

Chippewa Valley Schools

**Federal Awards
Supplemental Information
June 30, 2017**

Chippewa Valley Schools

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Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance
Independent Auditor's Report

To the Board of Education
Chippewa Valley Schools

We have audited the basic financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of Chippewa Valley Schools as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Chippewa Valley Schools' basic financial statements. We issued our report thereon dated September 25, 2017, which contained unmodified opinions on the basic financial statements of the governmental activities, the major funds, and the aggregate remaining fund information. 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 25, 2017.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by the Uniform Guidance, 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 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 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.

Plante & Moran, PLLC

September 25, 2017

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 financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of Chippewa Valley Schools as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Chippewa Valley Schools' basic financial statements, and have issued our report thereon dated September 25, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chippewa Valley Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Chippewa Valley Schools' 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 Chippewa Valley Schools' 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' 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 Chippewa Valley Schools' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chippewa Valley Schools' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

September 25, 2017

Report on Compliance for Each 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 Each Major Federal Program

We have audited Chippewa Valley Schools' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Chippewa Valley Schools' major federal programs 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance 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 each 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 Each 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, 2017.

Report on Internal Control Over Compliance

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Chippewa Valley Schools' 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

September 25, 2017

Chippewa Valley Schools

Schedule of Expenditures of Federal Awards Year Ended June 30, 2017

Program Title/Project Number/Subrecipient Name	Grant/Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at June 30, 2016	Current Year Cash Transferred to Subrecipient	Adjustment	Federal Funds/ Payments In-kind Received	Final Expenditures	Accrued (Deferred) Revenue at June 30, 2017	Current Year Cash Transferred to Subrecipient
Clusters:											
Child Nutrition Cluster- U.S. Department of Agriculture - Passed through the Michigan Department of Education:											
Noncash assistance (commodities) -											
National Lunch Program Bonus Commodities 2016-17	N/A	10.555	\$ 252,846	\$ -	\$ -	\$ -	\$ -	\$ 252,846	\$ 252,846	\$ -	\$ -
Cash assistance - National School Lunch Program 2016-17	171960	10.555	<u>1,416,612</u>	-	-	-	-	<u>1,416,612</u>	<u>1,416,612</u>	-	-
National School Lunch Program (including commodities) subtotal		10.555	1,669,458	-	-	-	-	1,669,458	1,669,458	-	-
Cash assistance - National School Breakfast Program 2016-17	171970	10.553	<u>232,407</u>	-	-	-	-	<u>232,407</u>	<u>232,407</u>	-	-
Total Child Nutrition Cluster			1,901,865	-	-	-	-	1,901,865	1,901,865	-	-
Special Education Cluster - U.S. Department of Education - Passed through the Macomb County ISD:											
IDEA, Part B:											
IDEA, Part B 1415	150450	84.027A	2,752,129	2,752,129	14,319	-	-	14,319	-	-	-
IDEA, Part B 1516	160450	84.027A	2,883,090	2,863,567	645,160	-	-	660,196	19,523	4,487	-
IDEA, Part B 1617	170450	84.027A	<u>3,058,427</u>	-	-	-	-	<u>2,358,311</u>	<u>3,029,064</u>	<u>670,753</u>	-
Total IDEA, Part B		84.027A	8,693,646	5,615,696	659,479	-	-	3,032,826	3,048,587	675,240	-
IDEA Preschool Incentive:											
IDEA Preschool 1516	160460	84.173A	99,383	99,383	24,187	-	-	24,187	-	-	-
IDEA Preschool 1617		84.173A	<u>99,725</u>	-	-	-	-	<u>76,560</u>	<u>99,725</u>	<u>23,165</u>	-
Total Preschool Incentive		84.173A	<u>199,108</u>	<u>99,383</u>	<u>24,187</u>	-	-	<u>100,747</u>	<u>99,725</u>	<u>23,165</u>	-
Total Special Education Cluster - Passed through the Macomb County ISD			8,892,754	5,715,079	683,666	-	-	3,133,573	3,148,312	698,405	-

See Notes to Schedule of Expenditures
of Federal Awards.

