

Vicksburg Community Schools

Additional Reports Required by *OMB Circular A-133*

Year Ended June 30, 2009



BDO Seidman, LLP
Accountants and Consultants



Vicksburg Community Schools

**Additional Reports Required by
*OMB Circular A-133***

Year Ended June 30, 2009

Vicksburg Community Schools

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Independent Auditors' 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 the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Vicksburg Community Schools, as of and for the year ended June 30, 2009, which collectively comprise Vicksburg Community Schools' basic financial statements and have issued our report thereon dated October 30, 2009. 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 Vicksburg Community 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 Vicksburg Community Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Vicksburg Community Schools' internal control over financial reporting.

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 Vicksburg Community Schools' financial statements will not be prevented or detected and corrected on a timely basis.



Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vicksburg Community 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 the board of education, management, 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.

BDO Seidman, LLP

Certified Public Accountants

October 30, 2009



Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance In Accordance With *OMB Circular A-133*

Board of Education
Vicksburg Community Schools
Vicksburg, Michigan

Compliance

We have audited the compliance of Vicksburg Community 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. Vicksburg Community Schools' major federal program is identified in the summary of auditors' 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 Vicksburg Community Schools' management. Our responsibility is to express an opinion on Vicksburg Community 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 Vicksburg Community 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 Vicksburg Community Schools' compliance with those requirements.



In our opinion, Vicksburg Community 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.

Internal Control Over Compliance

The management of Vicksburg Community 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 Vicksburg Community 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 Vicksburg Community Schools' internal control over compliance.

A control deficiency in Vicksburg Community Schools' 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 Vicksburg Community Schools' 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 Vicksburg Community Schools' 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 Vicksburg Community Schools' 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.



Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Vicksburg Community Schools, as of and for the year ended June 30, 2009, and have issued our report thereon dated October 30, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Vicksburg Community Schools' 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 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.

This report is intended solely for the information and use of the board of education, management, 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.

BDO Seidman, LLP

Certified Public Accountants

October 30, 2009

<i>Federal Grantor Pass Through Grantor Program/Project Number</i>	<i>Federal CFDA Number</i>	<i>Grant Award</i>
U.S. Department of Education:		
<i>Passed Through Michigan Department of Education:</i>		
Title I Part A:		
Project Number 081530-0708	84.010	\$ 166,595
Project Number 091530-0809	84.010	340,874
Total Title I Part A		507,469
Title V -		
Project Number 080250-0708	84.298	553
Technology Literacy:		
Project Number 084290-0708	84.318	1,677
Project Number 094290-0809	84.318	2,636
Total Technology Literacy		4,313
Improving Teacher Quality:		
Project Number 080520-0708	84.367	98,123
Project Number 090520-0809	84.367	106,440
Total Improving Teacher Quality		204,563
Education Stabilization Fund -		
Project 092525-0809	84.394	960,769
<i>Total Passed Through Michigan Department of Education</i>		<i>1,677,667</i>

Vicksburg Community Schools

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

<i>(Memo Only)</i> <i>Prior</i> <i>Year</i> <i>Expenditures</i>	<i>Accrued</i> <i>Revenue</i> <i>July 1,</i> <i>2008</i>	<i>Current</i> <i>Year</i> <i>Receipts</i>	<i>Current</i> <i>Year</i> <i>Expenditures</i>	<i>Accrued</i> <i>Revenue</i> <i>June 30,</i> <i>2009</i>
\$ 149,962	\$ 79,589	\$ 79,589	\$ -	\$ -
-	-	174,218	223,267	49,049
149,962	79,589	253,807	223,267	49,049
553	553	553	-	-
1,677	1,677	1,677	-	-
-	-	-	172	172
1,677	1,677	1,677	172	172
69,327	24,327	24,327	-	-
-	-	31,266	104,686	73,420
69,327	24,327	55,593	104,686	73,420
-	-	-	960,769	960,769
221,519	106,146	311,630	1,288,894	1,083,410

See accompanying independent auditors' report and notes to Schedule of Expenditures of Federal Awards.

