

# **Chippewa Valley Schools**

---

**Federal Awards  
Supplemental Information  
June 30, 2009**

# Chippewa Valley Schools

---

## Contents

Independent Auditor's Report	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 with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	4-5
Schedule of Expenditures of Federal Awards	6-11
Notes to Schedule of Expenditures of Federal Awards	12
Schedule of Findings and Questioned Costs	13-14

## Independent Auditor's Report

To the Board of Education  
Chippewa Valley School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chippewa Valley School District as of and for the year ended June 30, 2009, which collectively comprise Chippewa Valley School District's basic financial statements, and have issued our report thereon dated September 15, 2009. These basic financial statements are the responsibility of Chippewa Valley School District's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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 Chippewa Valley School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Plante & Moran, PLLC*

September 15, 2009

**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  
Chippewa Valley School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chippewa Valley School District as of and for the year ended June 30, 2009, which collectively comprise Chippewa Valley School District's basic financial statements, and have issued our report thereon dated September 15, 2009. 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**

In planning and performing our audit, we considered Chippewa Valley 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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

To the Board of Education  
Chippewa Valley School District

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Chippewa Valley 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*.

This report is intended solely for the information and use of management, the Board of Education, others within the entity, 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 15, 2009

## Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance with OMB Circular A-133

To the Board of Education  
Chippewa Valley School District

### **Compliance**

We have audited the compliance of Chippewa Valley 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 are applicable to each of its major federal programs for the year ended June 30, 2009. The major federal programs of Chippewa Valley 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 Chippewa Valley School District's management. Our responsibility is to express an opinion on Chippewa Valley 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 Chippewa Valley 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 Chippewa Valley School District's compliance with those requirements.

In our opinion, Chippewa Valley School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

To the Board of Education  
Chippewa Valley School District

### **Internal Control Over Compliance**

The management of Chippewa Valley 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 Chippewa Valley 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, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 entity, 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 15, 2009

# Chippewa Valley Schools

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures
<b>Clusters:</b>			
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:			
Cash Assistance:			
National School Breakfast Program - 2008-2009	10.553	\$ 92,444	\$ 75,280
National School Lunch Program - 2008-2009	10.555	<u>860,395</u>	<u>715,475</u>
Cash Assistance Subtotal		952,839	790,755
Noncash Assistance (Commodities) - National School Lunch Program - 2008-2009	10.555	<u>150,917</u>	<u>-</u>
Total Child Nutrition Cluster		1,103,756	790,755
<b>Workforce Investment Act Cluster:</b>			
U.S. Department of Labor - Passed through Macomb/St. Clair Workforce Development Board:			
Michigan Works Administrative Assistant Vocational Training Program 10/1/06 - 9/30/08:			
WIA TANF Replacement	17.258	140,740	48,568
TANF Jet	93.558	19,681	-
Program 10/1/08 - 9/30/09:			
TANF Jet	93.558	66,954	-
Jet Plus Community Outreach	93.558	<u>10,357</u>	<u>-</u>
Michigan Works Administrative Assistant Vocational Training Subtotal		237,732	48,568
Summer Youth Employment Program	17.259	27,544	-
Passed through Macomb County ISD:			
SRC: 31 WIA Youth Regular Project number 07-1051	17.259	91,728	82,625
SRC: 31 WIA Youth Summer Project number 08-1050		3,224	-
SRC: 31 WIA Youth Regular Project number 08-1051		<u>91,798</u>	<u>-</u>
Passed through Macomb County ISD Subtotal		<u>186,750</u>	<u>82,625</u>
Total Workforce Investment Act Cluster		452,026	131,193



