

**WESTWOOD COMMUNITY SCHOOL DISTRICT**

**FEDERAL AWARDS  
SUPPLEMENTAL INFORMATION**

**JUNE 30, 2016**

# WESTWOOD COMMUNITY SCHOOL DISTRICT

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education of  
Westwood Community School District  
Dearborn Heights, MI

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Westwood Community School District (the School District) as of and for the year ended June 30, 2016, 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 31, 2016 which contained unmodified opinions on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information. 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 and reconciliation of the financial statements' federal revenue with the schedule of expenditures of federal awards are presented for purposes 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 schedule of expenditures of federal awards and the reconciliation of the financial statements' federal revenue with the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Alan C. Young & Assoc.*

Detroit, Michigan  
October 31, 2016



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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**

To the Board of Education of  
Westwood Community School District  
Dearborn Heights, MI

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the 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 Westwood Community School District (the School District) as of and for the year ended June 30, 2016, 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 31, 2016.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School 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 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 in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2016-003 to be a material weakness.

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 deficiencies described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002 to be significant deficiencies.

**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  
(Continued)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School 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*.

School District's Response to Findings

The management of the School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain matters that we have reported to management of the School District in a separate letter dated October 31, 2016.

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.



Detroit, Michigan  
October 31, 2016



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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education of  
Westwood Community School District  
Dearborn Heights, MI

### Report on Compliance for each Major Federal Program

We have audited the Westwood Community School District's (the School District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2016. The School 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School 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 Title 2 U.S. Code of Federal Regulations (CFR) 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 School District's 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 the School District's compliance.

**Independent Auditor's Report on Compliance  
for Each Major Program and on Internal Control  
over Compliance Required by the Uniform Guidance  
(Continued)**

Unmodified Opinion on Each of the Major Federal Programs

In our opinion, the School 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 identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-004 through 2016-007. Our opinion on each major federal program is not modified with respect to these matters.

The School District's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the School 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 School District's 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2016-005 and 2016-006 to be material weaknesses.

**Independent Auditor's Report on Compliance  
for Each Major Program and on Internal Control  
over Compliance Required by the Uniform Guidance  
(Continued)**

Report on Internal Control over Compliance - (Continued)

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2016-007 to be a significant deficiency.

The School District's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.

*Alan C. Young, Assoc.*

Detroit, Michigan  
October 31, 2016

# WESTWOOD COMMUNITY SCHOOL DISTRICT

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

PROGRAM TITLE/PROJECT NUMBER	Grant/Project Number	CFDA NUMBER	APPROVED AWARDS AMOUNT	(MEMO ONLY) PRIOR YEAR EXPENDITURES	ACCRUED REVENUE AT JULY 1, 2015	ADJUSTMENTS AND TRANSFERS	FEDERAL FUNDS/PAYMENTS IN-KIND	EXPENDITURES	ACCRUED REVENUE JUNE 30, 2016
<b>CLUSTERS:</b>									
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:									
<u>Noncash Assistance (Commodities) -</u>									
National School Lunch Program Entitlement Commodities - 2015-16	N/A	10.555	\$ 53,722	\$ -	\$ -	\$ -	\$ 53,722	\$ 53,722	\$ -
<u>Cash Assistance:</u>									
National School Lunch Program - 2014-15	151960	10.555	665,902	665,902	30,973	-	30,973	-	-
National School Lunch Program - 2015-16	161960	10.555	626,860	-	-	-	587,730	626,860	39,130
National School Lunch Program (Including Commodities) Subtotal			1,346,484	665,902	30,973	-	672,425	680,582	39,130
National School Breakfast Program - 2014-15	151970	10.553	349,852	349,852	19,502	-	19,502	-	-
National School Breakfast Program - 2015-16	161970	10.553	334,195	-	-	-	312,594	334,195	21,601
National School Breakfast Program Subtotal			684,047	349,852	19,502	-	332,096	334,195	21,601
Summer Food Service Program for Children - 2014-15	150900	10.559	9,429	9,429	585	-	585	-	-
Summer Food Service Program for Children - 2015-16	160900	10.559	7,174	-	-	-	6,813	7,174	361
Summer Food Program for Children Subtotal			16,603	9,429	585	-	7,398	7,174	361
<b>Total Child Nutrition Cluster</b>			2,047,134	1,025,183	51,060	-	1,011,919	1,021,951	61,092
Special Education Cluster - U.S. Department of Education - Passed through the Wayne County Regional Educational Service Agency:									
IDEA Flowthrough:									
IDEA Flowthrough 1314	140450	84.027A *	722,651	24,375	24,375	-	24,375	-	-
IDEA Flowthrough 1415	150450	84.027A *	691,416	682,086	360,958	-	370,288	9,330	-
IDEA Flowthrough 1516	160450	84.027A *	611,856	-	-	-	396,869	611,856	214,987
IDEA Flowthrough Subtotal			2,025,923	706,461	385,333	-	791,532	621,186	214,987
Preschool Incentive 1415	150460	84.173A *	18,531	18,531	8,307	-	8,307	-	-
Preschool Incentive 1516	160460	84.173A *	12,768	-	-	-	12,768	12,768	-
Preschool Incentive Subtotal			31,299	18,531	8,307	-	21,075	12,768	-
<b>Total Special Education Cluster</b>			2,057,222	724,992	393,640	-	812,607	633,954	214,987

