

**LANSING SCHOOL DISTRICT**  
**ADDITIONAL REPORTS REQUIRED BY**  
**OMB CIRCULAR A-133**  
**YEAR ENDED JUNE 30, 2008**

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Walter P. Maner, Jr. (1921-2004)  
Floyd L. Costerisan  
Leon A. Ellis (1933-1988)

**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***

To the Board of Education  
Lansing School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lansing School District as of and for the year ended June 30, 2008, which collectively comprise Lansing School District's basic financial statements and have issued our report thereon dated October 15, 2008. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Lansing School District's internal control over financial reporting as a basis for designing our auditing procedures 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 Lansing School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Lansing School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described as 2008-1 and 2008-2 in the accompanying schedule of findings and questioned costs to be a significant deficiencies in internal control over financial reporting.



A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiencies described above are material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lansing School District's financial statements are free of 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*.

We noted certain matters that we reported to management of Lansing School District in a separate letter dated October 15, 2008.

Lansing School District's response to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit Lansing School District's response and, accordingly, we express no opinion on it.

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.

October 15, 2008



Mamer, Costeniser & Ellis, P.C.



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**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Education  
Lansing School District

**Compliance**

We have audited the compliance of Lansing School District 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. Lansing School District'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 Lansing School District's management. Our responsibility is to express an opinion on Lansing School District'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 Lansing 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. Our audit does not provide a legal determination of Lansing School District's compliance with those requirements.

In our opinion, Lansing School District 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.

## **Internal Control Over Compliance**

The management of Lansing School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Lansing School District's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of the Lansing School District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lansing School District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

## Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Lansing School District as of and for the year ended June 30, 2008, and have issued our report thereon dated October 15, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Lansing School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation 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 specified parties.

*Mayer, Costenaro & Ellis, P.C.*

October 15, 2008

**LANSING SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

Federal grantor/pass-through grantor/program title	District ID Number	Federal CFDA Number	Pass-through Grantor's Number	Approved Award Amount	(Memo only) Prior Year Expenditures	Accrued (Deferred) Revenue 6/30/2007	Adjustments	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue 6/30/2008
<u>U.S. Department of Agriculture:</u>										
<u>Child Nutrition Cluster</u>										
Passed through Michigan Department of Education:										
National School Lunch - Section 4	N/A	10.555	071950	\$ 396,383	\$ 350,143	\$ 57,918	\$ -	\$ 46,240	\$ 104,158	\$ -
National School Lunch - Section 11	N/A	10.555	071960	2,826,496	2,489,017	417,689	-	337,479	755,168	-
National School Lunch - Snack	N/A	10.555	071980	16,857	16,255	2,478	-	602	3,080	-
Fruit and Vegetable Program - North	5798	10.582	080950/06662	43,022	-	-	-	29,747	24,066	5,681
Fruit and Vegetable Program	5897	10.555	07090/5148	34,521	34,521	6,761	-	-	6,761	-
Fruit and Vegetable Pilot Program	5898	10.582	080950/05148	45,841	-	-	-	41,651	32,705	8,946
National School Lunch - Section 4	N/A	10.555	081950	318,765	-	-	-	318,765	309,868	8,897
National School Lunch - Section 11	N/A	10.555	081960	2,751,900	-	-	-	2,751,900	2,273,800	478,100
National School Lunch - Snack	N/A	10.555	081980	26,953	-	-	-	26,953	23,993	2,960
Summer Food Service	5998	10.559	070900	142,445	40,445	40,445	-	102,000	142,445	-
Summer Food Service	5999	10.559	080900	63,883	-	-	-	63,883	-	63,883
				<u>6,667,066</u>	<u>2,930,381</u>	<u>525,291</u>	<u>-</u>	<u>3,719,220</u>	<u>3,676,044</u>	<u>568,467</u>
National School Lunch - Breakfast	N/A	10.553	071970	944,170	944,170	151,185	-	-	151,185	-
National School Lunch - Breakfast	N/A	10.553	081970	948,978	-	-	-	948,978	796,761	152,217
				<u>1,893,148</u>	<u>944,170</u>	<u>151,185</u>	<u>-</u>	<u>948,978</u>	<u>947,946</u>	<u>152,217</u>
TOTAL CHILD NUTRITION CLUSTER				<u>8,560,214</u>	<u>3,874,551</u>	<u>676,476</u>	<u>-</u>	<u>4,668,198</u>	<u>4,623,990</u>	<u>720,684</u>
National School Lunch - Commodity Entitlement	N/A	10.550	----	299,634	-	-	-	299,634	299,634	-
National School Lunch - Commodity Bonus	N/A	10.550	----	149	-	-	-	149	149	-
				<u>299,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,783</u>	<u>299,783</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>8,859,997</u>	<u>3,874,551</u>	<u>676,476</u>	<u>-</u>	<u>4,967,981</u>	<u>4,923,773</u>	<u>720,684</u>
<u>U.S. Department of Education:</u>										
Direct programs:										
Impact Aid	1368	84.041	----	22,076	19,332	-	-	22,075	22,075	-
Indian Education	1308	84.060A	S060A070962	34,699	-	-	-	34,699	27,931	6,768
Magnet Schools - Carryover	1506	84.165	U165A050034	6,065,050	3,155,173	53,316	-	492,487	533,931	11,872
Magnet Schools - Carryover	1507	84.165A	076373687	2,633,067	-	-	-	2,571,172	2,328,686	242,486
Magnet Schools - SMART	1508	84.165A	U165A070064	1,689,398	-	-	-	1,008,391	767,628	240,763
				<u>10,387,515</u>	<u>3,155,173</u>	<u>53,316</u>	<u>-</u>	<u>4,072,050</u>	<u>3,630,245</u>	<u>495,121</u>
LINK - Local Intervention Network for Kids	1288	84.184A	Q184A070052	398,992	-	-	-	293,985	258,830	35,155
Smaller Learning Communities	1536	84.215	V215L042256	733,330	361,368	32,609	-	48,566	81,175	-
Teaching American History	1577	84.215	076373687/0607	332,779	247,607	247,607	-	11,610	259,217	-
Teaching American History	1578	84.215	U215X050204	341,833	-	-	-	170,557	157,601	12,956
Teaching American History C/O	1588	84.215	U215X050204	325,384	-	-	-	117,344	98,969	18,375

