

**NOVI COMMUNITY SCHOOL  
DISTRICT, MICHIGAN**

**SINGLE AUDIT  
REPORTING PACKAGE**

**JUNE 30, 2009**



To the Board of Education of the  
Novi Community School District, Michigan

We have audited the financial statements of the governmental activities, major funds, and the aggregate remaining fund information of the Novi Community School District, Michigan as of and for the year ended June 30, 2009, and have issued our report thereon dated October 30, 2009, which was unqualified. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the financial statements of the governmental activities, major funds, and the aggregate remaining fund information of the Novi Community School District, Michigan are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Novi Community School District, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**DOEREN MAYHEW**

This report is intended solely for the information and use of the Board of Education, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



DOEREN MAYHEW

October 30, 2009  
Troy, Michigan



**DOEREN MAYHEW**  
Certified Public Accountants and Consultants

To the Board of Education of the  
Novi Community School District, Michigan

**Compliance**

We have audited the compliance of the Novi Community School District, Michigan with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Novi Community School District, Michigan's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Novi Community School District, Michigan's management. Our responsibility is to express an opinion on the Novi Community School District, Michigan's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Novi Community School District, Michigan'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. Our audit does not provide a legal determination of the Novi Community School District, Michigan's compliance with those requirements.

In our opinion, the Novi Community School District, Michigan complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

# DOEREN MAYHEW

## Internal Control Over Compliance

The management of the Novi Community School District, Michigan is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs.

In planning and performing our audit, we considered the Novi Community School District, Michigan's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

## Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Novi Community School District, Michigan. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Novi Community School District, Michigan. The combining and individual non-major fund financial statements and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specific parties.



DOEREN MAYHEW

October 30, 2009  
Troy, Michigan

**BOARD OF EDUCATION  
NOVI COMMUNITY SCHOOL DISTRICT, MICHIGAN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2009**

**SECTION I**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes      X   No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes      X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes      X   No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes      X   No

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? \_\_\_\_\_ Yes      X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027 and 84.173	Special Education Cluster
84.394	State - Fiscal Stabilization Fund Cluster

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

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

**BOARD OF EDUCATION  
NOVI COMMUNITY SCHOOL DISTRICT, MICHIGAN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2009**

**SECTION II**

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

None noted.

**BOARD OF EDUCATION  
NOVI COMMUNITY SCHOOL DISTRICT, MICHIGAN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2009**

**SECTION III**

**FINDINGS - FEDERAL AWARDS AUDIT**

None noted.



**BOARD OF EDUCATION  
NOVI COMMUNITY SCHOOL DISTRICT, MICHIGAN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass-Through Grantor Program Title/Grantor's Number	Federal CFDA Number	Program Award/ Amount	Accrued (Deferred) Revenue at 7/1/08	Prior Year Expenditures	Adjustments	Current Year Receipts	Revenue Recognized	Expenditures 7/1/08 - 6/30/09	Accrued (Deferred) Revenue at 6/30/09
<u>U.S. Department of Education - Passed Through Michigan Department of Education</u>									
<u>State - Fiscal Stabilization Fund Cluster</u>									
092525-0809	84.394	\$ 2,315,917	\$ -	\$ -	\$ -	\$ -	\$ 2,315,917	\$ 2,315,917	\$ 2,315,917
Total State - Fiscal Stabilization Fund Cluster									
<u>Title V, Part A - Innovative Education Program Strategies</u>									
080250-0708 Regular	84.298	1,285	899	1,222	-	899	-	-	-
Total Title V, Part A - Innovative Education Program Strategies									
<u>Title I, Part A - Improving Basic Programs</u>									
091530-0809 Regular	84.010	115,139	-	-	-	49,390	58,233	58,233	8,843
Total Title I, Part A - Improving Basic Programs									