See notes to Schedule of Expenditures of Federal Awards.

# WESTWOOD COMMUNITY SCHOOL DISTRICT

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2016 (Continued)

PROGRAM TITLE/PROJECT NUMBER	Grant/Project Number	CFDA NUMBER	APPROVED AWARDS AMOUNT	(MEMO ONLY) PRIOR YEAR EXPENDITURES	ACCRUED REVENUE AT JULY 1, 2015	ADJUSTMENTS AND TRANSFERS	FEDERAL FUNDS/PAYMENTS IN-KIND	EXPENDITURES	ACCRUED REVENUE JUNE 30, 2016
<b>OTHER FEDERAL AWARDS:</b>									
Passed through the Michigan Department of Education:									
Fresh Fruit and Vegetable Program:									
Fresh Fruit and Vegetable Program 1415	150950	10.582	52,384	52,384	5,614	-	5,614	-	-
Fresh Fruit and Vegetable Program 1516	160950	10.582	50,598	-	-	-	50,598	50,598	-
Fresh Fruit and Vegetable Program 1516	1609V0	10.582	1,879	-	-	-	1,878	1,878	-
<b>Total Fresh Fruit and Vegetable Program</b>			104,861	52,384	5,614	-	58,090	52,476	-
Title I, Part A - Improving Basic Programs:									
Title I, Part A 1415	151530	84.010 *	2,657,759	1,853,312	324,530	(13,092)	705,832	394,394	-
Title I, Part A 1516	161530	84.010 *	1,892,930	-	-	-	1,174,232	1,380,015	205,783
<b>Total Title I, Part A</b>			4,550,689	1,853,312	324,530	(13,092)	1,880,064	1,774,409	205,783
Title II, Part A - Teacher and Principal Training and Recruiting									
Title II, Part A 1415	150520	84.367	442,484	82,404	18,887	-	42,780	23,893	-
Title II, Part A 1516	160520	84.367	501,022	-	-	-	183,551	229,289	45,738
<b>Total Title II, Part A</b>			943,506	82,404	18,887	-	226,331	253,182	45,738
Safe and Supportive Schools 2015	152970	84.184	120,400	115,688	16,965	-	16,965	-	-
<b>Total Noncluster Programs Passed through Michigan Department of Education</b>			5,719,456	2,103,788	365,996	(13,092)	2,181,450	2,080,067	251,521

See notes to Schedule of Expenditures of Federal Awards.

# WESTWOOD COMMUNITY SCHOOL DISTRICT

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2016 (Continued)