The accompanying notes are an integral part of this schedule



**LANSING SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

Federal grantor/pass-through grantor/program title	District ID Number	Federal CFDA Number	Pass-through Grantor's Number	Approved Award Amount	(Memo only) Prior Year Expenditures	Accrued (Deferred) Revenue 6/30/2007	Adjustments	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue 6/30/2008
				1,733,326	608,975	280,216	-	348,077	596,962	31,331
<b>U.S. Department of Education:</b>										
Direct programs:										
Foreign Language Assistance Program	1527	84.293B		\$ 245,822	\$ 87,809	\$ 14,400	\$ -	\$ 8,997	\$ 23,397	\$ -
Foreign Language Assistance Program	1528	84.293B		298,033	-	-	-	213,222	156,959	56,263
				543,855	87,809	14,400	-	222,219	180,356	56,263
Michigan Art Project	1566	84.351C	U351C050085	344,065	372,981	16,306	-	107,145	106,499	16,952
Michigan Art Project	1568	84.351C	U351C050085	346,313	-	-	-	194,484	185,278	9,206
				690,378	372,981	16,306	-	301,629	291,777	26,158
PAINTS	1597	84.351D	U351D060071	274,949	180,086	10,206	-	94,862	93,902	11,166
PAINTS	1598	84.351D	U351D060071	274,974	-	-	-	59,177	53,568	5,609
				549,923	180,086	10,206	-	154,039	147,470	16,775
Literacy Through Libraries	1547	84.364	S364A060337	300,000	167,345	9,830	-	16,134	25,964	-
Passed through Michigan Department of Education:										
ABE English Literacy/Civics	1087	84.002	071120/7500567	15,800	15,800	2,424	-	-	2,424	-
ABE English Literacy/Civics	1088	84.002	081120/8500567	15,800	-	-	-	15,800	15,800	-
ABE Sec 306	4067	84.002	071130/711057	197,200	197,200	30,041	-	-	30,041	-
ABE Sec 306	4068	84.002	081130/811057	197,000	-	-	-	197,000	179,525	17,475
ABE Sec 306	4097	84.002	071190/711057	100,000	100,000	13,054	-	-	13,054	-
ABE English Literacy/Civics	4098	84.002	081190/811057	80,000	-	-	-	76,856	63,517	13,339
				605,800	313,000	45,519	-	289,656	304,361	30,814
ECIA Title I - Regular	1008	84.010	081530/0708	8,980,895	-	-	-	8,025,626	7,114,512	911,114
ECIA Title I - Regular	1007	84.010	071530/0607	7,992,722	7,599,388	1,319,299	-	159,464	1,478,763	-
ECIA Title I - Carryover	1017	84.010	061530/0607	304,294	304,294	261,713	-	-	261,713	-
ECIA Title I - Schoolwide	1048	84.010	071520/0708	1,500	-	-	-	1,043	1,000	43
				17,279,411	7,903,682	1,581,012	-	8,186,133	8,855,988	911,157
ECIA Title I - N & D	1028	84.013	081700/0708	92,508	-	-	-	39,352	22,509	16,843
ECIA Title I - N & D	1027	84.013	071700/0607	51,400	26,356	11,454	-	12,150	23,604	-
ECIA Title I - N & D - Carryover	1037	84.013	061700/0607	5,949	5,949	5,949	-	-	5,949	-
				149,857	32,305	17,403	-	51,502	52,062	16,843
Drug Free Schools	4007	84.186	072860/0607	149,003	139,533	18,344	-	-	18,344	-
Drug Free Schools	4008	84.186	082860/0708	153,569	-	-	-	141,908	130,238	11,670
Drug Free Schools - Carryover	4018	84.186	072860/0708	9,470	-	-	-	9,470	7,331	2,139
				312,042	139,533	18,344	-	151,378	155,913	13,809
Education for Homeless Children and Youth	4408	84.196A	082320/0708	51,344	-	-	-	36,089	30,555	5,534
Education for Homeless Children and Youth	4419	84.196A	072320/0708 C	12,434	-	-	-	12,434	11,824	610
Education for Homeless Children and Youth	4407	84.196A	072320/0607	51,344	18,579	1,010	-	20,230	21,240	-
				115,122	18,579	1,010	-	68,753	63,619	6,144

