

# **Lake Shore Public Schools**

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

# Lake Shore Public Schools

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## Independent Auditor's Report

To the Board of Education  
Lake Shore Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Shore Public Schools for the year ended June 30, 2009, which collectively comprise Lake Shore Public Schools' basic financial statements, and have issued our report thereon dated September 9, 2009. These basic financial statements are the responsibility of Lake Shore Public Schools' 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 Lake Shore Public 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 9, 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  
Lake Shore Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Shore Public Schools as of and for the year ended June 30, 2009, which collectively comprise Lake Shore Public Schools' basic financial statements, and have issued our report thereon dated September 9, 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 Lake Shore Public Schools' 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.

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.

To the Board of Education  
Lake Shore Public Schools

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lake Shore Public 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*.

We noted certain matters that we have reported to management of Lake Shore Public Schools in a separate letter dated September 9, 2009.

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 9, 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  
Lake Shore Public Schools

**Compliance**

We have audited the compliance of Lake Shore Public 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, 2009. The major federal programs of Lake Shore Public 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 Lake Shore Public Schools' management. Our responsibility is to express an opinion on Lake Shore Public 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 Lake Shore Public 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 Lake Shore Public Schools' compliance with those requirements.

In our opinion, Lake Shore Public 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, 2009.

To the Board of Education  
Lake Shore Public Schools

### **Internal Control Over Compliance**

The management of Lake Shore Public Schools 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 Lake Shore Public Schools' 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 9, 2009

# Lake Shore Public Schools

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

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2008	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2009
Clusters:								
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:								
National School Breakfast Program - 2008-2009	10.553	\$ 77,525	\$ -	\$ -	\$ -	\$ 74,097	\$ 77,525	\$ 3,428
National School Lunch Program:								
Cash Assistance - 2008-2009	10.555	354,135	-	-	-	341,219	354,135	12,916
Non-Cash Assistance (Commodities):								
Entitlement commodities - 2008-2009	10.555	47,155	-	-	-	47,155	47,155	-
Bonus commodities - 2008-2009	10.555	12,147	-	-	-	12,147	12,147	-
Total Child Nutrition Cluster		490,962	-	-	-	474,618	490,962	16,344
Special Education Cluster - U.S. Department of Education - Passed through the Macomb County ISD:								
IDEA:	84.027							
Project number 070-450-0607		569,427	519,437	30	-	30	-	-
Project number 080-450-0708		575,636	488,186	73,450	-	160,900	87,450	-
Project number 090-450-0809		568,239	-	-	-	268,504	486,351	217,847
Total IDEA		1,713,302	1,007,623	73,480	-	429,434	573,801	217,847
Preschool Incentive - Project number 090-460-0809	84.173	19,041	-	-	-	10,097	19,041	8,944
Total Special Education Cluster		1,732,343	1,007,623	73,480	-	439,531	592,842	226,791
WIA Cluster - U.S. Department of Labor - Passed through the Macomb/St. Clair Workforce Development Board - Michigan Works! Workforce Investment Act:								
2007-2008	17.259	356,963	356,963	29,930	-	29,930	-	-
2008-2009		484,634	-	-	-	400,980	484,634	83,654
Total WIA Cluster		841,597	356,963	29,930	-	430,910	484,634	83,654

# Lake Shore Public Schools

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

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2008	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2009
Employment Services Cluster - U.S. Department of Labor:								
Passed through the Macomb/St. Clair Workforce Development Board - Michigan Works! Wagner-Peyser Act:								
2007-2008	17.207	\$ 1,154,590	\$ 1,154,591	\$ 93,443	\$ -	\$ 93,443	\$ -	\$ -
2008-2009		1,189,707	-	-	-	990,671	1,189,707	199,036
Passed through the Washtenaw County Workforce Development Board - Wagner-Peyser Act:								
2007-2008	17.207	353,208	353,208	63,998	-	63,998	-	-
2008-2009		333,053	-	-	-	248,822	333,053	84,231
Total Employment Services Cluster		3,030,558	1,507,799	157,441	-	1,396,934	1,522,760	283,267
Passed through the Michigan Department of Education - State Fiscal Stabilization Fund (SFSF) - Education Grants, Recovery Act (Education Stabilization Fund)								
	84.394	1,217,364	-	-	-	-	1,217,364	1,217,364
Other federal awards:								
U.S. Department of Education:								
Direct programs - Indian Education:								
2007-2008	84.060	166,407	166,407	26,962	-	26,962	-	-
2008-2009		158,727	-	-	-	72,889	158,727	85,838
Total direct programs - Indian Education		325,134	166,407	26,962	-	99,851	158,727	85,838
Passed through the Michigan Department of Education:								
Title I:								
Project number 08-1530-0708	84.010	258,908	226,402	124,807	-	157,313	32,506	-
Project number 09-1530-0809		270,084	-	-	-	143,423	268,345	124,922
Total Title I		528,992	226,402	124,807	-	300,736	300,851	124,922
Title IIA:								
Project number 08-0520-0708	84.367	96,765	64,806	6,529	-	38,488	31,959	-
Project number 09-0520-0809		98,839	-	-	-	8,916	34,561	25,645
Total Title IIA		195,604	64,806	6,529	-	47,404	66,520	25,645

