

**NOVI COMMUNITY SCHOOL  
DISTRICT, MICHIGAN**

**SINGLE AUDIT  
REPORTING PACKAGE**

**JUNE 30, 2008**



## **DOEREN MAYHEW**

Certified Public Accountants and Consultants

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, 2008, and have issued our report thereon dated November 11, 2008, 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**

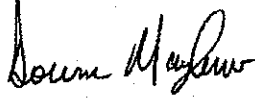
As part of obtaining reasonable assurance about whether the financial statements of the governmental activities, major funds, and the aggregate remaining fund information of the Novi Community School District, Michigan are free of material misstatement, we performed tests of its compliance with certain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

A handwritten signature in cursive script that reads "Doeren Mayhew".

DOEREN MAYHEW

November 11, 2008  
Troy, Michigan



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, 2008. 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, 2008.

## 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

November 11, 2008  
Troy, Michigan

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2008**

**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:

CFDA Number(s)

Name of Federal Program or Cluster

84.027 and 84.173  
84.365

Special Education Cluster  
Title III Limited English Proficiency

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes      X   No

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2008**

**SECTION II**

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

None noted.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2008**

**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, 2008**

Federal Grantor/ Pass-Through Grantor Program Title/Grantor's Number	Federal CFDA Number	Program Award/ Amount	Accrued (Deferred) Revenue at 7/1/07	Prior Year Expenditures	Adjustments	Current Year Receipts	Revenue Recognized	Expenditures 7/1/07 - 6/30/08	Accrued (Deferred) Revenue at 6/30/08
<u>U.S. Department of Education - Passed Through Michigan Department of Education</u>									
<u>Title V, Part A - Innovative Education Program Strategies</u>									
080250-0708 Regular	84.298	\$ 1,285	\$ -	\$ -	\$ -	\$ 323	\$ 1,222	\$ 1,222	\$ 899
Total Title V, Part A - Innovative Education Program Strategies									
		1,285	-	-	-	323	1,222	1,222	899
<u>Title II, Part A - Teacher/Principal Training and Recruiting</u>									
070520-0607 Regular	84.367	125,430	40,357	87,374	-	61,516	21,159	21,159	-
080520-0708 Regular	84.367	144,250	-	-	-	76,289	93,423	93,423	17,134
Total Title II, Part A - Teacher/Principal Training and Recruiting									
		269,680	40,357	87,374	-	137,805	114,582	114,582	17,134
<u>Title III - Limited English Proficiency</u>									
060580-0506 Carryover	84.365A	60,309	60,309	60,309	-	60,309	-	-	-
070580-0607 Regular	84.365A	99,116	16,028	16,028	-	55,761	39,733	39,733	-
080580-0708 Regular	84.365A	77,240	-	-	-	70,399	72,538	72,538	2,139
Total Title III - Limited English Proficiency									
		236,665	76,337	76,337	-	186,469	112,271	112,271	2,139

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, 2008**

Federal Grantor/ Pass-Through Grantor Program Title/Grantor's Number	Federal CFDA Number	Program Award/ Amount	Accrued (Deferred) Revenue at 7/1/07	Prior Year Expenditures	Adjustments	Current Year Receipts	Revenue Recognized	Expenditures 7/1/07 - 6/30/08	Accrued (Deferred) Revenue at 6/30/08
<u>U.S. Department of Education - Passed Through Michigan Department of Education - Continued</u>									
<u>Federal Drug-Free Schools and Communities</u>									
082860-0708 Regular	84.186	\$ 15,266	\$ -	\$ -	\$ -	\$ 3,648	\$ 3,648	\$ 3,648	\$ -
Total Federal Drug-Free Schools and Communities									
		15,266	-	-	-	3,648	3,648	3,648	-
<u>Title II - Adult Education and Literacy</u>									
071130-710606	84.002A	47,300	11,902	39,250	-	11,902	-	-	-
081130-810607	84.002A	57,300	-	-	-	49,505	57,300	57,300	7,795
Total Title II - Adult Education and Literacy									
		104,600	11,902	39,250	-	61,407	57,300	57,300	7,795
<u>English Literacy and Civics Education</u>									
061120-6500625	84.002A	10,000	2,717	9,221	-	2,717	-	-	-
071120-7500626	84.002A	17,200	312	16,382	-	312	-	-	-
081120-8500627	84.002A	17,200	-	-	-	17,200	17,200	17,200	-
Total English Literacy and Civics Education									
		44,400	3,029	25,603	-	20,229	17,200	17,200	-

