

# **Wayne-Westland Community Schools**

---

**Federal Awards  
Supplemental Information  
June 30, 2017**

# Wayne-Westland Community Schools

---

## Contents

### Independent Auditor's Reports:

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	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 for Each Major Federal Program; Report on Internal Control Over Compliance	4-5
Schedule of Expenditures of Federal Awards	6-8
Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards	9
Notes to Schedule of Expenditures of Federal Awards	10
Schedule of Findings and Questioned Costs	11-12

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

Independent Auditor's Report

To the Board of Education  
Wayne-Westland Community Schools

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne-Westland Community Schools (the "School District") as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 24, 2017 which contained unmodified opinions on the financial statements of Wayne-Westland Community Schools. Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 24, 2017.

The accompanying schedule of expenditures of federal awards and reconciliation of financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis as required by the Uniform Guidance, and are 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 basic 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Plante & Moran, PLLC*

Ann Arbor Michigan  
October 24, 2017

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*

Independent Auditor's Report

To Management and the Board of Education  
Wayne-Westland Community Schools

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 Wayne-Westland Community Schools (the "School District") as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 24, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Wayne-Westland Community Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described as Finding 2017-01 in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

To Management and the Board of Education  
Wayne-Westland Community Schools

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2017-01 to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Wayne-Westland Community Schools' financial statements are free from 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*.

### **Wayne-Westland Community Schools' Response to Finding**

Wayne-Westland Community Schools' response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Wayne-Westland Community Schools' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 School 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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plante & Moran, PLLC*

October 24, 2017

Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Education  
Wayne-Westland Community Schools

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

We have audited Wayne-Westland Community Schools' (the "School District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2017. Wayne-Westland Community Schools' major federal program is 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 the terms and conditions of its federal awards applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Wayne-Westland Community Schools' 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* (the "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 Wayne-Westland 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Wayne-Westland Community Schools' compliance.

To the Board of Education  
Wayne-Westland Community Schools

### ***Opinion on Each Major Federal Program***

In our opinion, Wayne-Westland Community Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

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

Management of Wayne-Westland Community Schools 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 Wayne-Westland Community Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each 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 School 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 a 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.

*Plante & Moran, PLLC*

October 24, 2017

# Wayne-Westland Community Schools

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2017

Program Title/Project Number/Subrecipient Name	Grant/Project Number	Federal CFDA Number	Approved Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue July 1, 2016	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue June 30, 2017	Current Year Cash Transferred to Subrecipient
<b>Clusters:</b>										
Direct Program - TRIO Cluster - U.S. Department of Education -										
TRIO Cluster - Upward Bound:										
TRIO Cluster 1516	P047A120297	84.047	\$ 355,535	\$ 270,894	\$ 48,137	\$ -	\$ 132,769	\$ 84,632	\$ -	\$ -
TRIO Cluster 1617	P047A120297	84.047	366,200	-	-	-	224,021	274,205	50,184	-
Total TRIO Cluster			721,735	270,894	48,137	-	356,790	358,837	50,184	-
Child Nutrition Cluster - U.S. Department of Agriculture -										
Passed through the Michigan Department of Education:										
Noncash assistance (commodities) - Entitlement commodities -										
2016-2017 EST										
	N/A	10.555	322,678	-	-	-	322,678	322,678	-	-
Cash assistance:										
National School Lunch Program 2015-2016	161960	10.555	2,804,047	2,804,047	140,518	-	140,518	-	-	-
National School Lunch Program 2016-2017	171960	10.555	2,681,025	-	-	-	2,552,407	2,681,025	128,618	-
National School Lunch Program Subtotal (including commodities)			5,807,750	2,804,047	140,518	-	3,015,603	3,003,703	128,618	-
National School Breakfast Program 2015-2016	161970	10.553	1,677,383	1,677,382	109,001	-	109,001	-	-	-
National School Breakfast Program 2016-2017	171970	10.553	1,555,725	-	-	-	1,471,523	1,555,725	84,202	-
National School Breakfast Program Subtotal			3,233,108	1,677,382	109,001	-	1,580,524	1,555,725	84,202	-
Summer Food Service Program 2015-2016	160900	10.559	72,937	72,937	10,169	-	10,169	-	-	-
Summer Food Service Program 2016-2017	161900	10.559	54,779	-	-	-	46,636	54,779	8,143	-
Summer Food Service Program Subtotal			127,716	72,937	10,169	-	56,805	54,779	8,143	-
Total Child Nutrition Cluster			9,168,574	4,554,366	259,688	-	4,652,932	4,614,207	220,963	-
Special Education Cluster - U.S. Department of Education -										
Passed through the Wayne County RESA:										
IDEA Flowthrough:										
IDEA Flowthrough CPO 1516	160450-1516	84.027	300,465	300,465	69,906	-	69,906	-	-	-
IDEA Flowthrough 1516	160450-1516	84.027	2,908,137	2,908,137	658,092	-	658,092	-	-	-
IDEA Flowthrough CPO 1617	170450-1617	84.027	459,270	-	-	-	337,195	459,270	122,075	-
IDEA Flowthrough 1617	170450-1617	84.027	2,892,693	-	-	-	2,286,983	2,892,693	605,710	-
Total IDEA Flowthrough			6,560,565	3,208,602	727,998	-	3,352,176	3,351,963	727,785	-
IDEA Preschool:										
IDEA Preschool 1516	160460-1516	84.173	118,560	118,560	32,146	-	32,146	-	-	-
IDEA Preschool 1617	170460-1617	84.173	125,967	-	-	-	96,204	125,967	29,763	-
Total IDEA Preschool			244,527	118,560	32,146	-	128,350	125,967	29,763	-
Total Special Education Cluster			6,805,092	3,327,162	760,144	-	3,480,526	3,477,930	757,548	-
Medicaid Cluster - Medical Assistance Program - Passed through the										
Wayne County RESA - Medicaid Assistance Program 1617										
	N/A	93.778	39,324	-	-	-	39,324	39,324	-	-
Total clusters			16,734,725	8,152,422	1,067,969	-	8,529,572	8,490,298	1,028,695	-

