

WESTWOOD COMMUNITY SCHOOL DISTRICT

**FEDERAL AWARDS
SUPPLEMENTAL INFORMATION**

JUNE 30, 2018

WESTWOOD COMMUNITY SCHOOL DISTRICT

Contents

	<u>Page No.</u>
Independent Auditor's Report.....	1
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	2
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	4
Schedule of Expenditures of Federal Awards.....	7
Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards.....	10
Notes to Schedule of Expenditures of Federal Awards.....	11
Schedule of Findings and Questioned Costs.....	12
Status of Prior Year Findings	16



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INDEPENDENT AUDITOR'S REPORT

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

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, 2018, 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, 2018 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 Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, 2018



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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, Michigan

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, 2018, 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, 2018.

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. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be 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.

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 item 2018-001 and 2018-002 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*.

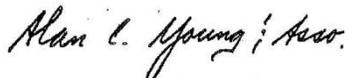
School District's Response to Findings

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, 2018.

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, 2018



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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, Michigan

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, 2018. 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)**

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 for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-003. Our opinion on each major federal program is not modified with respect to these matters.

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

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.

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. 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.

**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)

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-003 that we consider to be a significant deficiency.

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, 2018

WESTWOOD COMMUNITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards Year Ended June 30, 2018

Program Title/Project Number	Grant/ Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2017	Adjustments and Transfers	Federal Funds/ Payments In-Kind	Expenditures	Accrued Revenue June 30, 2018	Current Year Cash Transferred to Subrecipient
CLUSTERS:										
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 - 2017-18	N/A	10.555*	\$ 70,104	\$ -	\$ -	\$ -	\$ 70,104	\$ 70,104	\$ -	\$ -
<u>Cash Assistance:</u>										
National School Lunch Program - 2016-17	171960	10.555*	719,850	642,865	-	-	76,985	76,985	-	-
National School Lunch Program - 2017-18	181960	10.555*	563,370	-	-	-	533,601	563,370	29,769	-
National School Lunch Program (Including Commodities) Subtotal			1,353,324	642,865	-	-	680,690	710,459	29,769	-
National School Breakfast Program - 2016-17	171970	10.553*	380,305	344,944	-	-	35,361	35,361	-	-
National School Breakfast Program - 2017-18	181970	10.553*	292,390	-	-	-	274,820	292,390	17,570	-
National School Breakfast Program Subtotal			672,695	344,944	-	-	310,181	327,751	17,570	-
Summer Food Service Program for Children - 2016-17	160900	10.559*	7,932	7,932	1,203	(1,203)	-	-	-	-
Summer Food Service Program for Children - 2017-18	170900	10.559*	7,270	-	-	-	7,270	7,270	-	-
Summer Food Service Program for Children - 2017-18	171900	10.559*	1,592	-	-	-	628	1,592	964	-
Summer Food Program for Children Subtotal			16,794	7,932	1,203	(1,203)	7,898	8,862	964	-
Total Child Nutrition Cluster			2,042,813	995,741	1,203	(1,203)	998,769	1,047,072	48,303	-
Special Education Cluster - U.S. Department of Education - Passed through the Wayne County Regional Educational Service Agency: IDEA Flow through:										
IDEA Flow through 1617	170450	84.027A	616,140	-	153,337	-	153,337	-	-	-
IDEA Flow through 1718		84.027A	633,033	-	-	-	488,839	633,033	144,194	-
IDEA Flow through Subtotal			1,249,173	-	153,337	-	642,176	633,033	144,194	-
Preschool Incentive 1718	170460	84.173A	20,356	-	-	-	20,356	20,356	-	-
Preschool Incentive Subtotal			20,356	-	-	-	20,356	20,356	-	-
Total Special Education Cluster			1,269,529	-	153,337	-	662,532	653,389	144,194	-

See notes to Schedule of Expenditures of Federal Awards.