<i>Federal Grantor Pass Through Grantor Program/Project Number</i>	<i>Federal CFDA Number</i>	<i>Grant Award</i>
U.S. Department of Education (Concluded):		
<i>Passed Through Calhoun Intermediate School District:</i>		
Drug Free Schools - 2007-2008 Carryover	84.186	\$ 6,247
Drug Free Schools - 2008-2009	84.186	5,165
<i>Total Passed Through Calhoun Intermediate School District</i>		11,412
<i>Passed Through Kalamazoo Regional Educational Service Agency:</i>		
Carl D. Perkins Vocational Education Project 901220	84.048 A	37,321
IDEA - Project 090450-0809	84.027 A	34,752
<i>Total Passed Through Kalamazoo Regional Educational Service Agency</i>		72,073
Total U.S. Department of Education		1,761,152
U.S. Department of Agriculture:		
<i>Passed Through Michigan Department of Education:</i>		
National School Lunch Program -		
Cash Assistance:		
Project 081950	10.555	7,075
Project 081960	10.555	23,400
Project 091950	10.555	53,032
Project 091960	10.555	182,769
Non-Cash Assistance:		
Entitlement Commodities	10.555	57,406
Bonus Commodities	10.555	10,364
Total National School Lunch Program		334,046

Vicksburg Community Schools

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

<i>(Memo Only)</i> <i>Prior</i> <i>Year</i> <i>Expenditures</i>	<i>Accrued</i> <i>Revenue</i> <i>July 1,</i> <i>2008</i>	<i>Current</i> <i>Year</i> <i>Receipts</i>	<i>Current</i> <i>Year</i> <i>Expenditures</i>	<i>Accrued</i> <i>Revenue</i> <i>June 30,</i> <i>2009</i>
\$ 4,712	\$ -	\$ 1,535	\$ 1,535	\$ -
-	-	-	3,163	3,163
4,712	-	1,535	4,698	3,163
-	-	37,321	37,321	-
-	-	34,752	34,752	-
-	-	72,073	72,073	-
226,231	106,146	385,238	1,365,665	1,086,573
-	-	7,075	7,075	-
-	-	23,400	23,400	-
-	-	53,032	53,032	-
-	-	182,769	182,769	-
-	-	53,520	53,520	-
-	-	10,364	10,364	-
-	-	330,160	330,160	-

See accompanying independent auditors' report and notes to Schedule of Expenditures of Federal Awards.

<i>Federal Grantor Pass Through Grantor Program/Project Number</i>	<i>Federal CFDA Number</i>	<i>Grant Award</i>
U.S. Department of Agriculture (Concluded):		
<i>Passed Through Michigan Department of Education (Concluded):</i>		
National School Lunch - Breakfast Program -		
Cash Assistance:		
Project 081970	10.553	\$ 4,453
Project 091970	10.553	52,518
Total National School Lunch - Breakfast Program		56,971
Total U.S. Department of Agriculture		391,017
Total Federal Awards		\$ 2,152,169

Vicksburg Community Schools

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

<i>(Memo Only)</i> <i>Prior</i> <i>Year</i> <i>Expenditures</i>	<i>Accrued</i> <i>Revenue</i> <i>July 1,</i> <i>2008</i>	<i>Current</i> <i>Year</i> <i>Receipts</i>	<i>Current</i> <i>Year</i> <i>Expenditures</i>	<i>Accrued</i> <i>Revenue</i> <i>June 30,</i> <i>2009</i>
\$ -	\$ -	\$ 4,453	\$ 4,453	\$ -
-	-	52,518	52,518	-
-	-	56,971	56,971	-
-	-	387,131	387,131	-
\$ 226,231	\$ 106,146	\$ 772,369	\$ 1,752,796	\$ 1,086,573

See accompanying independent auditors' 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, 2009

Note 1

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Vicksburg Community Schools 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 basic financial statements.

Note 2

Management has utilized the Grants Section Auditor's Report (Form R7120) in preparing the Schedule of Expenditures of Federal Awards.

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

See accompanying independent auditors' report.

Vicksburg Community Schools

Summary of Auditors' Results and Schedule of Findings and Questioned Costs Year Ended June 30, 2009

Section I – Summary of Auditors' Results

Financial Statements

An unqualified opinion was issued on the auditor's report.

Internal control over financial reporting:

- Material weakness (es) identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None Reported

An unqualified opinion was issued on the compliance report for major programs.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) or Circular A-133? No

Identification of major programs:

Name of Federal Program or Cluster CFDA Number

Education Stabilization Fund 84.394

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

Auditee qualified as low-risk auditee? Yes

Section II – Financial Statement Findings

There were no findings which are required to be reported under *Governmental Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs

There were no findings or questioned costs.