

# **HUDSONVILLE PUBLIC SCHOOLS**

## *SINGLE AUDIT REPORT*

*Year Ended June 30, 2018*

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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# HUDSONVILLE PUBLIC SCHOOLS

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Prior Year Expenditures (Memo Only)	Accrued Revenue at July 1, 2017	Receipts or Revenues Recognized	Federal Disbursements / Expenditures	Accrued Revenue at June 30, 2018	Passed Through to Subrecipients
<b>U.S. DEPARTMENT OF EDUCATION</b>									
Passed Through Ottawa Area Intermediate School District									
<b>Special Education Cluster</b>									
Special Education - Grants to States 16/17	84.027	170450-1617	\$1,274,103	\$ 1,274,103	\$ 367,199	\$ 367,199	\$ -	\$ -	\$ -
Special Education - Grants to States 17/18	84.027	180450-1718	1,314,637	-	-	815,853	1,314,637	498,784	-
<b>Subtotal CFDA #84.027</b>				<b>1,274,103</b>	<b>367,199</b>	<b>1,183,052</b>	<b>1,314,637</b>	<b>498,784</b>	<b>-</b>
Special Education - Preschool Grants 16/17	84.173	170460-1617	32,629	32,629	21,281	21,281	-	-	-
Special Education - Preschool Grants 17/18	84.173	180460-1718	33,243	-	-	21,012	33,243	12,231	-
<b>Subtotal CFDA #84.173</b>				<b>32,629</b>	<b>21,281</b>	<b>42,293</b>	<b>33,243</b>	<b>12,231</b>	<b>-</b>
<b>Total Special Education Cluster</b>				<b>1,306,732</b>	<b>388,480</b>	<b>1,225,345</b>	<b>1,347,880</b>	<b>511,015</b>	<b>-</b>
Education for Homeless Children and Youth - 17/18	84.196	182320-1718	-	-	-	2,002	2,002	-	-
<b>Subtotal CFDA #84.196</b>				<b>-</b>	<b>-</b>	<b>2,002</b>	<b>2,002</b>	<b>-</b>	<b>-</b>
<b>Medicaid Cluster</b>									
Medical Assistance Program	93.778		-	-	-	3,427	3,427	-	-
<b>Total Medicaid Cluster</b>				<b>-</b>	<b>-</b>	<b>3,427</b>	<b>3,427</b>	<b>-</b>	<b>-</b>
<b>Total Passed Through Ottawa Area Intermediate School District</b>				<b>1,306,732</b>	<b>388,480</b>	<b>1,230,774</b>	<b>1,353,309</b>	<b>511,015</b>	<b>-</b>