WESTWOOD COMMUNITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards Year Ended June 30, 2018 (Continued)

Program Title/Project Number	Grant/ Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2017	Adjustments and Transfers	Federal Funds/ Payments In-Kind	Expenditures	Accrued Revenue June 30, 2018	Current Year Cash Transferred to Subrecipient
OTHER FEDERAL AWARDS:										
Passed through the Michigan Department of Education:										
Fresh Fruit and Vegetable Program:										
Fresh Fruit and Vegetable Program 1617	170950	10.582	50,446	46,392	9,270	-	13,324	4,054	-	-
Fresh Fruit and Vegetable Program 1718	180950	10.582	46,800	-	-	-	46,800	46,800	-	-
Total Fresh Fruit and Vegetable Program			97,246	46,392	9,270	-	60,124	50,854	-	-
Title I, Part A - Improving Basic Programs:										
Title I, Part A 1617	171530	84.010 *	1,807,797	1,473,752	192,001	-	327,628	135,627	-	-
Title I, Part A 1718	181530	84.010 *	1,842,250	-	-	-	1,348,592	1,506,370	157,778	-
Total Title I, Part A			3,650,047	1,473,752	192,001	-	1,676,220	1,641,997	157,778	-
Title II, Part A - Teacher and Principal Training and Recruiting										
Title II, Part A 1617	170520	84.367	283,301	67,220	5,637	-	189,466	183,829	-	-
Title II, Part A 1718	180520	84.367	243,285	-	-	-	126,518	123,553	(2,965)	-
Total Title II, Part A			526,586	67,220	5,637	-	315,984	307,382	(2,965)	-
Title III, Part A - English Language Acquisition										
Title III, Part A 1617	NA	84.365	-	-	(3,673)	-	-	-	(3,673)	-
Total Title III, Part A			-	-	(3,673)	-	-	-	(3,673)	-
Title IV Part A Student Support & Academic Enrichment Program										
Title IV Part A 1718	180750	84.424	24,179	-	-	-	12,332	16,133	3,801	-
Total Title IV Part A			24,179	-	-	-	12,332	16,133	3,801	-
Total Noncluster Programs Passed through Michigan Department of Education			4,298,058	1,587,364	203,235	-	2,064,660	2,016,366	154,941	-

See notes to Schedule of Expenditures of Federal Awards.

WESTWOOD COMMUNITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards Year Ended June 30, 2018 (Continued)

Program Title/Project Number	Grant/ Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2017	Adjustments and Transfers	Federal Funds/ Payments In-Kind	Expenditures	Accrued Revenue June 30, 2018	Current Year Cash Transferred to Subrecipient
OTHER FEDERAL AWARDS (Continued):										
Passed through the Dearborn Heights School District # 7										
Carl D. Perkins	2016-17	84.048A	24,190	24,190	3,176	-	3,176	-	-	-
Carl D. Perkins	2017-18	84.048A	26,595	-	-	-	24,468	26,595	2,127	-
Total Carl D. Perkins			50,785	24,190	3,176	-	27,644	26,595	2,127	-
Total Noncluster Programs Passed through the Dearborn Heights School District # 7			50,785	24,190	3,176	-	27,644	26,595	2,127	-
Passed through the Wayne County Regional Educational Service Agency										
Medicaid Outreach Medical Assistance Program	NA	93.778	6,574	4,961	-	-	4,886	6,574	1,688	-
Total Noncluster Programs Passed through the Wayne County Regional Educational Service Agency			6,574	4,961	-	-	4,886	6,574	1,688	-
U.S. Department of Defense										
R.O.T.C. Program	2017-2018	12.002	68,854	-	-	-	61,992	68,854	6,862	-
Total U.S. Department of Defense			68,854	-	-	-	61,992	68,854	6,862	-
TOTAL FEDERAL AWARDS			\$ 7,736,613	\$ 2,612,256	\$ 360,951	\$ (1,203)	\$ 3,820,483	\$ 3,818,850	\$ 358,115	\$ -

See notes to Schedule of Expenditures of Federal Awards.

WESTWOOD COMMUNITY SCHOOL DISTRICT

Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures Of Federal Awards Year Ended June 30, 2018

Revenue from Federal Sources - as Reported on Financial Statements (Includes all funds)	\$ 3,902,674
QZAB Bond Rebates, Recorded as Federal Revenue in the Financial Statements, not to be included in SEFA	(42,149)
Federal Revenue Deferred on the Basic Financial Statement Under GASB Statement No.33 at June 30, 2017, not to be included in SEFA	(62,289)
Adjustments and Transfers reported on SEFA	1,203
Federal Revenue Deferred on the Basic Financial Statement Under GASB Statement No.33 at June 30, 2018	<u>19,411</u>
	<u>\$ 3,818,850</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, 2018

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, 2018. 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, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

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) MAJOR PROGRAMS

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

5) 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.