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, 2008**

Federal Grantor/ Pass-Through Grantor Program Title/Grantor's Number	Federal CFDA Number	Program Award/ Amount	Accrued (Deferred) Revenue at 7/1/07	Prior Year Expenditures	Adjustments	Current Year Receipts	Revenue Recognized	Expenditures 7/1/07 - 6/30/08	Accrued (Deferred) Revenue at 6/30/08
<u>U.S. Department of Education - Passed Through Michigan Department of Education - Continued</u>									
<u>Service Provider Self Review</u>									
070440-0607	84.027A	\$ 5,000	\$ 4,837	\$ 4,837	\$ -	\$ 4,837	\$ -	\$ -	\$ -
Total Service Provider Self Review		5,000	4,837	4,837	-	4,837	-	-	-
<u>Total U.S. Department of Education - Passed Through Michigan Department of Education</u>									
		676,896	136,462	233,401	-	414,718	306,223	306,223	27,967
<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>									
070450 Flowthrough	84.027	913,584	370,117	913,584	-	370,117	-	-	-
070460 Preschool	84.173	30,791	1,351	30,791	-	1,351	-	-	-
080450 Flowthrough	84.027	856,447	-	-	-	856,447	856,447	856,447	-
080460 Preschool	84.173	31,547	-	-	-	31,547	31,547	31,547	-
Total Federal Assistance for the Education of Handicapped Persons - Special Education		1,832,369	371,468	944,375	-	1,259,462	887,994	887,994	-

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, 2008**

Federal Grantor/ Pass-Through Grantor Program Title/Grantor's Number	Federal CFDA Number	Program Award/ Amount	Accrued	Prior Year Expenditures	Adjustments	Current Year Receipts	Revenue Recognized	Expenditures 7/1/07 - 6/30/08	Accrued
			(Deferred) Revenue at 7/1/07						(Deferred) Revenue at 6/30/08
<b>U.S. Department of Education - Passed Through Michigan Department of Education - Passed Through Oakland County Intermediate School District - Continued</b>									
	84.048	\$ 30,872	\$ 4,373	\$ 27,634	\$ -	\$ 4,373	\$ -	\$ -	\$ -
073520-701218 Regular	84.048	36,642	-	-	-	10,515	35,926	35,926	25,411
		67,514	4,373	27,634	-	14,888	35,926	35,926	25,411
<b>Total Vocational Education - Basic Grants to States (Perkins III)</b>									
		1,899,883	375,841	972,009	-	1,274,350	923,920	923,920	25,411
<b>Total U.S. Department of Education - Passed Through Michigan Department of Education - Passed Through Oakland County Intermediate School District</b>									
		2,576,779	512,303	1,205,410	-	1,689,068	1,230,143	1,230,143	53,378
<b>Total U.S. Department of Education</b>									

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, 2008**

Federal Grantor/ Pass-Through Grantor Program Title/Grantor's Number	Federal CFDA Number	Program Award/ Amount	Accrued (Deferred) Revenue at 7/1/07	Prior Year Expenditures	Adjustments	Current Year Receipts	Revenue Recognized	Expenditures 7/1/07 - 6/30/08	Accrued (Deferred) Revenue at 6/30/08
<b>U.S. Department of Health and Human Services - Passed Through Michigan Department of Community Health</b>									
<b>Medicare Catastrophic Coverage Act</b>									
0607 Transportation	93.778	\$ 2,080	\$ 1,128	\$ 2,081	-	\$ 1,128	\$ -	\$ -	\$ -
0708 Transportation	93.778	744	-	-	-	744	744	744	-
Total U.S. Department of Health and Human Services - Passed Through Michigan Department of Community Health									
		2,824	1,128	2,081	-	1,872	744	744	-
<b>U.S. Department of Agriculture - Passed Through Michigan Department of Education</b>									
National School Breakfast Program 06-07	10.553	3,313	675	3,313	-	675	-	-	-
National School Lunch Program 06-07	10.555	138,001	25,896	138,001	-	25,896	-	-	-
National School Breakfast Program 07-08	10.553	4,552	-	-	-	3,595	4,552	4,552	957
National School Lunch Program 07-08	10.555	165,014	-	-	-	137,798	165,014	165,014	27,216
Donated Food Commodities - Entitlement	10.550	76,192	-	-	-	49,592	49,592	49,592	-
Total U.S. Department of Agriculture - Passed Through Michigan Department of Education									
		387,072	26,571	141,314	-	217,556	219,158	219,158	28,173
Total all programs									
		\$ 2,966,675	\$ 540,002	\$ 1,348,805	\$ -	\$ 1,908,496	\$ 1,450,045	\$ 1,450,045	\$ 81,551

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, 2008**

**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.