The accompanying notes are an integral part of this schedule

# HUDSONVILLE PUBLIC SCHOOLS

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Prior Year Expenditures (Memo Only)	Accrued Revenue at July 1, 2017	Receipts or Revenues Recognized	Federal Disbursements / Expenditures	Accrued Revenue at June 30, 2018	Passed Through to Subrecipients
Passed Through State of Michigan Department of Education									
Child and Adult Care Food Program 16/17	10.558	171920	\$ 41,531	\$ 38,145	\$ 5,606	\$ 8,992	\$ 3,386	\$ -	\$ -
Child and Adult Care Food Program 16/17	10.558	172010	4,832	3,993	690	1,298	608	-	-
Child and Adult Care Food Program 17/18	10.558	181920	33,036	-	-	31,515	33,036	1,521	-
Child and Adult Care Food Program 17/18	10.558	182010	3,796	-	-	3,532	3,796	264	-
<b>Subtotal CFDA #10.558</b>				<b>42,138</b>	<b>6,296</b>	<b>45,337</b>	<b>40,826</b>	<b>1,785</b>	<b>-</b>
Title I Grants to Local Educational Agencies	84.010	171530 1617	267,333	216,937	10,252	10,252	-	-	-
Title I Grants to Local Educational Agencies	84.010	181530 1718	212,243	-	-	138,965	182,834	43,869	-
<b>Subtotal CFDA #84.010</b>				<b>216,937</b>	<b>10,252</b>	<b>149,217</b>	<b>182,834</b>	<b>43,869</b>	<b>-</b>
Improving Teacher Quality State Grants 16/17 (Title II A)	84.367	170520 1617	99,049	88,610	11,102	14,754	3,652	-	-
Improving Teacher Quality State Grants 17/18 (Title II A)	84.367	180520 1718	134,982	-	-	72,404	116,518	44,114	-
<b>Subtotal CFDA #84.367</b>				<b>88,610</b>	<b>11,102</b>	<b>87,158</b>	<b>120,170</b>	<b>44,114</b>	<b>-</b>
Student Support and Academic Enrichment (Title IV A)	84.424	180750 1718	10,000	-	-	-	4,141	4,141	-
<b>Subtotal CFDA #84.424</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>4,141</b>	<b>4,141</b>	<b>-</b>
<b>Total Passed Through State of Michigan Department of Education</b>				<b>347,685</b>	<b>27,650</b>	<b>281,712</b>	<b>347,971</b>	<b>93,909</b>	<b>-</b>
<b>TOTAL</b>					<b>\$ 416,130</b>	<b>\$ 1,512,486</b>	<b>\$ 1,701,280</b>	<b>\$ 604,924</b>	<b>\$ -</b>

The accompanying notes are an integral part of this schedule



# HUDSONVILLE PUBLIC SCHOOLS

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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June 30, 2018

### **NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Hudsonville Public Schools under programs of the federal government for the year ended June 30, 2018. 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* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Hudsonville Public Schools, it is not intended to and does not present the financial position, changes in net position, or cash flows of Hudsonville Public Schools.

Expenditures in this schedule reconcile with amounts reported in the basic financial statements and financial reports. Management has utilized the MDE Cash Management System (CMS) Grant Auditor Report (GAR) in preparing the Schedule of Expenditures of Federal Awards.

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Hudsonville Public Schools did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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**INDEPENDENT AUDITORS' 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***

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## INDEPENDENT AUDITORS' 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

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Board of Education  
Hudsonville Public Schools  
Hudsonville, Michigan

We have audited, in accordance with the 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 Hudsonville Public Schools (School), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Hudsonville Public Schools' basic financial statements, and have issued our report thereon dated October 22, 2018.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hudsonville 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hudsonville Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Hudsonville Public Schools' 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 entity'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 Hudsonville 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'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Beene Garter LLP*

October 22, 2018  
Grand Rapids, Michigan

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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Board of Education  
Hudsonville Public Schools  
Hudsonville, Michigan

### Report on Compliance for Each Major Federal Program

We have audited Hudsonville Public Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Hudsonville Public Schools' major federal program for the year ended June 30, 2018. Hudsonville 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditors' Responsibility

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



### ***Opinion on Each Major Federal Program***

In our opinion, Hudsonville 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, 2018.

### **Report on Internal Control over Compliance**

Management of Hudsonville 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 Hudsonville Public Schools' 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 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 Hudsonville Public Schools' 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.

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.



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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hudsonville Public Schools, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Hudsonville Public Schools' basic financial statements. We issued our report thereon dated October 22, 2018, which contained unmodified opinions on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 basic 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 basic financial statements or to the basic 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Beene Garter LLP*

October 22, 2018  
Grand Rapids, Michigan

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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# HUDSONVILLE PUBLIC SCHOOLS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2018

### A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on whether the basic financial statements of Hudsonville Public Schools were prepared in accordance with GAAP.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Hudsonville Public Schools were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award program.
5. The auditors' report on compliance for the major federal award program for Hudsonville Public Schools expresses an unmodified opinion.
6. No audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
7. The program tested as a major program was the Special Education Cluster which includes: Special Education – Grants to States (CFDA #84.027) and Special Education – Preschool Grants (CFDA #84.173)
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Hudsonville Public Schools was determined to be a low-risk auditee.

### B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Current Year – None  
Prior Year – None

### C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

Current Year – None  
Prior Year – None