PROGRAM TITLE/PROJECT NUMBER	Grant/Project Number	CFDA NUMBER	APPROVED AWARDS AMOUNT	(MEMO ONLY) PRIOR YEAR EXPENDITURES	ACCRUED REVENUE AT JULY 1, 2015	ADJUSTMENTS AND TRANSFERS	FEDERAL FUNDS/PAYMENTS IN-KIND	EXPENDITURES	ACCRUED REVENUE JUNE 30, 2016
<b>OTHER FEDERAL AWARDS (Continued):</b>									
Passed through the Dearborn Heights School District # 7									
Carl D. Perkins	2013-14	84.048A	17,427	17,427	17,427	(2,781)	14,646	-	-
Carl D. Perkins	2014-15	84.048A	24,746	7,319	7,319	(7,319)	-	-	-
Carl D. Perkins	2015-16	84.048A	24,857	-	-	-	20,507	24,857	4,350
Total Carl D. Perkins			67,030	24,746	24,746	(10,100)	35,153	24,857	4,350
<b>Total Noncluster Programs Passed through the Dearborn Heights School District # 7</b>			67,030	24,746	24,746	(10,100)	35,153	24,857	4,350
Passed through the Wayne County Regional Educational Service Agency									
Medicaid Outreach									
Medical Assistance Program	NA	93.778	5,177	-	-	-	2,521	5,177	2,656
<b>Total Noncluster Programs Passed through the Wayne County Regional Educational Service Agency</b>			5,177	-	-	-	2,521	5,177	2,656
U.S. Department of Defence									
R.O.T.C. Program	2013-2014	12.002	23,102	16,912	(6,190)	6,190	-	-	-
R.O.T.C. Program	2014-2015	12.002	34,678	28,488	2,678	-	2,678	-	-
R.O.T.C. Program	2015-2016	12.002	66,503	-	-	-	67,627	66,503	(1,124)
<b>Total U.S. Department of Defense</b>			124,283	45,400	(3,512)	6,190	70,305	66,503	(1,124)
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 10,020,302</b>	<b>\$ 3,924,109</b>	<b>\$ 831,930</b>	<b>\$ (17,002)</b>	<b>\$ 4,113,955</b>	<b>\$ 3,832,509</b>	<b>\$ 533,482</b>

See notes to Schedule of Expenditures of Federal Awards.

# **WESTWOOD COMMUNITY SCHOOL DISTRICT**

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## **Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures Of Federal Awards Year Ended June 30, 2016**

<b>Revenue from Federal Sources - as Reported on Financial Statements (Includes all funds)</b>	\$ 4,246,544
Federal Revenue Unavailable on the Basic Financial Statements under GASB Statement No. 33 at June 30, 2015	(353,517)
QZAB Bond Rebates, Recorded as Federal Revenue in the Financial Statements, not to be included in SEFA	(51,493)
Technology Readiness Infrastructure Grant, Recorded as Federal Revenue in the Financial Statements, not to be included in SEFA	(32,217)
Adjustments to Prior Year Receivable	<u>23,192</u>
<b>Federal Expenditures per the Schedule of Expenditure of Federal Awards</b>	<u><u>\$ 3,832,509</u></u>

*See notes to Schedule of Expenditures of Federal Awards.*

# **WESTWOOD COMMUNITY SCHOOL DISTRICT**

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

### **1) BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Westwood Community School District (the School District). The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) 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 School District and therefore it is not intended to and does not present the financial position or changes in net assets of the School District for year ended June 30, 2016. Expenditures reported on the schedule are reported on the accrual basis of accounting. In addition, expenditures reported on the schedule are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-87, *Cost Principles for States and Local Governments*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### **2) 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.

### **3) NONCASH ASSISTANCE**

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

Commodities – Inventory values are based on USDA value for donated food commodities. Reported commodity values were computed using the recipient entitlement balance report and other records.

### **4) ADJUSTMENTS**

During the year, \$13,092 was written off due to recapture and pay back of prior year questioned costs. Also \$10,100 was written off as uncollectible for Carl Perkins and the unearned balance of \$6,190 was adjusted for the ROTC Grant.

### **5) MAJOR PROGRAMS**

Major programs are designated on the Schedule of Expenditures of Federal Awards with an asterisk (\*).

### **6) INDIRECT COST RATE**

The School District has elected not to use 10 percent de minimis indirect cost rate allowed rate allowed under the Uniform Guidance.

# **WESTWOOD COMMUNITY SCHOOL DISTRICT**

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

## **7) SUBSEQUENT EVENTS**

All subsequent events related to the major programs were evaluated through October 31, 2016, the date the accompanying reports were available to be issued. No significant event was noted that required adjustment or disclosure in the report.