The accompanying notes are an integral part of this schedule

**LANSING SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

Federal grantor/pass-through grantor/program title	District ID Number	Federal CFDA Number	Pass-through Grantor's Number	Approved Award Amount	(Memo only) Prior Year Expenditures	Accrued (Deferred) Revenue 6/30/2007	Adjustments	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue 6/30/2008
21st Century	1378	84.287C	082110/D07043	600,000	-	-	-	417,039	344,094	72,945
<b>U.S. Department of Education:</b>										
Passed through Michigan Department of Education:										
ECIA Title V - Regular	1147	84.298	070250/0607	\$ 16,186	\$ 10,540	\$ (5,646)	\$ -	\$ 1,796	\$ (3,850)	\$ -
ECIA Title V - Regular	1148	84.298	080250/0708	75,285	-	-	-	73,476	68,433	5,043
				91,471	10,540	(5,646)	-	75,272	64,583	5,043
Title IID Technology	1267	84.318	074290/0607	82,002	29,017	3,303	-	11,557	14,860	-
Title IID Technology	1268	84.318	084290/0708	123,555	-	-	-	12,265	11,676	589
				205,557	29,017	3,303	-	23,822	26,536	589
Comprehensive School Reform Demonstration	4277	84.332	061870/0607	566,100	418,814	65,369	-	114,303	179,672	-
Reading First	4367	84.357A	072930/0607	1,553,547	1,504,580	489,982	-	-	489,982	-
Reading First	4368	84.357A	082930/0708	1,489,316	-	-	-	1,394,465	1,199,191	195,274
				3,042,863	1,504,580	489,982	-	1,394,465	1,689,173	195,274
Title III English Language Acquisition	1127	84.365	070580/0607	145,288	142,895	55,128	-	2,393	57,521	-
Title III English Language Acquisition	1128	84.365	060580/0708	143,265	-	-	-	129,744	120,243	9,501
Title III English Language Acquisition C/O	1137	84.365	060580/0607	129,539	129,539	129,539	-	-	129,539	-
				418,092	272,434	184,667	-	132,137	307,303	9,501
Title IIA, Improving Teacher Quality	1098	84.367	080520/0708	3,272,711	-	-	-	1,455,057	948,668	506,389
Title IIA, Improving Teacher Quality	1097	84.367	070520/0607	612,466	516,040	256,256	-	30,916	287,172	-
Title IIA, Improving Teacher Quality C/O	1117	84.367	060520/0607	1,349,348	1,349,348	217,486	-	-	217,486	-
				5,234,525	1,865,388	473,742	-	1,485,973	1,453,326	506,389
<b>Special Education Cluster</b>										
Passed through Ingham Intermediate School District:										
IDEA Flowthrough A	2207	84.027	070450/0607	8,815,947	8,815,947	1,931,301	-	-	1,931,301	-
IDEA Flowthrough A	2208	84.027	080450/0708	8,800,000	-	-	-	8,800,000	6,898,936	1,901,064
IDEA Flowthrough B	2217	84.027	060450/0607	142,812	142,812	51,303	-	-	51,303	-
IDEA Flowthrough B	2218	84.027	070450/0708	166,649	-	-	-	166,649	140,397	26,252
				17,925,408	8,958,759	1,982,604	-	8,966,649	9,021,937	1,927,316