**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2009**

Accrued (Deferred) Revenue at June 30, 2008	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Final Expenditures	Accrued (Deferred) Revenue at June 30, 2009
\$ -	\$ -	\$ 92,444	\$ 92,444	\$ -
-	-	860,395	860,395	-
-	-	952,839	952,839	-
-	-	150,917	150,917	-
-	-	1,103,756	1,103,756	-
7,861	-	7,861	-	-
-	-	19,681	19,681	-
-	-	18,474	23,412	4,938
-	-	10,357	10,357	-
7,861	-	56,373	53,450	4,938
-	-	-	7,207	7,207
11,224	-	11,224	-	-
-	-	2,921	2,921	-
-	-	72,893	85,812	12,919
11,224	-	87,038	88,733	12,919
19,085	-	143,411	149,390	25,064

# Chippewa Valley Schools

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures
Clusters (Continued):			
Special Education Cluster:			
U.S. Department of Education - Passed through the Macomb County ISD:			
IDEA:	84.027		
Project number 080450/0709 CB		\$ 2,030,606	\$ 2,027,986
Project number 090450/0810 CB		<u>2,133,027</u>	<u>-</u>
Total IDEA		4,163,633	2,027,986
Preschool Incentive:	84.173		
Project number 080460-0708		87,101	87,101
Project number 090460-0809		<u>82,907</u>	<u>-</u>
Total Preschool Incentive		<u>170,008</u>	<u>87,101</u>
Total passed through the Macomb County ISD		4,333,641	2,115,087
Passed through the Michigan Department of Education - Service Provider Self Review - Project number 080440-0708	84.027A	<u>5,500</u>	<u>5,500</u>
Total Special Education Cluster		4,339,141	2,120,587
State Fiscal Stabilization Fund Cluster - U.S. Department of Education - Passed through the Michigan Department of Education - State Fiscal Stabilization Fund (SFSF) - Education Grants, Recovery Act (Education Stabilization Fund) - Project number 0925250809	84.394	5,788,950	-
Other federal awards:			
U.S. Department of Education:			
Indian Education Grant award #S060A72342	84.060A	96,501	96,501
Indian Education Grant award #S060A72342	84.060A	<u>122,745</u>	<u>-</u>
Total Indian Education		219,246	96,501
Passed through the Macomb County ISD:	84.048		
Vocational Education - Basic Grants to States (Perkins III) - Project number 093520 601216		178,567	-
Adult Ed - State Administered - Project number 091130-910197	84.002	<u>39,907</u>	<u>-</u>
Subtotal awards passed through the Macomb County ISD		218,474	-

**Schedule of Expenditures of Federal Awards (Continued)**  
**Year Ended June 30, 2009**

Accrued (Deferred) Revenue at June 30, 2008	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Final Expenditures	Accrued (Deferred) Revenue at June 30, 2009
\$ 1,415,206	\$ -	\$ 1,415,206	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>1,446,284</u>	<u>2,081,955</u>	<u>635,671</u>
1,415,206	-	2,861,490	2,081,955	635,671
58,692	-	58,692	-	-
<u>-</u>	<u>-</u>	<u>54,864</u>	<u>82,907</u>	<u>28,043</u>
58,692	-	113,556	82,907	28,043
1,473,898	-	2,975,046	2,164,862	663,714
<u>3,654</u>	<u>-</u>	<u>3,654</u>	<u>-</u>	<u>-</u>
1,477,552	-	2,978,700	2,164,862	663,714
-	-	-	5,788,950	5,788,950
14,643	-	14,643	-	-
<u>-</u>	<u>-</u>	<u>122,745</u>	<u>122,745</u>	<u>-</u>
14,643	-	137,388	122,745	-
-	-	178,567	178,567	-
<u>-</u>	<u>-</u>	<u>39,907</u>	<u>39,907</u>	<u>-</u>
-	-	218,474	218,474	-