# WESTWOOD COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2016

## 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?  X  Yes   No
- Significant Deficiencies Identified?  X  Yes   None Reported
- Non-Compliance Material to Financial Statements noted?   Yes  X  No

### Federal Awards

Internal Control over Major Programs:

- Material Weakness (es) Identified?  X  Yes   No
- Significant Deficiencies Identified?  X  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 2CFR 200.516(a)?

X  Yes   No

### Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Part A
84.027A, 84.173A	IDEA – Special Education Cluster

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

Auditee Qualified as Low Risk Auditee?   Yes  X  No

# WESTWOOD COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2016  
(Continued)

## SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS

Reference Number	Findings
2016-001	<p><b>Finding Type</b> – Significant Deficiency</p> <p><b>Condition and Description</b> – During our review of ticket sales for the athletic events, the support for the ending numbers for 3 out of the 4 samples selected were not available for review. As a result, we were unable to verify the number of tickets that were sold for those samples. The 3 samples were for athletic events held prior to the issuance of the fiscal year 2015 audit report. Furthermore, during our review we noted that this condition was corrected for the sample that was selected for the event that took place subsequent to the issuance of the fiscal year 2015 audit report.</p> <p><b>Identification of a Repeat Finding</b> – This is a repeat finding from the immediate previous audit, 2015-001.</p> <p><b>Recommendation</b> – We recommend the School District implement adequate controls relating to the sale of tickets and maintain the support for the ending ticket numbers.</p> <p><b>View of Responsible Officials and Corrective Action Plan</b> – The School District has implemented procedures that provide for appropriate support for the ending numbers of tickets that were sold at athletic events.</p> <ul style="list-style-type: none"><li>• Athletic Director makes copies of the beginning and ending ticket numbers on the Gate Receipt report.</li></ul>

# WESTWOOD COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2016  
(Continued)

## SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS (Continued)

Reference Number	Findings
2016-002	<p data-bbox="440 464 946 499"><b>Finding Type</b> – Significant Deficiency</p> <p data-bbox="440 531 1445 730"><b>Condition and Description</b> – Under Statement of Auditing Standard No. 115, we are required to communicate when a client requires assistance to prepare the financial statements and footnotes required in the annual audit report in accordance with the accounting principles generally accepted in the United States of America. For fiscal year 2016, the School District required assistance in preparing the district-wide financial statements.</p> <p data-bbox="440 762 1445 835"><b>Identification of a Repeat Finding</b> – This is a repeat finding from the immediate previous audit, 2015-002.</p> <p data-bbox="440 867 1445 1003"><b>Recommendation</b> – We recommend that the School District consider evaluating the most effective approach of preparing the financial statements and related footnotes in accordance with accounting principles generally accepted in the United States of America.</p> <p data-bbox="440 1035 1445 1169"><b>View of Responsible Officials and Corrective Action Plan</b> – The School District will implement procedures to enable the full preparation of the district-wide financial statements and related footnotes in accordance with generally accepted accounting principles.</p>

# WESTWOOD COMMUNITY SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs Year Ended June 30, 2016 (Continued)

### SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS (Continued)

Reference Number	Findings
2016-003	<p><b>Finding Type – Material Weakness</b></p> <p><b>Condition and Description –</b> In fiscal year 2016, certain adjustments were made to the general ledger as a result of audit to properly state the account balances. These included audit adjustments made for cash, accounts receivable and liability accounts.</p> <p>We also noted that during the year the bank reconciliations were not properly performed. This resulted in an adjustment at yearend to reconcile the banks.</p> <p><b>Identification of a Repeat Finding –</b> This is a repeat finding from the immediate previous audit, 2015-004.</p> <p><b>Recommendation –</b> We recommend that the School District implement policies to ensure that all adjustments are made in the books as needed and the amounts are properly classified in the trial balance as per the State’s chart of accounts, and ensure that the bank accounts are properly reconciled and reviewed periodically.</p> <p><b>View of Responsible Officials and Corrective Action Plan –</b> The School District will implement procedures that will ensure that all adjustments are made as needed and amounts properly classified in the School District’s trial balance according to the State’s chart of accounts. The School District will also implement procedures that ensure that bank reconciliations are consistently reconciled and reviewed timely.</p> <ul style="list-style-type: none"><li>• Expenditures and revenues are being reviewed to ensure they adhere to the State’s chart of accounts.</li><li>• Accountant is preparing bank reconciliations monthly. All bank reconciliations were completed and reviewed timely except the final month.</li></ul>

