



Vicksburg Community Schools

Additional Reports Required by the
Uniform Guidance
Year Ended June 30, 2016

The report accompanying these financial statements was issued by

BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.



Vicksburg Community Schools

Additional Reports Required by the *Uniform Guidance*
Year Ended June 30, 2016

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, 2016, 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 24, 2016.

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 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.

BDO USA, LLP

Kalamazoo, Michigan

October 24, 2016



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 the *Uniform Guidance*

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 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, 2016. 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 federal statutes, regulations, and conditions of its federal awards applicable to 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 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 (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 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, 2016.

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 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 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 the *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.



Report on Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*

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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 24, 2016, 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 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 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 24, 2016

Schedule of Expenditures of Federal Awards

Vicksburg Community Schools

Schedule of Expenditures of Federal Awards Year Ended June 30, 2016

<i>Federal Grantor Pass Through Grantor Program or Cluster Title/Project Number</i>	<i>Federal CFDA Number</i>	<i>Grant Award</i>	<i>(Memo Only) Prior Year Expenditures</i>	<i>Accrued Revenue June 30, 2015</i>	<i>Current Year Receipts</i>	<i>Current Year Expenditures</i>	<i>Accrued Revenue June 30, 2016</i>	<i>Amount Passed to Subrecipients</i>
U.S. Department of Agriculture:								
<i>Passed Through Michigan Department of Education:</i>								
Child Nutrition Cluster:								
National School Lunch - Breakfast Program:								
Project 151970	10.553	\$ 8,783	\$ -	\$ -	\$ 8,783	\$ 8,783	\$ -	\$ -
Project 161970	10.553	108,175	-	-	108,175	108,175	-	-
Total National School Lunch - Breakfast Program		116,958	-	-	116,958	116,958	-	-
National School Lunch Program - Cash Assistance:								
Project 151960	10.555	35,368	-	-	35,368	35,368	-	-
Project 161960	10.555	336,424	-	-	336,424	336,424	-	-
Non-Cash Assistance:								
Entitlement Commodities	10.555	71,022	-	-	71,022	71,022	-	-
Total National School Lunch Program		442,814	-	-	442,814	442,814	-	-
National Summer School Lunch Program:								
Project 150900	10.559	8,292	-	-	8,292	8,292	-	-
Project 151900	10.559	853	-	-	853	853	-	-
Project 160900	10.559	3,166	-	-	-	3,166	3,166	-
Project 161900	10.559	326	-	-	-	326	326	-
Total National Summer School Lunch Program		12,637	-	-	9,145	12,637	3,492	-
Total Child Nutrition Cluster		572,409	-	-	568,917	572,409	3,492	-
Child and Adult Care Food Program:								
Project 151920	10.558	1,789	-	-	1,789	1,789	-	-
Project 152010	10.558	108	-	-	108	108	-	-
Project 161920	10.558	34,199	-	-	33,668	34,199	531	-
Project 162010	10.558	2,017	-	-	1,988	2,017	29	-
Total Child and Adult Care Food Program		38,113	-	-	37,553	38,113	560	-
Total U.S. Department of Agriculture		\$ 610,522	\$ -	\$ -	\$ 606,470	\$ 610,522	\$ 4,052	\$ -

See accompanying notes to Schedule of Expenditures of Federal Awards.

Vicksburg Community Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

<i>Federal Grantor Pass Through Grantor Program or Cluster Title/Project Number</i>	<i>Federal CFDA Number</i>	<i>Grant Award</i>	<i>(Memo Only) Prior Year Expenditures</i>	<i>Accrued Revenue June 30, 2015</i>	<i>Current Year Receipts</i>	<i>Current Year Expendi- tures</i>	<i>Accrued Revenue June 30, 2016</i>	<i>Amount Passed to Subrecipients</i>
U.S. Department of Education:								
<i>Passed Through Michigan Department of Education:</i>								
<i>Title I Part A:</i>								
Project 151530-1415	84.010	\$ 352,060	\$ 306,287	\$ 85,086	\$ 102,510	\$ 17,424	\$ -	\$ -
Project 161530-1516	84.010	319,312	-	-	273,815	319,312	45,497	-
Total Title I		671,372	306,287	85,086	376,325	336,736	45,497	-
<i>Title II Part A Improving Teacher Quality:</i>								
Project 150520-1415	84.367	90,080	56,037	9,309	11,545	2,236	-	-
Project 160520-1516	84.367	129,537	-	-	79,867	92,670	12,803	-
Total Title II Part A Improving Teacher Quality		219,617	56,037	9,309	91,412	94,906	12,803	-
<i>Total Passed Through Michigan Department of Education</i>		890,989	362,324	94,395	467,737	431,642	58,300	-
<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	-	-
Total U.S. Department of Education		\$ 906,489	\$ 362,324	\$ 94,395	\$ 483,237	\$ 447,142	\$ 58,300	\$ -
U.S. Department of Health and Human Services:								
<i>Passed through Michigan Department of Community Health:</i>								
<i>Medicaid Outreach:</i>								
Community Mental Health Outreach Claims	93.778	3,123	-	-	3,123	3,123	-	-
Total U.S. Department of Health and Human Services		\$ 3,123	\$ -	\$ -	\$ 3,123	\$ 3,123	\$ -	\$ -
Total Federal Awards		\$ 1,520,134	\$ 362,324	\$ 94,395	\$ 1,092,830	\$ 1,060,787	\$ 62,352	\$ -

See accompanying notes to Schedule of Expenditures of Federal Awards.

Vicksburg Community Schools

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2016

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2016. The information in this 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 (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position of changes in net position of the District.

Expenditures in this schedule reconcile with amounts reported in the basic financial reports. Management has utilized the MDE Cash Management System (CMS) Grant Auditor Report (GAR) in preparing the schedule of Expenditures of Federal Awards. Inventory values are based on the USDA value for donated food commodities and include spoilage.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance* wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the *Uniform Guidance*.

Vicksburg Community Schools

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP 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 federal programs:
Material weaknesses identified? No
Significant deficiencies identified? No (none reported)

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

Any audit findings disclosed that are required to be reported in Accordance with 2 CFR 200.516 (a) No

Identification of major federal programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Title 1, Part A	84.010

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

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.