

# **Kalamazoo Public Schools**

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**Federal Awards  
Supplemental Information  
June 30, 2016**

# Kalamazoo Public Schools

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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  
Kalamazoo Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kalamazoo Public Schools (the "School District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated September 23, 2016 which contained an unmodified opinion on the basic financial statements of Kalamazoo Public Schools. Our audit was conducted for the purpose of forming an opinion 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 September 23, 2016.

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*

September 23, 2016

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  
Kalamazoo Public Schools

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 Kalamazoo Public Schools (the "School District") as of and for the year ended June 30, 2016, and related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 23, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Kalamazoo Public Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

To Management and the Board of Education  
Kalamazoo Public Schools

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Kalamazoo Public Schools' 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 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*.

### **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*

September 23, 2016

Report on Compliance for the Major Federal Program;  
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Education  
Kalamazoo Public Schools

**Report on Compliance for the Major Federal Program**

We have audited Kalamazoo Public Schools' (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 its major federal program for the year ended June 30, 2016. Kalamazoo Public Schools' 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 the requirements of laws, regulations, contracts, and grants applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for Kalamazoo Public Schools' major federal program 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 Kalamazoo Public Schools' 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 the major federal program. However, our audit does not provide a legal determination of Kalamazoo Public Schools' compliance.

To the Board of Education  
Kalamazoo Public Schools

### ***Opinion on the Major Federal Program***

In our opinion, Kalamazoo Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

Management of Kalamazoo Public Schools 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 Kalamazoo Public Schools' internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 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*

September 23, 2016

# Kalamazoo Public Schools

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

Program Title/Project Number/Subrecipient Name	Grant/ Project Number	CFDA Number	Approved Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2015	Adjustments and Transfers	Federal Funds/Payments In- kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2016
Clusters:									
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:									
Noncash Assistance (Commodities):									
National School Lunch Program - 2015-16 Entitlement commodities		10.555	\$ 401,597	\$ -	\$ -	\$ -	\$ 401,597	\$ 401,597	\$ -
Cash Assistance:									
Summer Food Service Program	150900	10.559	275,708	46,133	46,133	-	275,708	229,575	-
Summer Food Service Program	151900	10.559	23,528	3,939	3,939	-	23,528	19,589	-
Summer Food Service Program	160900	10.559	40,981	-	-	-	-	40,981	40,981
Summer Food Service Program	161900	10.559	3,480	-	-	-	-	3,480	3,480
Total Summer Food Service Program			343,697	50,072	50,072	-	299,236	293,625	44,461
National School Breakfast Program	151970	10.553	1,612,227	1,435,588	82,922	-	259,561	176,639	-
National School Breakfast Program	161970	10.553	1,687,887	-	-	-	1,566,429	1,687,887	121,458
Total National School Breakfast Program			3,300,114	1,435,588	82,922	-	1,825,990	1,864,526	121,458
National School Lunch Program	151960	10.555	3,178,924	2,829,191	128,291	-	478,024	349,733	-
National School Lunch Program	161960	10.555	3,224,863	-	-	-	3,024,086	3,224,863	200,777
Total National School Lunch Program			6,403,787	2,829,191	128,291	-	3,502,110	3,574,596	200,777
National School Lunch Snack Program	151980	10.555	835	738	-	-	97	97	-
National School Lunch Snack Program	161980	10.555	897	-	-	-	864	864	-
Total National School Snack Program			1,732	738	-	-	961	961	-
Cash Assistance Subtotal			10,049,330	4,315,589	261,285	-	5,628,297	5,733,708	366,696
Total Child Nutrition Cluster			10,450,927	4,315,589	261,285	-	6,029,894	6,135,305	366,696
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through the Kalamazoo Regional Education Service Agency - Medicaid Outreach - 2015-16									
	N/A	93.778	11,854	-	-	-	11,854	11,854	-
School Improvement Grants Cluster - U.S. Department of Education Passed through the Michigan Department of Education:									
Formula School Improvement 1415	131761	84.377A	2,653,250	1,699,858	425,614	-	1,077,618	652,004	-
Formula School Improvement 1516	131762	84.377A	2,074,500	-	-	-	1,368,183	1,590,571	222,388
Total School Improvement Grant Cluster			4,727,750	1,699,858	425,614	-	2,445,801	2,242,575	222,388
Total Clusters			15,190,531	6,015,447	686,899	-	8,487,549	8,389,734	589,084

See Notes to Schedule of Expenditures  
of Federal Awards.