# WESTWOOD COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2016  
(Continued)

## SECTION III – FEDERAL PROGRAM AUDIT FINDINGS

Reference Number	Findings
2016-004	<p><b>Program Name</b> – Title I Part A</p> <p><b>CFDA Number</b> – 84.010</p> <p><b>Pass-through Entity</b> – Michigan Department of Education</p> <p><b>Finding Type</b> – Noncompliance</p> <p><b>Criteria</b> – A district must provide opportunities for consultation with parents and teachers of eligible pupils, including those from private schools, in the design, implementation, and evaluation of the Title I project. LEAs with allocations of more than \$500,000 must reserve at least 1% for parental involvement activities. The School District must distribute not less than 95% of the amount reserved for parent involvement to schools receiving Title I services. Parents of participating children must be involved in discussions on the use of these funds.</p> <p><b>Condition</b> – During our review, it was noted that the School District did allocate over 1% of their allocation for parental activities; however, the School District did not distribute 95% of that amount.</p> <p><b>Questioned Costs</b> – None</p> <p><b>Cause/Effect</b> – The School District was not in compliance with the distribution of the required amount for parental involvement.</p> <p><b>Identification of a Repeat Finding</b> – This is not a repeat finding from the immediate previous audit.</p> <p><b>Recommendation</b> – We recommend the School District monitors the compliance requirements for the program.</p> <p><b>View of Responsible Officials and Corrective Action Plan</b> – Title I funds for parental involvement activities were distributed to each building in the School District, however the buildings did not expend funds in those areas.</p> <ul style="list-style-type: none"><li>• Periodic meetings have been scheduled with building administrators to monitor compliance in this area going forward.</li></ul>

# WESTWOOD COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2016  
(Continued)

## SECTION III – FEDERAL PROGRAM AUDIT FINDINGS (Continued)

Reference Number	Findings
2016-005	<p><b>Program Name</b> – Title I Part A and IDEA – Special Education Cluster</p> <p><b>CFDA Number</b> – 84.010, 84.027A, 84.173A</p> <p><b>Pass-through Entity</b> – Michigan Department of Education and Wayne RESA.</p> <p><b>Finding Type</b> – Material Weakness and Noncompliance</p> <p><b>Criteria</b> – As per the Michigan Department of Education payments for expenditures related to the programs are on a reimbursement basis only.</p> <p><b>Condition</b> – During our review of cash draw-downs performed during the year, the School District used incurred expenditures instead of paid expenditures as the basis of the draw-downs.</p> <p><b>Questioned Costs</b> – Unknown</p> <p><b>Cause/Effect</b> – The School District was not in compliance with the cash management requirements as specified by the Michigan Department of Education.</p> <p><b>Identification of a Repeat Finding</b> – This is not a repeat finding from the immediate previous audit.</p> <p><b>Recommendation</b> – We recommend the School District review the cash drawdown procedures to ensure that all draw-downs are based on costs incurred and paid prior to drawdown of funds.</p> <p><b>View of Responsible Officials and Corrective Action Plan</b> – The School District will ensure that all cash draw-downs are performed after expenditures have been incurred and paid.</p> <ul style="list-style-type: none"><li>• The accountant will review all cash disbursements prior to initiating future draw-downs.</li></ul>

