
Novi Community School District

**Federal Awards
Supplemental Information
June 30, 2021**

Independent Auditor's Reports

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

Independent Auditor's Report

To the Board of Education
 Novi Community School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Novi Community School District (the "School District") as of and for the year ended June 30, 2021 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 18, 2021, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 18, 2021.

The accompanying schedule of expenditures of federal awards and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis, as required by the Uniform Guidance, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

October 18, 2021

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Education
Novi Community School District

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Novi Community School District (the "School District") as of and for the year ended June 30, 2021 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 18, 2021.

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) as a basis for designing 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.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

To Management and the Board of Education
Novi Community School District

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

October 18, 2021



Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
Novi Community School District

Report on Compliance for Each Major Federal Program

We have audited Novi Community School District's (the "School District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2021. The School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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.

Opinion on Each Major Federal Program

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 the major federal program for the year ended June 30, 2021.

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.

To the Board of Education
Novi Community School District

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

October 18, 2021

Novi Community School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2020	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2021	Current Year Cash Transferred to Subrecipients
Clusters										
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:										
Noncash Assistance (Commodities) -										
National Lunch Program Bonus Commodities 2020-2021	N/A	10 555	\$ 148,581	\$ -	\$ -	\$ -	\$ 148,561	\$ 148,561	\$ -	\$ -
Cash Assistance - COVID-19 - Unanticipated School Closures Program 2019-2020	200902	10 555	397,342	397,342	78,317	-	78,317	-	-	-
National School Lunch Program (incl. commodities) subtotal			545,903	397,342	78,317	-	226,878	148,561	-	-
Summer Food Service Program 2020-2021	200900	10 559	63,983	-	-	-	63,983	63,983	-	-
Extended Summer Food Service Program 2020-2021	210904	10 559	1,792,760	-	-	-	1,503,783	1,792,760	288,977	-
Summer Food Service Program subtotal			1,856,743	-	-	-	1,567,766	1,856,743	288,977	-
Total Child Nutrition Cluster			2,422,646	397,342	78,317	-	1,814,644	2,025,304	288,977	-
Special Education Cluster - U.S. Department of Education - Passed through the Oakland County ISD										
IDEA Flowthrough:										
IDEA Flowthrough 1920	200450	84 027	815,304	815,304	151,565	-	151,565	-	-	-
IDEA Flowthrough 2021	210450	84 027	852,302	-	-	-	449,032	848,341	399,309	-
Total IDEA Flowthrough			1,667,606	815,304	151,565	-	600,597	848,341	399,309	-
IDEA Preschool Incentive										
IDEA Preschool 1920	200460	84 173	42,375	42,375	16,288	-	16,288	-	-	-
IDEA Preschool 2021	210460	84 173	42,812	-	-	-	17,622	42,912	25,290	-
Total IDEA Preschool Incentive			85,287	42,375	16,288	-	33,910	42,912	25,290	-
Total Special Education Cluster			1,752,893	857,679	167,853	-	634,507	891,253	424,599	-
U.S. Department of Health and Human Services - Passed through the Oakland County ISD - MDCH Medicaid Administrative - Outreach Cluster - 2020-2021 Medicaid										
	N/A	93 778	13,314	-	-	-	13,314	13,314	-	-
Total clusters			4,188,853	1,255,021	246,170	-	2,462,465	2,929,871	713,576	-
Other federal awards										
U.S. Department of Agriculture - Passed through the Michigan Department of Education - Child and Adult Care Food Program - Child and Adult Care Food Program 2020-2021										
	201920	10 558	1,056	-	-	-	1,056	1,056	-	-
U.S. Department of Education - Passed through the Michigan Department of Education										
Title I Part A - Improving Basic Programs										
Title I Part A 1920	201530	84 010	126,209	126,209	21,111	-	21,111	-	-	-
Title I Part A 2021	211530	84 010	108,145	-	-	-	50,279	108,145	57,866	-
Total Title I Part A			234,354	126,209	21,111	-	71,390	108,145	57,866	-