IDEA Pre-school Development A	2107	84.173A	070460/0607	158,271	158,271	29,248	-	-	29,248	-
IDEA Pre-school Development A	2108	84.173A	080460/0708	165,230	-	-	-	165,230	145,777	19,453
				323,501	158,271	29,248	-	165,230	175,025	19,453
Passed through Michigan Department of Education:										
Service Provider Self Review	2007	84.027A	070440/0607	5,500	5,500	5,500	-	-	5,500	-
<b>TOTAL SPECIAL EDUCATION CLUSTER</b>				<b>18,254,409</b>	<b>9,122,530</b>	<b>2,017,352</b>	<b>-</b>	<b>9,131,879</b>	<b>9,202,462</b>	<b>1,946,769</b>

The accompanying notes are an integral part of this schedule

**LANSING SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Federal grantor/pass-through grantor/program title</u>	<u>District ID Number</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Approved Award Amount</u>	<u>(Memo only) Prior Year Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/2007</u>	<u>Adjustments</u>	<u>Current Year Expenditures</u>	<u>Current Year Receipts (Cash Basis)</u>	<u>Accrued (Deferred) Revenue 6/30/2008</u>
<u>U.S. Department of Education:</u>										
Passed through Ferris State University:										
Freedom to Learn	4206	84.318X	064280-5A	\$ 14,312	\$ 7,721	\$ (2,967)	\$ -	\$ -	\$ -	\$ (2,967)
Freedom to Learn	4207	84.318X		5,000	5,000	5,000	-	(5,000)	-	-
Freedom to Learn	4208	84.318X		550		-	-	550	550	-
Freedom to Learn	4217	84.318X		15,000	13,485	(1,515)	-	-	-	(1,515)
Freedom to Learn	4226	84.318X		8,647		(8,647)	-	5,000	-	(3,647)
Freedom to Learn	4227	84.318X		1,250		(1,250)	-	-	-	(1,250)
				<u>44,759</u>	<u>26,206</u>	<u>(9,379)</u>	<u>-</u>	<u>550</u>	<u>550</u>	<u>(9,379)</u>
Passed through Clinton County RESA:										
Voc Ed Special Needs	4077	84.048A	--	365,460	365,460	80,193	-	-	80,193	-
Voc Ed Special Needs	4078	84.048A	--	380,320		-	-	374,655	291,246	83,409
				<u>745,780</u>	<u>365,460</u>	<u>80,193</u>	<u>-</u>	<u>374,655</u>	<u>371,439</u>	<u>83,409</u>
Passed through Lansing Community College										
Technical Preparation	4087	84.243A	--	28,291	28,291	12,001	-	-	12,001	-
Technical Preparation	4088	84.243A	--	7,000		-	-	7,000	856	6,144
				<u>35,291</u>	<u>28,291</u>	<u>12,001</u>	<u>-</u>	<u>7,000</u>	<u>12,857</u>	<u>6,144</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				<u>62,361,843</u>	<u>26,642,060</u>	<u>5,359,146</u>	<u>-</u>	<u>27,369,424</u>	<u>28,265,548</u>	<u>4,463,022</u>
<u>National Science Foundation:</u>										
Passed through Michigan State University:										
Devel Leadership & Support for Urban Science Teaching	1447	47.076		121,652	96,868	96,868	(2,030)	-	94,838	-
Mathematics Assessment	0167	47.076		110,410	110,410	110,410	-	2,322	112,732	-