# WESTWOOD COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2016  
(Continued)

## SECTION III – FEDERAL PROGRAM AUDIT FINDINGS (Continued)

Reference Number	Findings
2016-006	<p data-bbox="440 472 857 504"><b>Program Name</b> – Title I Part A</p> <p data-bbox="440 541 776 573"><b>CFDA Number</b> – 84.010</p> <p data-bbox="440 611 1305 642"><b>Pass-through Entity</b> – Michigan Department of Education (MDE)</p> <p data-bbox="440 680 1175 711"><b>Finding Type</b> –Material Weakness and Noncompliance</p> <p data-bbox="440 749 1435 863"><b>Criteria</b> – As per the Michigan Department of Education (MDE) auditing manual, expenditures incurred towards the program must be consistent with the approved grant application.</p> <p data-bbox="440 900 1435 1098"><b>Condition</b> – During our review of the final expenditure report submitted for 2015 (grant number 151530), we noted that the School District purchased certain equipment that were improperly classified in the general ledger, resulting in actual expenditures in excess of the budgeted expenditures in the final report submitted to MDE for one category. Also, for another category, the School District went over the approved budget by \$15,186.</p> <p data-bbox="440 1136 857 1167"><b>Questioned Costs</b> – Unknown</p> <p data-bbox="440 1205 1435 1276"><b>Cause/Effect</b> – Due to administrative errors the School District was not in compliance with program requirements.</p> <p data-bbox="440 1314 1435 1386"><b>Identification of a Repeat Finding</b> – This is not a repeat finding from the immediate previous audit.</p> <p data-bbox="440 1423 1435 1516"><b>Recommendation</b> – We recommend the School District properly classified the expenses, in general ledger, review and reconcile the amounts reported on the final expenditure report prior to submission.</p> <p data-bbox="440 1554 1435 1724"><b>View of Responsible Officials and Corrective Action Plan</b> – The School District will implement procedures to ensure that that amounts reported on the final expenditure report reconcile to the approved budget. The School District will also implement measures to improve communication relative to the realignment of budgetary allocations.</p> <ul data-bbox="488 1740 1435 1869" style="list-style-type: none"><li>• The business office will meet with the grant office to make certain that expenditures are budgeted and charged to the appropriate accounts in the consolidated application as well as the School District's accounting system.</li></ul>

# WESTWOOD COMMUNITY SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs Year Ended June 30, 2016 (Continued)

### SECTION III - FEDERAL PROGRAM AUDIT FINDINGS (Continued)

Reference Number	Findings
2016-007	<p data-bbox="453 432 1078 464"><b>Program Name</b> – IDEA-Special Education Cluster</p> <p data-bbox="453 495 943 527"><b>CFDA Number</b> – 84.027A and 84.173A</p> <p data-bbox="453 558 919 590"><b>Pass-through Entity</b> – Wayne RESA</p> <p data-bbox="453 621 1179 653"><b>Finding Type</b> – Significant Deficiency and Noncompliance</p> <p data-bbox="453 684 1382 909"><b>Criteria</b> – Time/salaries charged to the program must be documented in compliance with 2 CFR Part 225, attachment B, item 8h. Acceptable methods for multiple cost objective staff include written schedules if they are documented by personnel activity reports (PARs) confirming that the schedules were followed. The PARs must be prepared at least monthly, be signed and dated by the employee, and account for the staff person's total activity. Time sheets and other records should be completed after the fact.</p> <p data-bbox="453 940 1382 1039"><b>Condition</b> – During our payroll testing, for 1 out of 9 samples, the personnel activity reports did not agree to the amount charged to the grant. (\$13,668)</p> <p data-bbox="453 1071 789 1102"><b>Questioned Costs</b> – None</p> <p data-bbox="453 1134 1382 1262"><b>Cause/Effect</b> –The School District provided personnel activity reports for the employee stating that 50% of the time is for IDEA activity However, a 100% of her salary for the second school semester was charged to the grant.</p> <p data-bbox="453 1293 1382 1356"><b>Identification of a Repeat Finding</b> – This is a not a repeat finding from the immediate previous audit.</p> <p data-bbox="453 1388 1382 1486"><b>Recommendation</b> – We recommend the School District maintain personnel activity reports or other documents to support the actual salaries and wages charged to the program.</p> <p data-bbox="453 1518 1382 1646"><b>View of Responsible Officials and Corrective Action Plan</b> – The School District has implemented procedures to ensure that Personnel Activity Reports and semi-annual Certifications are maintained for all grant funded and co-funded staff.</p> <ul data-bbox="505 1677 1382 1833" style="list-style-type: none"><li>• The School District has implemented a periodic review of all staff assignments on grants.</li><li>• The business office has communicated that an individual charged to the grant full-time for half a school year should be reported as 1.0 FTE as opposed to 0.5 FTE.</li></ul>