# Kalamazoo Public Schools

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

Program Title/Project Number/Subrecipient Name	Grant/ Project Number	CFDA Number	Approved Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2015	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2016
Other federal awards:									
Title I RAG - U.S. Department of Education - Passed through the Kalamazoo Regional Education Service Agency - Title I RAG - 2015-16									
		84.010A	\$ 45,680	\$ -	\$ -	\$ -	\$ -	\$ 1,085	\$ 1,085
Passed through the Michigan Department of Education:									
Title I - Part A:									
Title I Part A 13-14	141530	84.010	5,779,819	(3,634)	(8,722)	2,099	(6,623)	-	-
Title I Part A 14-15	151530	84.010	5,979,780	4,899,983	820,777	-	1,159,205	338,428	-
Title I Part A 15-16	161530	84.010A	5,154,043	-	-	-	3,613,391	4,111,389	497,998
Total Title I - Part A (MDE)			16,913,642	4,896,349	812,055	2,099	4,765,973	4,449,817	497,998
Total Title I - Part A			16,959,322	4,896,349	812,055	2,099	4,765,973	4,450,902	499,083
Title I - Part D:									
Title I - Part D 14-15	151700	84.013	275,956	137,968	8,598	-	43,311	34,713	-
Title I - Part D 15-16	161700	84.013A	325,090	-	-	-	128,345	132,496	4,151
Total Title I - Part D			601,046	137,968	8,598	-	171,656	167,209	4,151
Title III - Immigrant:									
Title III Immigrant Students 1415	150570	84.365A	25,764	2,997	260	-	260	-	-
Title III Immigrant Students 1516	160570	84.365A	44,491	-	-	-	4,243	4,676	433
Title III, Part A Supplemental for Immigrant Children and Youth 1516	160590	84.365B	485	-	-	-	157	214	57
Total Title III - Immigration			70,740	2,997	260	-	4,660	4,890	490
Title III - Limited English Proficient:									
Title III Limited English Proficient 13-14	140580	84.365	188,609	99,735	(12,044)	-	(12,044)	-	-
Title III Limited English Proficient 14-15	150580	84.365	186,561	68,164	7,979	-	40,882	32,903	-
Title III Limited English Proficient 15-16	160580	84.365A	188,469	-	-	-	70,634	87,874	17,240
Total Title III - Limited English Proficient			563,639	167,899	(4,065)	-	99,472	120,777	17,240
21st Century Community Learning Centers:									
21st Century Community Learning Centers 114019	152110	84.287C	675,000	674,951	142,366	-	142,366	-	-
21st Century Community Learning Centers 114021	152110	84.287C	675,000	675,000	169,117	(2,016)	169,117	-	(2,016)
21st Century Community Learning Centers 114027	152110	84.287C	675,000	666,761	163,887	-	171,862	7,975	-
21st Century Community Learning Centers 114019	162110	84.287C	675,000	-	-	-	607,775	668,625	60,850
21st Century Community Learning Centers 114021	162110	84.287C	675,000	-	-	2,016	508,900	624,936	118,052
21st Century Community Learning Centers 114027	162110	84.287C	675,000	-	-	-	577,590	660,139	82,549
Total 21st Century Community Learning Centers			4,050,000	2,016,712	475,370	-	2,177,610	1,961,675	259,435