# Lake Shore Public Schools

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

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2008	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2009
Other federal awards (Continued):								
U.S. Department of Education (Continued):								
Adult Education - Project number 08-1   120-850-0287	84.002	\$ 31,200	\$ 31,200	\$ 5,615	\$ -	\$ 5,615	\$ -	\$ -
Adult Education - Project number 09-1   120-950-0287	84.002A	30,000	-	-	-	20,094	30,000	9,906
Total Adult Education		61,200	31,200	5,615	-	25,709	30,000	9,906
Title IID - Technology Literacy Challenge Fund - Project number - 094290-0809	84.318	2,331	-	-	-	875	2,331	1,456
Total noncluster programs passed through the Michigan Department of Education		788,127	322,408	136,951	-	374,724	399,702	161,929
Passed through the Macomb County ISD:								
Vocational Education - Basic Grants to States - Project number 093520/801216	84.048	21,008	-	-	-	21,008	21,008	-
Safe and Drug-free Schools and Communities: Project number 082860-0708	84.186	4,607	3,736	-	-	871	871	-
Project number 082860-0809		4,048	-	-	-	4,048	4,048	-
Total Safe and Drug-free Schools and Communities		8,655	3,736	-	-	4,919	4,919	-
Adult Education - Project number 09-1   130-910197	84.002	42,903	-	-	-	42,903	42,903	-
Total noncluster programs passed through the Macomb County ISD		72,566	3,736	-	-	68,830	68,830	-
Total U.S. Department of Education noncluster programs		1,185,827	492,551	163,913	-	543,405	627,259	247,767
Trade Adjustment Assistance - U.S. Department of Labor - Passed through the Macomb/St. Clair Workforce Development Board - Michigan Works!:								
2007-2008	17.245	19,083	19,083	1,727	-	1,727	-	-
2008-2009		12,249	-	-	-	11,047	12,249	1,202
Total U.S. Department of Labor noncluster programs		31,332	19,083	1,727	-	12,774	12,249	1,202

# Lake Shore Public Schools

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

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2008	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2009
U.S. Department of Health and Human Services - Passed through the Macomb/St. Clair Workforce Development Board - Temporary Assistance for Needy Families:								
	93.558							
2007-2008		\$ 456,058	\$ 456,058	\$ 35,857	\$ -	\$ 35,857	\$ -	\$ -
2008-2009		<u>888,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>792,678</u>	<u>888,596</u>	<u>95,918</u>
Total passed through the Macomb/St. Clair Workforce Development Board - Temporary Assistance for Needy Families								
		<u>1,344,654</u>	<u>456,058</u>	<u>35,857</u>	<u>-</u>	<u>828,535</u>	<u>888,596</u>	<u>95,918</u>
Passed through the Washtenaw County Workforce Development Board - Temporary Assistance for Needy Families:								
	93.558							
2007-2008		747,848	747,848	125,158	-	125,158	-	-
2008-2009		<u>760,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>563,452</u>	<u>760,922</u>	<u>197,470</u>
Total passed through the Washtenaw County Workforce Development Board - Temporary Assistance for Needy Families								
		<u>1,508,770</u>	<u>747,848</u>	<u>125,158</u>	<u>-</u>	<u>688,610</u>	<u>760,922</u>	<u>197,470</u>
Total U.S. Department of Health and Human Services noncluster programs								
		<u>2,853,424</u>	<u>1,203,906</u>	<u>161,015</u>	<u>-</u>	<u>1,517,145</u>	<u>1,649,518</u>	<u>293,388</u>
Total federal awards								
		<u>\$ 11,383,407</u>	<u>\$ 4,587,925</u>	<u>\$ 587,506</u>	<u>\$ -</u>	<u>\$ 4,815,317</u>	<u>\$ 6,597,588</u>	<u>\$ 2,369,777</u>

# Lake Shore Public Schools

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## 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 Lake Shore Public 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 and Grant Audit 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.

# Lake Shore Public 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    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(s):

CFDA Numbers	Name of Federal Program or Cluster
84.010	Title I Part A
84.394	State Fiscal Stabilization Fund (SFSF) - Education Grants, Recovery Act (Education Stabilization Fund)
17.259	WIA Cluster - U.S. Department of Labor

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

Auditee qualified as low-risk auditee?        X Yes    \_\_\_ No

# **Lake Shore Public Schools**

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## **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