# Chippewa Valley Schools

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures
Other federal awards (Continued):			
U.S. Department of Education (Continued):			
Passed through the Michigan Department of Education:	84.010		
Title I:			
Project number 0815300708		\$ 462,384	\$ 391,604
Project number 0915300809		974,039	-
Total Title I		1,436,423	391,604
Technology Literacy Challenge - Title II, Part D:	84.318		
Project number 0542900405			
Project number 0842900708		6,296	6,296
Project number 0942900809		8,432	-
Total Technology Literacy Challenge - Title II, Part D		14,728	6,296
Title III - Limited English:	84.365A		
Project number 080580/0708		39,577	38,915
Project number 090580/0809		66,797	-
Total Title III - Limited English		106,374	38,915
Title V - LEA - Project number 0802500708	84.298	3,929	3,395
Safe and Drug-free Schools and Communities:	84.186		
Project number 0828600708		37,604	35,413
Project number 0928600809		34,858	-
Total Safe and Drug-free Schools and Communities		72,462	35,413
Improving Teacher Quality, Title II, Part A:	84.367		
Project number 0805200708		346,229	254,229
Project number 0905200809		426,814	-
Total Improving Teacher Quality		773,043	254,229
Total U.S. Department of Education passed through the Michigan Department of Education		2,406,959	729,852
Total U.S. Department of Education Noncluster Programs		2,844,679	826,353
U.S. Department of Justice - Passed through Charter Township of Clinton - COPS Grant	16.710	395,676	-
Total federal awards		<b><u>\$ 14,924,228</u></b>	<b><u>\$ 3,868,888</u></b>

**Schedule of Expenditures of Federal Awards (Continued)**  
**Year Ended June 30, 2009**

Accrued (Deferred) Revenue at June 30, 2008	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Final Expenditures	Accrued (Deferred) Revenue at June 30, 2009
\$ 178,474	\$ -	\$ 249,254	\$ 70,780	\$ -
<u>-</u>	<u>-</u>	<u>558,712</u>	<u>675,000</u>	<u>116,288</u>
178,474	-	807,966	745,780	116,288
1,198	-	1,198	-	-
<u>-</u>	<u>-</u>	<u>7,085</u>	<u>7,412</u>	<u>327</u>
1,198	-	8,283	7,412	327
64	-	64	-	-
<u>-</u>	<u>-</u>	<u>32,503</u>	<u>35,188</u>	<u>2,685</u>
64	-	32,567	35,188	2,685
1,171	-	1,171	-	-
4,078	-	4,078	-	-
<u>-</u>	<u>-</u>	<u>26,107</u>	<u>30,691</u>	<u>4,584</u>
4,078	-	30,185	30,691	4,584
120,230	-	120,230	-	-
<u>-</u>	<u>-</u>	<u>370,739</u>	<u>423,322</u>	<u>52,583</u>
120,230	-	490,969	423,322	52,583
305,215	-	1,371,141	1,242,393	176,467
319,858	-	1,727,003	1,583,612	176,467
<u>-</u>	<u>-</u>	<u>395,676</u>	<u>395,676</u>	<u>-</u>
<b><u>\$ 1,816,495</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,348,546</u></b>	<b><u>\$ 11,186,246</u></b>	<b><u>\$ 6,654,195</u></b>

# Chippewa Valley Schools

---

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2009

### **Note 1 - Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Chippewa Valley Schools and is presented on the same basis of accounting as the basic financial statements. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### **Note 2 - Noncash Assistance**

The value of the noncash assistance received was determined in accordance with the provisions of OMB Circular A-133.

### **Note 3 - Grant Section Auditor's Report**

Management has utilized Form R-7120 and 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.

# Chippewa Valley Schools

## Schedule of Findings and Questioned Costs Year Ended June 30, 2009

### 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 program(s):

- 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 program(s): 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:

CFDA Numbers	Name of Federal Program or Cluster
10.553, 10.555	Child Nutrition Cluster
84.010	Title I
84.367	Title II A - Improving Teacher Quality
16.710	COPS Grant
84.394	State Fiscal Stabilization Fund Cluster - Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$335,870

Auditee qualified as low-risk auditee?             Yes     No

# **Chippewa Valley Schools**

---

## **Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2009**

### **Section II - Financial Statement Audit Findings**

None

### **Section III - Federal Program Audit Findings**

None