# WESTWOOD COMMUNITY SCHOOL DISTRICT

Status of Prior Year Findings  
Year Ended June 30, 2016

## SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS

Reference Number	Findings
2015-001	<p><b>Finding Type</b> – Significant Deficiency</p> <p><b>Condition and Description</b> – During our review of ticket sales for the athletic events, the support for the ending numbers for the tickets that were sold were not available for review. As a result, we were unable to verify the number of tickets that were sold. No additional documentation was provided to verify that the amount represents complete game attendance revenue.</p> <p><b>Status</b> – A similar finding was noted in fiscal year 2016. See finding 2016-001.</p>
2015-002	<p><b>Finding Type</b> – Significant Deficiency</p> <p><b>Condition and Description</b> – Under Statement of Auditing Standards No. 115, we are required to communicate when a client requires assistance to prepare the financial statements and footnotes required in the annual audit report in accordance with the accounting principles generally accepted in the United States of America. For fiscal year 2015, the School District required assistance in preparing the district-wide financial statements.</p> <p><b>Status</b> – A similar finding was noted in fiscal year 2016. See finding 2016-002.</p>
2015-003	<p><b>Finding Type</b> – Noncompliance</p> <p><b>Condition and Description</b> – During our audit, we noted that the actual expenditures in the general fund exceeded the budgeted appropriations in one category as mentioned below. Expenditures in excess of the appropriated amount are a violation of state law.</p> <p><b>Status</b> – Not a reportable condition as per MDE guidelines during the fiscal year 2016.</p>

# WESTWOOD COMMUNITY SCHOOL DISTRICT

Status of Prior Year Findings  
Year Ended June 30, 2016  
(Continued)

## SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS (Continued)

Reference Number	Findings
2015-004	<p><b>Finding Type</b> – Material Weakness</p> <p><b>Condition and Description</b> – In fiscal year 2015, certain adjustments were made to the general ledger as a result of audit to properly state the account balances. These included audit adjustments made for deferral of revenues that did not meet the availability criteria. Additionally, we noted instances where the amounts were not properly classified in the trial balance as per the State’s chart of accounts. Additionally, one instance was noted where the total payment made to a vendor exceeded the approved purchase order. We also noted instances, where bids were not performed for the purchase of goods over the State mandated amount.</p> <p><b>Status</b> – A similar finding was noted in fiscal year 2016. See finding 2016-003.</p>

## SECTION III – FEDERAL PROGRAM AUDIT FINDINGS

Reference Number	Findings
2015-005	<p><b>Program Name</b> – Title I Part A</p> <p><b>CFDA Number</b> – 84.010</p> <p><b>Condition</b> – For 3 out of 8 time certifications selected for testing, the time spent per the personnel activity report did not match the amount charged to the grant.</p> <p><b>Status</b> – This finding was resolved in FY 2016.</p>

# WESTWOOD COMMUNITY SCHOOL DISTRICT

Status of Prior Year Findings  
Year Ended June 30, 2016  
(Continued)

## SECTION III – FEDERAL PROGRAM AUDIT FINDINGS (Continued)

Reference Number	Findings
2015-006	<p><b>Program Name</b> – Child Nutrition Cluster</p> <p><b>CFDA Number</b> – 10.553, 10.555, 10.559</p> <p><b>Condition</b> – During our testing, we noted that one of the schools did not use the daily roster to distribute the meals.</p> <p><b>Status</b> – The finding was resolved in fiscal year 2016.</p>
2015-007	<p><b>Program Name</b> – Child Nutrition Cluster</p> <p><b>CFDA Number</b> – 10.553, 10.555, 10.559</p> <p><b>Condition</b> – For the two weeks tested for five schools in the School District, we noted that for one week at two of the schools, the juice serving exceeded the 50% of the total weekly fruit/juice/vegetable serving. A similar finding was noted during the MDE review.</p> <p><b>Status</b> – The finding was resolved in fiscal year 2016.</p>
2015-008	<p><b>Program Name</b> – IDEA – Special Education Cluster</p> <p><b>CFDA Number</b> – 84.027A and 84.173A</p> <p><b>Condition</b> – During our testing we noted that 1 out of 19 samples tested, the transaction did not occur within the period of availability. (\$9,330)</p> <p><b>Status</b> – The finding was resolved in fiscal year 2016.</p>