



## Vicksburg Community Schools

Additional Reports Required by  
*OMB Circular A-133*  
Year Ended June 30, 2015

## Vicksburg Community Schools

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Additional Reports Required by *OMB Circular A-133*  
Year Ended June 30, 2015

# Vicksburg Community Schools

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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***

Board of Education  
Vicksburg Community Schools  
Vicksburg, 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 Vicksburg Community Schools (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 23, 2015.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 opinion 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 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 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*.

## 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 entity'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.

BDO USA, LLP

Kalamazoo, Michigan

October 23, 2015



## **Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by *OMB Circular A-133***

Board of Education  
Vicksburg Community Schools  
Vicksburg, Michigan

### **Report on Compliance for Each Major Federal Program**

We have audited the compliance of Vicksburg Community Schools (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 each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are 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 each of its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's 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 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 the District's compliance with those requirements and performing such other procedures as we consider 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 the District's compliance.



### *Opinion on Each Major Federal Program*

In our opinion, the District complied, in all material respects, with the types of 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, 2015.

### **Report on Internal Control Over Compliance**

Management of the 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 the District's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 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 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 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 Vicksburg Community Schools 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 23, 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 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 basic 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 basic financial statements as a whole.

*BDO USA, LLP*

Kalamazoo, Michigan

October 23, 2015

## Schedule of Expenditures of Federal Awards

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# Vicksburg Community Schools

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

<i>Federal Grantor Pass Through Grantor Program/Project Number</i>	<i>Federal CFDA Number</i>	<i>Grant Award</i>	<i>(Memo Only) Prior Year Expenditures</i>	<i>Accrued Revenue June 30, 2014</i>	<i>Current Year Receipts</i>	<i>Current Year Expendi- tures</i>	<i>Adjust- ment</i>	<i>Accrued Revenue June 30, 2015</i>
<b>U.S. Department of Education:</b>								
<i>Passed Through Michigan Department of Education:</i>								
<i>Title I Part A:</i>								
Project 141530-1314	84.010	\$ 351,017	\$ 341,762	\$ 71,390	\$ 74,157	\$ 2,767	\$ -	\$ -
Project 151530-1415	84.010	358,548	-	-	221,201	306,287	-	85,086
<b>Total Title I</b>				<b>71,390</b>	<b>295,358</b>	<b>309,054</b>	<b>-</b>	<b>85,086</b>
<i>Title II Part A Improving Teacher Quality:</i>								
Project 140520-1314	84.367	129,928	122,717	44,108	41,191	-	(2,917)	-
Project 150520-1415	84.367	98,520	-	-	46,728	56,037	-	9,309
<b>Total Title II Part A Improving Teacher Quality</b>				<b>44,108</b>	<b>87,919</b>	<b>56,037</b>	<b>(2,917)</b>	<b>9,309</b>
<i>Total Passed Through Michigan Department of Education</i>				<b>115,498</b>	<b>383,277</b>	<b>365,091</b>	<b>(2,917)</b>	<b>94,395</b>
<i>Passed Through Kalamazoo Regional Educational Service Agency (KRESA):</i>								
<i>Carl D. Perkins Vocational Education:</i>								
Project 143520-151220	84.048	15,500	-	-	15,500	15,500	-	-
<b>Total U.S. Department of Education</b>				<b>115,498</b>	<b>398,777</b>	<b>380,591</b>	<b>(2,917)</b>	<b>94,395</b>
<b>U.S. Department of Health and Human Services:</b>								
<i>Passed through Michigan Department of Community Health:</i>								
<i>Medicaid Outreach:</i>								
Community Mental Health Outreach Claims	93.778	4,225	-	-	4,225	4,225	-	-
<b>Total U.S. Department of Health and Human Services</b>				<b>-</b>	<b>4,225</b>	<b>4,225</b>	<b>-</b>	<b>-</b>

*See accompanying independent auditor's report and notes to Schedule of Expenditures of Federal Awards.*

# Vicksburg Community Schools

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

<i>Federal Grantor Pass Through Grantor Program/Project Number</i>	<i>Federal CFDA Number</i>	<i>Grant Award</i>	<i>(Memo Only) Prior Year Expenditures</i>	<i>Accrued Revenue June 30, 2014</i>	<i>Current Year Receipts</i>	<i>Current Year Expenditures</i>	<i>Adjust- ment</i>	<i>Accrued Revenue June 30, 2015</i>	
<b>U.S. Department of Agriculture:</b>									
<i>Passed Through Michigan Department of Education:</i>									
Child Nutrition Cluster:									
National School Lunch Program - Cash Assistance:									
Project 141960	10.555	\$ 45,248	\$ 325,520	\$ -	\$ 45,248	\$ 45,248	\$ -	\$ -	
Project 151960	10.555	328,838	-	-	328,838	328,838	-	-	
National Summer School Lunch Program:									
Project 140900	10.559	7,889	-	-	7,889	7,889	-	-	
Project 141900	10.559	809	-	-	809	809	-	-	
Non-Cash Assistance:									
Entitlement Commodities	10.555	62,966	-	-	62,966	62,966	-	-	
National School Lunch - Breakfast Program:									
Project 141970	10.553	10,720	87,949	-	10,720	10,720	-	-	
Project 151970	10.553	90,100	-	-	90,100	90,100	-	-	
<b>Total Nutrition Cluster</b>					-	546,570	546,570	-	-
Child and Adult Care Food Program:									
Project 141920	10.558	1,184	8,822	522	1,184	662	-	-	
Project 142010	10.558	59	389	23	59	36	-	-	
Project 151920	10.558	28,421	-	-	28,421	28,421	-	-	
Project 152010	10.558	1,877	-	-	1,877	1,877	-	-	
<b>Total Child and Adult Care Food Program</b>					545	31,541	30,996	-	-
<b>Total U.S. Department of Agriculture</b>					545	578,111	577,566	-	-
<b>Total Federal Awards</b>					\$ 116,043	\$ 981,113	\$ 962,382	\$ (2,917)	\$ 94,395

*See accompanying independent auditor's report and notes to Schedule of Expenditures of Federal Awards.*

# Vicksburg Community Schools

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

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### Note 1

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

### Note 2

Management has utilized the MDE Cash Management System (CMS) Grant Auditor Report (GAR) in preparing the Schedule of Expenditures of Federal Awards.

### Note 3

Inventory values are based on the USDA value for donated food commodities and include spoilage.

### Note 4

The District determined that it had received reimbursements in excess of actual grant expenditures relating to Title II Part A. Accordingly, the excess funds were returned to the State of Michigan.

*See accompanying independent auditor's report.*

# Vicksburg Community Schools

## Summary of Auditor's Results and Schedule of Findings and Questioned Costs Year Ended June 30, 2015

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

#### *Financial Statements*

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	No (none reported)
Noncompliance material to financial statements noted?	No

#### *Federal Awards*

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	No (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 OMB <i>Circular A-133</i> ?	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Child Nutrition Cluster	10.553, 10.555 and 10.559

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as a low-risk auditee?	Yes

### Section II - Financial Statement Findings

No matters were reported.

### Section III - Federal Award Findings and Questioned Costs

No matters were reported.

### Section IV - Prior Audit Findings

None.

*See accompanying independent auditor's report.*