See Notes to Schedule of Expenditures  
of Federal Awards.



# Wayne-Westland Community Schools

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2017

Program Title/Project Number/Subrecipient Name	Grant/Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2016	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2017	Current Year Cash Transferred to Subrecipient
Other federal awards:										
Direct Program - U.S. Department of Education - Indian Education Program 1516	S060A150499	84.060	\$ 6,723	\$ 693	\$ 239	\$ -	\$ 239	\$ -	\$ -	\$ -
Title I, Part A - U.S. Department of Education - Passed through the Michigan Department of Education:										
Title I, Part A 1516	161530	84.010	4,284,586	3,497,030	671,758	-	1,236,463	564,705	-	-
Title I, Part A 1617	171530	84.010	4,081,758	-	-	-	2,575,687	3,062,272	486,585	-
Total Title I, Part A			8,366,344	3,497,030	671,758	-	3,812,150	3,626,977	486,585	-
Adult Education - U.S. Department of Education - Passed through the Michigan Department of Education - Adult Education 1617	161130	84.002	22,000	-	28,600	-	28,600	22,000	22,000	-
Title II, Part A - U.S. Department of Education - Passed through the Michigan Department of Education - Improving Teacher Quality Grants:										
Title II, Part A 1516	160520	84.367	874,224	490,632	74,381	-	215,682	141,301	-	-
Title II, Part A 1617	170520	84.367	819,810	-	-	-	350,999	419,654	68,655	-
Total Improving Teacher Quality Grants			1,694,034	490,632	74,381	-	566,681	560,955	68,655	-
Child and Adult Care Food Program - U.S. Department of Education - Passed through the Michigan Department of Education:										
Child Care Food Program 1516	161920	10.558	187,822	187,822	47,783	-	47,783	-	-	-
Child Care Food Program Supper 1516	162010	10.558	209,296	209,296	59,304	-	59,304	-	-	-
Child Care Food Program 1617	171920	10.558	185,537	-	-	-	185,537	185,537	-	-
Child Care Food Program Supper 1617	172010	10.558	201,325	-	-	-	201,325	201,325	-	-
Total Child Care Food Program			783,980	397,118	107,087	-	493,949	386,862	-	-
Fresh Fruit and Vegetable Program - U.S. Department of Education - Passed through the Michigan Department of Education -										
Fresh Fruit and Vegetable Program 1617	170950	10.582	23,956	-	-	-	23,946	23,946	-	-
Total noncluster passed through the Michigan Department of Education			10,890,314	4,384,780	881,826	-	4,925,326	4,620,740	577,240	-
Passed through the Wayne County RESA - Vocational Education - Basic Grants to States (Perkins II):										
Vocational Education 1516	163520-161225	84.048	298,405	290,312	93,061	-	93,061	-	-	-
Vocational Education 1617	173520-171225	84.048	312,510	-	-	-	151,496	310,471	158,975	-
Total Vocational Education			610,915	290,312	93,061	-	244,557	310,471	158,975	-

See Notes to Schedule of Expenditures  
of Federal Awards.

