

Chippewa Valley Schools

**Federal Awards
Supplemental Information
June 30, 2008**

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 Schools

We have audited the financial statements that collectively comprise the basic financial statements of Chippewa Valley Schools as of and for the year ended June 30, 2008 and have issued our report thereon dated September 22, 2008. Those basic financial statements are the responsibility of the management of Chippewa Valley Schools. Our responsibility was to express opinions on those 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 basic 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 opinion.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chippewa Valley Schools' 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 22, 2008

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 Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chippewa Valley Schools as of and for the year ended June 30, 2008, which collectively comprise Chippewa Valley Schools' basic financial statements, and have issued our report thereon dated September 22, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Chippewa Valley Schools' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chippewa Valley Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Chippewa Valley Schools' 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.

Our consideration of the 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.

To 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 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, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

September 22, 2008

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

To the Board of Education
Chippewa Valley Schools

Compliance

We have audited the compliance of Chippewa Valley Schools 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, 2008. The major federal programs of Chippewa Valley Schools 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 Schools' management. Our responsibility is to express an opinion on Chippewa Valley Schools' 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 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. Our audit does not provide a legal determination on Chippewa Valley Schools' compliance with those requirements.

In our opinion, Chippewa Valley Schools 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, 2008.

To the Board of Education
Chippewa Valley Schools

Internal Control Over Compliance

The management of Chippewa Valley Schools is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Chippewa Valley Schools' internal control over compliance with the 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, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

September 22, 2008

Chippewa Valley Schools

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures
Clusters:			
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:			
National School Breakfast Program - 2007-2008	10.553	\$ 75,280	\$ 55,872
National School Lunch Program - 2007-2008	10.555	<u>715,475</u>	<u>607,581</u>
Total Child Nutrition Cluster		790,755	663,453
Workforce Investment Act Cluster - U.S. Department of Labor - Macomb/St. Clair Workforce Development Board - Passed through Macomb County ISD:			
SRC: 31 WIA Youth Regular Project number 06-1051	17.259	80,322	80,322
SRC: 31 WIA Youth Summer Project number 07-1050		6,439	
SRC: 31 WIA Youth Regular Project number 07-1051		91,728	
Michigan Works Administrative Assistant Vocational Training Program 10/1/06 - 9/30/08:			
Work First	93.561	-	26,966
TANF Jet Pilot	93.558	-	6,071
TANF	93.558	-	-
WIA TANF Replacement	17.258	<u>140,740</u>	<u>-</u>
Total Workforce Investment Act Cluster		319,229	113,359
Special Education Cluster - U.S. Department of Education - Passed through the Macomb County ISD:			
IDEA:			
Project number 070450/0607 CB	84.027	1,924,379	1,591,538
Project number 080490-TS		6,000	-
Project number 080450/0709 CB		<u>2,030,606</u>	<u>-</u>
Total IDEA		3,960,985	1,591,538
Preschool Incentive:			
Project number 070460-0607	84.173	85,632	82,512
Project number 080460-0708		<u>87,101</u>	<u>-</u>
Total Preschool Incentive		172,733	82,512
Michigan Schools Integrated Behavior & Learning Support Initiative - Project number 07			
	84.027A	<u>2,500</u>	<u>1,652</u>
Total passed through the Macomb ISD		4,136,218	1,675,702
Passed through the Michigan Department of Education - Service Provider Self Review - Project number 080440-0708			
	84.027A	<u>5,500</u>	<u>-</u>
Total Special Education Cluster		4,141,718	1,675,702

See Notes to Schedule of Expenditures
of Federal Awards.

Schedule of Expenditures of Federal Awards Year Ended June 30, 2008

Accrued (Deferred) Revenue at June 30, 2007	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Final Expenditures	Accrued (Deferred) Revenue at June 30, 2008
\$ -	\$ -	\$ 75,280	\$ 75,280	\$ -
-	-	715,475	715,475	-
-	-	790,755	790,755	-
47,132	-	47,132	-	-
-	-	5,068	5,068	-
-	-	71,401	82,625	11,224
-	-	-	-	-
6,071	-	5,534	(537)	-
-	-	13,678	13,678	-
-	-	40,707	48,568	7,861
53,203	-	183,520	149,402	19,085
148,253	-	481,094	332,841	-
-	-	6,000	6,000	-
-	-	612,780	2,027,986	1,415,206
148,253	-	1,099,874	2,366,827	1,415,206
18,288	-	21,408	3,120	-
-	-	28,409	87,101	58,692
18,288	-	49,817	90,221	58,692
(848)	848	-	-	-
165,693	848	1,149,691	2,457,048	1,473,898
-	-	1,846	5,500	3,654
165,693	848	1,151,537	2,462,548	1,477,552

