic budget tracker to track the spending of all Title I funding. This includes a formula that will show the schools and district the percentage of funds spent under the parent allotment at any given time.

Woodhaven-Brownstown School District

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2015

FINDINGS/NONCOMPLIANCE

Control Deficiencies and Material Weaknesses Related to Internal Controls over the Financial Statements

No prior audit findings noted.

Findings Related to Compliance with Requirements Applicable to the Financial Statements

No prior audit findings noted.

Findings Related to Compliance with Requirements Applicable to Federal Awards and Internal Control over Compliance in Accordance with OMB Circular A-133

No prior audit findings noted.