# Wayne-Westland Community Schools

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2017

Program Title/Project Number/Subrecipient Name	Grant/Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2016	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2017	Current Year Cash Transferred to Subrecipient
Other federal awards (continued):										
Head Start - U.S. Department of Health and Human Services -										
Passed through the Wayne County RESA:										
Head Start Program 1516	05CH8257	93.600	\$ 1,943,563	\$ 1,497,109	\$ 321,874	\$ -	\$ 321,874	\$ -	\$ -	\$ -
Head Start Program 1617	05CH8257	93.600	1,741,734	-	-	-	1,411,846	1,570,110	158,264	-
Head Start Program 1718	05CH8257	93.600	<u>1,846,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,629</u>	<u>296,629</u>	<u>-</u>
Total Head Start			5,531,378	1,497,109	321,874	-	1,733,720	1,866,739	454,893	-
U.S. Army - Passed through the U.S. Army:										
Project number not available 1516	N/A	12.357	134,947	134,947	11,473	-	11,473	-	-	-
Project number not available 1617	N/A	12.357	<u>138,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,570</u>	<u>138,119</u>	<u>11,549</u>	<u>-</u>
Total U.S. Army			<u>273,066</u>	<u>134,947</u>	<u>11,473</u>	<u>-</u>	<u>138,043</u>	<u>138,119</u>	<u>11,549</u>	<u>-</u>
Total federal financial assistance			<u>\$ 34,047,121</u>	<u>\$ 14,460,263</u>	<u>\$ 2,376,442</u>	<u>\$ -</u>	<u>\$ 15,571,457</u>	<u>\$ 15,426,367</u>	<u>\$ 2,231,352</u>	<u>\$ -</u>

See Notes to Schedule of Expenditures  
of Federal Awards.

# Wayne-Westland Community Schools

---

## **Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards Year Ended June 30, 2017**

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 14,712,863
Plus unavailable revenue related to federal programs on the basic financial statements at June 30, 2017	<u>713,504</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><b>\$ 15,426,367</b></u>

# Wayne-Westland Community Schools

---

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2017

### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Wayne-Westland Community Schools (the "School District") under programs of the federal government for the year ended June 30, 2017. 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* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Wayne-Westland Community Schools, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Wayne-Westland Community Schools.

### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87 or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The School District has elected not to use the 10 percent *de minimus* indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

### **Note 3 - Grant Auditor Report**

Management has utilized 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 - Noncash Assistance**

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance.

# Wayne-Westland Community Schools

## Schedule of Findings and Questioned Costs Year Ended June 30, 2017

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

#### Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

#### Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ 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 2 CFR 200.516 (a)?

☐ Yes ☒ No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.010	Title I, Part A

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

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

# Wayne-Westland Community Schools

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2017

### Section II - Financial Statement Audit Findings

Reference Number	Finding
2017-01	<p><b>Finding Type</b> - Material weakness</p> <p><b>Criteria</b> - Governmental funds recognize revenue as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Revenue not meeting this definition is classified as a deferred inflow of resources. The School District considers revenue to be available if it is collected within 60 days of the end of the fiscal period.</p> <p><b>Condition</b> - The School District did not properly record a deferred inflow of resources for certain grant revenue not collected within the current period or soon enough thereafter to pay liabilities of the current period.</p> <p><b>Context</b> - The School District did not properly defer \$735,158 of grant revenue which was collected more than 60 days after the end of the current fiscal period.</p> <p><b>Cause</b> - The School District did not review grant reimbursement requests outstanding as of June 30, 2017 to ensure these funds were collected within 60 days after the end of the current fiscal period.</p> <p><b>Effect</b> - Federal, State, and Local Grant Programs Fund revenue was overstated by \$735,158. This amount was subsequently corrected through an audit adjusting journal entry.</p> <p><b>Recommendation</b> - The School District should implement procedures to allow for proper identification of unavailable revenue.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The business office will establish overlapping responsibilities and levels of review in this area to ensure that revenue is recorded in accordance with generally accepted accounting principles. Further, the business office will communicate these principles to all those involved in preparing reimbursement requests and recording revenue.</p>

### Section III - Federal Program Audit Findings

None