See Notes to the Schedule of Expenditures of Federal Awards

**BOARD OF EDUCATION  
NOVI COMMUNITY SCHOOL DISTRICT, MICHIGAN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass-Through Grantor Program Title/Grantor's Number	Federal CFDA Number	Program Award/ Amount	Accrued (Deferred) Revenue at 7/1/08	Prior Year Expenditures	Adjustments	Current Year Receipts	Revenue Recognized	Expenditures 7/1/08 - 6/30/09	Accrued (Deferred) Revenue at 6/30/09
<u>U.S. Department of Education - Passed Through Michigan Department of Education - Continued</u>									
<u>Title II, Part A - Teacher/Principal Training and Recruiting</u>									
080520-0708 Regular	84.367	\$ 144,250	\$ 17,134	\$ 93,423	\$ -	\$ 58,569	\$ 41,435	\$ 41,435	\$ -
090520-0809 Regular	84.367	141,376	-	-	-	78,014	92,337	92,337	14,323
Total Title II, Part A - Teacher/Principal Training and Recruiting		285,626	17,134	93,423	-	136,583	133,772	133,772	14,323
<u>Title III - Limited English Proficiency</u>									
080580-0708 Regular	84.365A	77,240	2,139	72,538	-	6,066	3,927	3,927	-
090580-0809 Regular	84.365A	56,508	-	-	-	2,487	27,864	27,864	25,377
Total Title III - Limited English Proficiency		133,748	2,139	72,538	-	8,553	31,791	31,791	25,377
<u>Title III - Immigrant</u>									
090570-0809 Regular	84.365A	132,994	-	-	-	65,684	70,121	70,121	4,437
Total Title III - Immigrant		132,994	-	-	-	65,684	70,121	70,121	4,437

See Notes to the Schedule of Expenditures of Federal Awards

**BOARD OF EDUCATION  
NOVI COMMUNITY SCHOOL DISTRICT, MICHIGAN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass-Through Grantor Program Title/Grantor's Number	Federal CFDA Number	Program Award/ Amount	Accrued (Deferred) Revenue at 7/1/08	Prior Year Expenditures	Adjustments	Current Year Receipts	Revenue Recognized	Expenditures 7/1/08 - 6/30/09	Accrued (Deferred) Revenue at 6/30/09
<u>U.S. Department of Education - Passed Through Michigan Department of Education - Continued</u>									
<u>Title IId - Enhancing Education Through Literacy</u>									
094290-0809 Regular	84.318	\$ 997	\$ -	\$ -	\$ -	997	997	997	\$ -
Total Title IId - Enhancing Education Through Literacy									
<u>Title II - Adult Education and Literacy</u>									
081130-810607	84.002A	57,300	7,795	57,300	-	7,795	-	-	-
091130-910607	84.002A	48,699	-	-	-	39,596	43,338	43,338	3,742
091200-94200210607	84.002A	8,217	-	-	-	8,217	8,217	8,217	-
Total Title II - Adult Education and Literacy									
English Literacy and Civics Education									
091120-9500627	84.002A	19,000	-	-	-	19,000	19,000	19,000	-
Total English Literacy and Civics Education									
Total U.S. Department of Education - Passed Through Michigan Department of Education									
		3,118,922	27,967	224,483	-	336,714	2,681,386	2,681,386	2,372,639