See notes to schedule of expenditures of federal awards.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2020	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2021	Current Year Cash Transferred to Subrecipients
Other federal awards (continued)										
U.S. Department of Education - Passed through the Michigan Department of Education (continued)										
Title II Part A - Improving Teacher Quality:										
Title II Part A 1920	200520	84 367	\$ 128,076	\$ 95,747	\$ 57,804	\$ 2,265	\$ 59,889	\$ -	\$ -	\$ -
Title II Part A 2021	210520	84 367	107,243	-	-	-	4,582	98,662	94,080	-
Total Title II Part A			235,319	95,747	57,804	2,265	64,471	98,662	94,080	-
Title III LEP - English Proficiency:										
Title III LEP 1920	200580	84 365	223,415	67,340	(27,845)	-	(27,845)	-	-	-
Title III LEP 2021	210580	84 365	262,230	-	-	-	77,881	177,185	99,304	-
Total Title III LEP			485,645	67,340	(27,845)	-	50,036	177,185	99,304	-
Title III Part A - Instruction for Immigrant Students - Title III Part A 2021										
	210570	84 365	67,244	-	-	-	-	36,704	36,704	-
Title IV Part A - SSAE:										
Title IV LEP 1920	200750	84 424A	20,603	19,269	19,269	-	19,269	-	-	-
Title IV LEP 2021	210750	84 424A	11,334	-	-	-	-	9,822	9,822	-
Total Title IV LEP			31,937	19,269	19,269	-	19,269	9,822	9,822	-
Adult Education ABE Instruction:										
Adult Education ABE Instruction 1920	201130	84 002	137,000	137,000	42,416	-	42,416	-	-	-
Adult Education ABE Instruction 2021	211130	84 002	117,800	-	-	-	63,992	117,600	53,608	-
Total Adult Education			254,800	137,000	42,416	-	106,408	117,600	53,608	-
Education Stabilization Fund Program:										
COVID-19 ESSER Formula Fund I	203710	84 4250	103,290	-	-	-	96,879	103,290	6,411	-
COVID-19 ESSER Education Equity Fund I	203720	84 4250	15,439	-	-	-	-	15,439	15,439	-
Total ESSER			118,729	-	-	-	96,879	118,729	21,850	-
Coronavirus Relief Fund - U.S. Department of the Treasury:										
Passed through Oakland County -										
COVID-19 - CRF - Other Programs Received Through Municipalities or State Departments Other than MDE 2021	20-21	21 019	708,575	-	-	-	708,575	708,575	-	-
Passed through Copper Country ISD - COVID-19 - CRF McConnect/MAISA	20-21	21 019	33,213	-	-	-	33,213	33,213	-	-
Passed through Michigan Department of Education:										
COVID-19 11p - CRF School Aid	20-21	21 019	2,349,123	-	-	-	2,349,123	2,349,123	-	-
COVID-19 103(2) - District COVID Coasts	20-21	21 019	82,688	-	-	-	82,688	82,688	-	-
Total CRF passed through Michigan Department of Education			2,431,811	-	-	-	2,431,811	2,431,811	-	-
Total Coronavirus Relief Fund			3,173,599	-	-	-	3,173,599	3,173,599	-	-
Total federal awards			\$ 8,791,936	\$ 1,700,986	\$ 358,725	\$ 2,265	\$ 6,045,553	\$ 6,771,373	\$ 1,086,810	\$ -

See notes to schedule of expenditures of federal awards.

Novi Community School District

**Reconciliation of Basic Financial Statements Federal Revenue
with Schedule of Expenditures of Federal Awards**

	Year Ended June 30, 2021
Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 6,919,738
Federal revenue for which the School District is considered a beneficiary rather than a subrecipient	(146,100)
Other adjustments	<u>(2,265)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 6,771,373</u></u>

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Novi Community School District (the "School District") under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures, except for those related to CFDA 21.019, Coronavirus Relief Fund (CRF), are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

CRF does not apply the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, but rather applies the U.S. Department of the Treasury's guidance and frequently asked questions, as codified in the Federal Register.

The pass-through entity identifying numbers are presented where available.

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

Note 3 - Grant Auditor Report

Management has utilized the Cash Management System (CMS) Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.

Note 4 - Noncash Assistance

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

Novi Community School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported
- Noncompliance material to financial statements noted? Yes None reported

Federal Awards

Internal control over major programs:

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?

Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
21.019	Coronavirus Relief Fund

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

\$750,000

Auditee qualified as low-risk auditee?

Yes No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None