6) SUBSEQUENT EVENTS

All subsequent events related to the major programs were evaluated through October 31, 2018, 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, 2018

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 X 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? Yes X 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
10.555, 10.553, 10.559	Child Nutrition 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, 2018 (Continued)

SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS

Reference Number	Findings
2018-001	<p data-bbox="467 495 959 527">Finding Type – Significant Deficiency</p> <p data-bbox="467 562 1430 762">Condition and Description – 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 2018, the School District required assistance in preparing the district-wide financial statements.</p> <p data-bbox="467 798 1430 863">Identification of a Repeat Finding – This is a repeat finding from the immediate previous audit, 2017-001.</p> <p data-bbox="467 898 1430 1031">Recommendation – 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="467 1066 1430 1197">View of Responsible Officials and Corrective Action Plan – The 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, 2018 (Continued)

SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS (Continued)

Reference Number	Findings
2018-002	<p data-bbox="483 527 971 554">Finding Type – Significant Deficiency</p> <p data-bbox="483 596 1419 821">Condition and Description – In fiscal year 2018, 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 revenue, accounts receivable and liability accounts. It was also noted that certain supporting documentation was not readily available due to change in grants and accounting personnel, however, it was provided later on during our fieldwork.</p> <p data-bbox="483 863 1419 924">Identification of a Repeat Finding – This is a repeat finding from the immediate previous audit, 2017-002.</p> <p data-bbox="483 966 1419 1125">Recommendation – 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. Also, all supporting documentation should be filed on a timely basis.</p> <p data-bbox="483 1167 1419 1362">View of Responsible Officials and Corrective Action Plan – The District will implement procedures that will ensure that all adjustments are made as needed and amounts properly classified in the District’s trial balance according to the State’s chart of accounts. The District will also implement procedures that ensure that timely adjustments are made to the general ledger as needed.</p> <ul data-bbox="532 1404 1419 1535" style="list-style-type: none">• Expenditures and revenues are being reviewed to ensure they adhere to the State’s chart of accounts.• New procedures are being implemented to ensure that timely adjustments are made to the general ledger as needed.

WESTWOOD COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs Year Ended June 30, 2018 (Continued)

SECTION III – FEDERAL PROGRAM AUDIT FINDINGS

<u>Reference Number</u>	<u>Findings</u>
2018-003	<p>Program Name – Title II</p> <p>CFDA Number – 84.367</p> <p>Pass- through Entity – Michigan Department of Education</p> <p>Finding Type – Significant Deficiency and Non Compliance</p> <p>Criteria – In accordance with grant requirements and compliance requirements stated by the Michigan Department of Education, the Districts can only request funds to meet their immediate cash needs and not more than allowable expenditure.</p> <p>Condition – Due to administrative errors, the School District requested reimbursement for expenses which were not classified correctly in the general ledger.</p> <p>Questioned Costs – Unknown</p> <p>Cause/Effect – The School District is not in compliance with Cash Management requirement.</p> <p>Identification of a Repeat Finding – This is not a repeat finding from the immediate previous audit.</p> <p>Recommendation – The School District should request Federal Funds equal to their immediate cash needs and should reconcile the expenses with the general ledger on a regular basis before drawdown.</p> <p>View of Responsible Official and Corrective Action Plan – The District will implement procedures to ensure that cash needs are reconciled to expenses within the general ledger prior to drawdown of Federal Funds.</p>

WESTWOOD COMMUNITY SCHOOL DISTRICT

Status of Prior Year Findings
Year Ended June 30, 2018

SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS

Reference Number	Findings
2017-001	<p>Finding Type – Significant Deficiency</p> <p>Condition and Description – 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 2017, the School District required assistance in preparing the district-wide financial statements.</p> <p>Status – A similar condition was noted in fiscal year 2018. See finding 2018-001.</p>

Reference Number	Findings
2017-002	<p>Finding Type – Material Weakness</p> <p>Condition and Description – In fiscal year 2017, 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 revenue, accounts receivable and liability accounts.</p> <p>Status – A similar finding was noted in fiscal year 2018. See finding 2018-002.</p>

WESTWOOD COMMUNITY SCHOOL DISTRICT

**Status of Prior Year Findings
Year Ended June 30, 2018 (Continued)**

SECTION III – FEDERAL PROGRAM AUDIT FINDINGS

No Federal Program Audit Findings