See Notes to the Schedule of Expenditures of Federal Awards

**BOARD OF EDUCATION  
NOVI COMMUNITY SCHOOL DISTRICT, MICHIGAN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass-Through Grantor Program Title/Grantor's Number	Federal CFDA Number	Program Award/ Amount	Accrued (Deferred) Revenue at 7/1/08	Prior Year Expenditures	Adjustments	Current Year Receipts	Revenue Recognized	Expenditures 7/1/08 - 6/30/09	Accrued (Deferred) Revenue at 6/30/09
<u>U.S. Department of Education - Passed Through Michigan Department of Education - Passed Through Oakland County Intermediate School District</u>									
<u>Federal Assistance for the Education of Handicapped Persons - Special Education</u>									
080450 Flowthrough - Extended School Year	84.027A	\$ 4,931	\$ -	\$ -	\$ -	\$ 4,931	\$ 4,931	\$ 4,931	\$ -
090450 Flowthrough	84.027A	887,203	-	-	-	749,364	790,184	790,184	40,820
080460 Preschool	84.173A	33,883	-	31,547	-	-	2,336	2,336	2,336
090460 Preschool	84.173A	31,722	-	-	-	31,722	31,722	31,722	-
Total Federal Assistance for the Education of Handicapped Persons - Special Education		957,739	-	31,547	-	786,017	829,173	829,173	43,156
<u>Vocational Education - Basic Grants to States (Perkins III)</u>									
083520-801218 Regular	84.048	36,642	25,411	-	-	25,411	-	-	-
Total Vocational Education - Basic Grants to States (Perkins III)		36,642	25,411	-	-	25,411	-	-	-
Total U.S. Department of Education - Passed Through Michigan Department of Education - Passed Through Oakland County Intermediate School District		994,381	25,411	31,547	-	811,428	829,173	829,173	43,156
Total U.S. Department of Education		4,113,303	53,378	256,030	-	1,148,142	3,510,559	3,510,559	2,415,795

See Notes to the Schedule of Expenditures of Federal Awards

**BOARD OF EDUCATION  
NOVI COMMUNITY SCHOOL DISTRICT, MICHIGAN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass-Through Grantor Program Title/Grantor's Number	Federal CFDA Number	Program Award/ Amount	Accrued (Deferred) Revenue at 7/1/08	Prior Year Expenditures	Adjustments	Current Year Receipts	Revenue Recognized	Expenditures 7/1/08 - 6/30/09	Accrued (Deferred) Revenue at 6/30/09
<u>U.S. Department of Agriculture - Passed Through Michigan Department of Education</u>									
National School Breakfast Program 07-08	10.553	\$ 4,552	\$ 957	\$ 4,552	-	\$ 957	\$ -	\$ -	\$ -
National School Lunch Program 07-08	10.555	165,014	27,216	165,014	-	27,216	-	-	-
National School Breakfast Program 08-09	10.553	9,516	-	-	-	7,473	9,516	9,516	2,042
National School Lunch Program 08-09	10.555	200,392	-	-	-	162,502	200,392	200,392	37,891
Donated Food Commodities - Entitlement	10.550	82,008	-	-	-	48,841	48,841	48,841	-
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Total U.S. Department of Agriculture - Passed Through Michigan Department of Education		461,482	28,173	169,566	-	246,989	258,749	258,749	39,933
Total all programs		\$ 4,574,785	\$ 81,551	\$ 425,596	\$ -	\$ 1,395,131	\$ 3,769,308	\$ 3,769,308	\$ 2,455,728

See Notes to the Schedule of Expenditures of Federal Awards

**BOARD OF EDUCATION  
NOVI COMMUNITY SCHOOL DISTRICT, MICHIGAN**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009**

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance and federal cost-reimbursement contracts of the Novi Community School District, Michigan. Management has reported the expenditures in the Schedule of Expenditures of Federal Awards equal to those amounts reported in the annual cost reports. Novi Community School District, Michigan receives federal awards indirectly through pass-through entities.

Except for the current year receipts column, which is presented on the cash basis of accounting, federal program expenditures included in the accompanying schedule are presented on the modified accrual basis of accounting. The modified accrual basis of accounting is also used for the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Inventory values are based on the USDA value for donated food commodities. Reported commodity receipts values were computed using the Recipient Entitlement Balance Report and other district records. Spoilage or pilferage, if any, is included in expenditures.

**Note 2 - Major Programs**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**Note 3 - Grant Section Auditor's Reports**

Management has utilized the Grant Section Auditor's Reports in preparing the Schedule of Expenditures of Federal Awards. The amounts on the Grant Section Auditor's Reports are included on the Schedule of Expenditures of Federal Awards.