Chippewa Valley Schools

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2017

Program Title/Project Number/Subrecipient Name	Grant/Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at June 30, 2016	Current Year Cash Transferred to Subrecipient	Adjustment	Federal Funds/ Payments In-kind Received	Final Expenditures	Accrued (Deferred) Revenue at June 30, 2017	Current Year Cash Transferred to Subrecipient
Other federal awards:											
U.S. Department of Education - Passed through the Michigan Department of Education:											
Title I, Part A:											
Title I Part A 1516	161530	84.010	\$ 1,485,410	\$ 1,116,542	\$ 197,112	\$ -	\$ -	\$ 229,668	\$ 32,556	\$ -	\$ -
Title I Part A 1617	171530	84.010	1,661,243	-	-	-	-	1,269,666	1,460,299	190,633	-
Total Title I, Part A		84.010	3,146,653	1,116,542	197,112	-	-	1,499,334	1,492,855	190,633	-
Title II, Part A - Teacher/Principal Training and Recruiting:											
Title II Part A 1516	160520	84.367A	309,920	212,149	42,207	-	-	42,207	-	-	-
Title II Part A 1617	170520	84.367A	346,117	-	-	-	-	277,936	277,936	-	-
Total Title II, Part A		84.367A	656,037	212,149	42,207	-	-	320,143	277,936	-	-
Title III - Immigrant Students 1617	170570	84.365A	16,682	-	-	-	-	9,596	9,596	-	-
Title III - Limited English:											
Title III 1415	150580	84.365A	-	-	-	-	-	-	-	-	-
Title III 1516	160580	84.365A	139,045	119,430	17,746	-	-	17,746	-	-	-
Title III 1617	170580	84.365A	133,735	-	-	-	-	104,444	124,215	19,771	-
Total Title III - Limited English		84.365A	272,780	119,430	17,746	-	-	122,190	124,215	19,771	-
Total Title III		84.365A	289,462	119,430	17,746	-	-	131,786	133,811	19,771	-
Subtotal awards passed through the Michigan Department of Education			4,092,152	1,448,121	257,065	-	-	1,951,263	1,904,602	210,404	-

See Notes to Schedule of Expenditures of Federal Awards.

Chippewa Valley Schools

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2017

Program Title/Project Number/Subrecipient Name	Grant/Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at June 30, 2016	Current Year Cash Transferred to Subrecipient	Adjustment	Federal Funds/ Payments In-kind Received	Final Expenditures	Accrued (Deferred) Revenue at June 30, 2017	Current Year Cash Transferred to Subrecipient
Other federal awards (continued):											
U.S. Department of Education - Passed through the Macomb County ISD:											
Vocational Education - Basic Grants to States (Perkins IV):											
Vocational Education 1516	163520/161216	84.048A	\$ 148,614	\$ 148,614	\$ 66,820	\$ -	\$ -	\$ 66,820	\$ -	\$ -	\$ -
Vocational Education 1617	1735020/171216	84.048A	153,932	-	-	-	-	72,042	153,932	81,890	-
Total Vocational Education - Perkins IV		84.048A	302,546	148,614	66,820	-	-	138,862	153,932	81,890	-
Adult Education - State Administered:											
Adult Education 1516	161130 161198	84.002A	104,000	99,049	19,751	-	-	19,751	-	-	-
Adult Education 1617	171130 171198	84.002A	80,000	-	-	-	-	48,805	80,000	31,195	-
Total Adult Education - State Administered		84.002A	184,000	99,049	19,751	-	-	68,556	80,000	31,195	-
Subtotal awards passed through the Macomb County ISD			486,546	247,663	86,571	-	-	207,418	233,932	113,085	-
U.S. Department of Education - Indian Education - Grants to Local Educational Agencies:											
Indian Education 1516	#S060A152342	84.060A	124,030	119,520	21,160	-	-	21,160	-	-	-
Indian Education 1617	#S060A162342	84.060A	110,775	-	-	-	-	109,367	110,775	1,408	-
Total Indian Education Grant		84.060A	234,805	119,520	21,160	-	-	130,527	110,775	1,408	-
Total U.S. Department of Education noncluster programs			4,813,503	1,815,304	364,796	-	-	2,289,208	2,249,309	324,897	-
Department of Health and Human Services - Drug Free Community Support:											
Drug Free Community Support 1516	#5H79SP015883-07	93.276	125,000	86,576	2,951	-	-	33,140	38,423	8,234	-
Drug Free Community Support 1617	#5H79SP015883-08	93.276	125,000	-	-	-	-	82,970	82,970	-	-
Total Drug Free Community Support		93.276	250,000	86,576	2,951	-	-	116,110	121,393	8,234	-
Total federal awards			<u>\$ 15,858,122</u>	<u>\$ 7,616,959</u>	<u>\$ 1,051,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,440,756</u>	<u>\$ 7,420,879</u>	<u>\$ 1,031,536</u>	<u>\$ -</u>

See Notes to Schedule of Expenditures of Federal Awards.

Chippewa Valley Schools

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2017

Note 1 - Basis of Presentation

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, 2017. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). 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 of Chippewa Valley Schools.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87 or the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Chippewa Valley Schools has not elected to use the 10 percent *de minimus* indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

Note 3 - 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 4 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance.

Chippewa Valley Schools

Schedule of Findings and Questioned Costs Year Ended June 30, 2017

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 2 CFR 200.516 (a)?

Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Title I, Part A

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None