# Kalamazoo Public Schools

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

Program Title/Project Number/Subrecipient Name	Grant/ Project Number	CFDA Number	Approved Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2015	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2016
Other federal awards (Continued):									
Passed through the Michigan Department of Education (Continued):									
Adult Education - WIA Core Programs:									
Adult Ed WIA Core 161927	161130	84.002A	\$ 234,000	-	-	-	\$ 180,582	\$ 208,348	\$ 27,766
Adult Ed WIA Core 161927	161190	84.002A	10,000	-	-	-	10,000	10,000	-
Total Adult Education - WIA Core Programs			244,000	-	-	-	190,582	218,348	27,766
Adult Ed - English Literacy and Civics Education Grant:									
Adult Ed - English Literacy and Civic Education 165927	161120	84.002A	12,000	-	-	-	12,000	12,000	-
Adult Ed - Federal State Leadership: Project number 121150-122001		84.002	-	-	-	-	-	-	-
Total Adult Ed - English Lit and Civics Education			12,000	-	-	-	12,000	12,000	-
Improving Teacher Quality Grant - Title II - Part A:									
Title II Part A 1314	140520	84.367	1,711,815	6,654	(6,970)	(158)	(7,128)	-	-
Title II Part A 1415	150520	84.367	1,631,823	1,047,890	323,023	-	334,546	11,523	-
Title II Part A 1516	160520	84.367A	1,596,672	-	-	-	615,675	709,400	93,725
Total Improving Teacher Quality Grant			4,940,310	1,054,544	316,053	(158)	943,093	720,923	93,725
Child Care Food Program:									
Child Care Food Program	151920	10.558	489,749	458,633	8,665	-	39,781	31,116	-
Child Care Food Program	161920	10.558	481,995	-	-	-	467,927	481,995	14,068
Child Care Food Program	152010	10.558	32,795	30,803	479	-	2,471	1,992	-
Child Care Food Program	162010	10.558	30,179	-	-	-	29,388	30,179	791
Total Child Care Food Program			1,034,718	489,436	9,144	-	539,567	545,282	14,859
Fresh Fruit and Vegetable Program:									
Fresh Fruit and Vegetable Program 115	150950	10.582	26,058	26,058	6,349	-	6,349	-	-
Fresh Fruit and Vegetable Program 116	160950	10.582	122,150	-	-	-	122,150	122,150	-
Total Fresh Fruit and Vegetable Program			148,208	26,058	6,349	-	128,499	122,150	-
McKinney Homeless Students' Assistance:									
McKinney Homeless Students' Assistance 1415	152320	84.196	56,162	41,377	2,637	-	5,935	3,298	-
McKinney Homeless Students' Assistance 1516	162320	84.196A	58,299	-	-	-	29,577	29,686	109
Total McKinney Homes Students' Assistance			114,461	41,377	2,637	-	35,512	32,984	109
Total Passed through the Michigan Department of Education			43,871,441	14,848,787	2,313,300	1,941	17,544,319	16,733,935	1,504,857
Total Federal Financial Assistance			\$ 43,928,975	\$ 14,848,787	\$ 2,313,300	\$ 1,941	\$ 17,556,173	\$ 16,746,874	\$ 1,505,942

# Kalamazoo Public Schools

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

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 17,360,969
Less QSCB federal interest subsidy	(612,154)
Other adjustments (Note 4)	<u>(1,941)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 16,746,874</u></u>

# **Kalamazoo Public Schools**

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

### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Kalamazoo Public Schools under programs of the federal government for the year ended June 30, 2016. The information in this 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 Kalamazoo Public Schools, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Kalamazoo Public Schools.

### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, or 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The School District has not elected to use the 10-percent *de minimus* 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 - Adjustments and Transfers**

During the year ended June 30, 2016, \$1,941 in net adjustments to grant funds resulted from disallowed costs and other adjustments.

# Kalamazoo Public Schools

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

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  Yes  No

#### Federal Awards

Internal control over major program:

- 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 program: 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 program:

CFDA Number	Name of Federal Program or Cluster
84.010	Title I, Part A Cluster

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