Chippewa Valley Schools

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures
Other Federal Awards:			
U.S. Department of Education:			
Indian Education Grant award # S060A72342	84.060A	\$ 96,501	\$ -
Passed through the Macomb County ISD:			
Vocational Education - Basic Grants to States (Perkins (III) - Project number 083520 601216	84.048	145,910	-
Taking Action to Manage Emergencies II (TAME II) - Project number Q184E050079	84.184E	51,292	12,400
Adult Ed - State Administered - Project number 081130-810198	84.002	<u>51,907</u>	<u>-</u>
Total awards as subrecipient from Macomb Intermediate School District		249,109	12,400
Passed through the Michigan Department of Education:			
Title I:	84.010		
Project number 0715300607		377,933	286,924
Project number 0815300709		<u>462,384</u>	<u>-</u>
Total Title I		840,317	286,924
Technology Literacy Challenge - Title II, Part D:			
Project number 0642900607	84.318	6,849	6,849
Project number 0742900607		3,840	1,581
Project number 0842900608		<u>6,296</u>	<u>-</u>
Total Technology Literacy Challenge - Title II, Part D		16,985	8,430
Title III - Limited English:			
Project number 060570/0506	84.365A	72,565	4,046
Project number 070570/0607		45,803	45,803
Project number 080570/0709		<u>39,577</u>	<u>-</u>
Total Title III - Limited English		157,945	49,849
Title V - LEA:			
Project number 0702500607	84.298	3,015	2,159
Project number 0802500608		<u>3,929</u>	<u>-</u>
Total Title V - LEA		6,944	2,159

See Notes to Schedule of Expenditures
of Federal Awards.

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2008

Accrued (Deferred) Revenue at June 30, 2007	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Final Expenditures	Accrued (Deferred) Revenue at June 30, 2008
\$ -	\$ -	\$ 81,858	\$ 96,501	\$ 14,643
-	-	145,910	145,910	-
-	-	38,892	38,892	-
-	-	51,907	51,907	-
-	-	236,709	236,709	-
85,724	-	143,977	58,253	-
-	-	213,130	391,604	178,474
85,724	-	357,107	449,857	178,474
3,479	-	3,479	-	-
1,581	-	1,581	-	-
-	-	5,098	6,296	1,198
5,060	-	10,158	6,296	1,198
177	-	177	-	-
8,074	-	8,074	-	-
-	-	38,851	38,915	64
8,251	-	47,102	38,915	64
443	-	443	-	-
-	-	2,224	3,395	1,171
443	-	2,667	3,395	1,171

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 (Continued):			
Safe and Drug-free Schools and Communities:			
Project number 0728600607	84.186	\$ 34,978	\$ 21,808
Project number 0828600708		<u>37,604</u>	<u>-</u>
Total Safe and Drug-free Schools and Communities		72,582	21,808
Improving Teacher Quality, Title II, Part A:			
Project number 0705200607	84.367	306,056	243,389
Project number 0805200708		<u>346,229</u>	<u>-</u>
Total Improving Teacher Quality		<u>652,285</u>	<u>243,389</u>
Total U.S. Department of Education passed through the Michigan Department of Education			
		1,747,058	612,559
Passed through Macomb Community College -			
Tech Prep Education Project number 0835407014-16	84.243	<u>6,275</u>	<u>-</u>
Total U.S. Department of Education Noncluster Programs			
		2,098,943	624,959
U.S. Department of Agriculture - Passed through the Michigan Department of Education - Food Distribution - Entitlement commodities - 2007-2008			
	10.550	<u>143,325</u>	<u>-</u>
Total federal awards		<u>\$ 7,493,970</u>	<u>\$ 3,077,473</u>

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2008

Accrued (Deferred) Revenue at June 30, 2007	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Final Expenditures	Accrued (Deferred) Revenue at June 30, 2008
\$ 10,950	\$ -	\$ 24,119	\$ 13,169	\$ -
<u>-</u>	<u>-</u>	<u>31,335</u>	<u>35,413</u>	<u>4,078</u>
10,950	-	55,454	48,582	4,078
28,787	-	55,767	26,980	-
<u>-</u>	<u>-</u>	<u>133,999</u>	<u>254,229</u>	<u>120,230</u>
<u>28,787</u>	<u>-</u>	<u>189,766</u>	<u>281,209</u>	<u>120,230</u>
139,215	-	662,254	828,254	305,215
<u>-</u>	<u>-</u>	<u>6,275</u>	<u>6,275</u>	<u>-</u>
139,215	-	987,096	1,167,739	319,858
<u>-</u>	<u>-</u>	<u>143,325</u>	<u>143,325</u>	<u>-</u>
<u>\$ 358,111</u>	<u>\$ 848</u>	<u>\$ 3,256,233</u>	<u>\$ 4,713,769</u>	<u>\$ 1,816,495</u>

Chippewa Valley Schools

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2008

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.

Note 4 - Adjustments and Transfers

At June 30, 2008, an adjustment to the Michigan Schools Integrated Behavior and Learning Initiative (MiBLSI) of \$848 is reflected to correct a misclassification of deferred revenue reported in the June 30, 2007 schedule of expenditures of federal awards.

Chippewa Valley Schools

Schedule of Findings and Questioned Costs Year Ended June 30, 2008

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 X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major program(s):

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ Yes X 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 X No

Identification of major program:

CFDA Number(s)	Name of Federal Program or Cluster
84.027, 84.173	Special Education Cluster

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

Auditee qualified as low risk auditee? X Yes ___ No

Chippewa Valley Schools

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2008

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None