The accompanying notes are an integral part of this schedule

**LANSING SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Federal grantor/pass-through grantor/program title</u>	<u>District ID Number</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Approved Award Amount</u>	<u>(Memo only) Prior Year Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/2007</u>	<u>Adjustments</u>	<u>Current Year Expenditures</u>	<u>Current Year Receipts (Cash Basis)</u>	<u>Accrued (Deferred) Revenue 6/30/2008</u>
<u>U.S. Department of Labor:</u>										
<u>WIA Program Cluster</u>										
Passed through Capital Area Michigan Works:										
WIA Out of School	1397	17.255	----	\$ 119,150	\$ 102,579	\$ 5,802	\$ -	\$ -	\$ 5,802	\$ -
WIA Out of School	1398	17.255	----	107,595	-	-	-	106,019	95,098	10,921
WIA In School Youth	1407	17.255	----	119,150	119,150	15,813	-	-	15,813	-
WIA In School Youth	1408	17.255	----	124,941	-	-	-	117,801	108,587	9,214
WIA In School Youth	3137	17.255	----	227,983	199,201	30,657	-	-	30,657	-
WIA In School Youth	3138	17.255	----	222,253	-	-	-	207,978	196,457	11,521
WIA In School Youth	3147	17.255	----	39,303	39,303	5,061	-	-	5,061	-
WIA In School Youth	3148	17.255	----	26,203	-	-	-	24,478	20,356	4,122
				<u>986,578</u>	<u>460,233</u>	<u>57,333</u>	<u>-</u>	<u>456,276</u>	<u>477,831</u>	<u>35,778</u>
TOTAL U.S. DEPARTMENT OF LABOR				<u>986,578</u>	<u>460,233</u>	<u>57,333</u>	<u>-</u>	<u>456,276</u>	<u>477,831</u>	<u>35,778</u>
<u>U.S. Department of Health &amp; Human Services</u>										
Passed through Ingham ISD										
Medicaid Outreach Reimbursement		93.778		<u>235,211</u>	<u>163,247</u>	<u>35,122</u>	<u>-</u>	<u>235,211</u>	<u>134,761</u>	<u>135,572</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 72,675,691</u>	<u>\$ 31,347,369</u>	<u>\$ 6,335,355</u>	<u>\$ (2,030)</u>	<u>\$ 33,031,214</u>	<u>\$ 34,009,483</u>	<u>\$ 5,355,056</u>

The accompanying notes are an integral part of this schedule

**LANSING SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

NOTES:

1. Basis of presentation - The accompanying schedule of expenditures of federal awards includes the grant activity of Lansing School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133 and reconciles with the amounts presented in the preparation of the financial statements.
2. Title I, CFDA # 84.010 and Title IIA, CFDA #84.367 were audited major programs, representing 29.2% of expenditures.
3. The threshold for distinguishing Type A and Type B programs was \$990,936.
4. Management has utilized the Grant Section Auditors Report (Form R7120) and the Grant Audit Report in preparing the Schedule of Expenditures of Federal Awards.
5. Federal expenditures are reported as revenue in the following funds in the financial statements:

General fund	\$ 28,063,232
Special revenue fund	4,967,982
	\$ 33,031,214

6. Program clusters contained within the schedule are as follows:
  - Child Nutrition Cluster consists of CFDA #10.553, #10.555 and #10.559
  - Special Education Cluster consists of CFDA #84.027, #84.027A and #84.173A

**LANSING SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2008**

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**Section I - Summary of Auditors' Results**

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*Financial Statements*

Type of auditors' report issued: Unqualified

➤ Material weakness(es) identified: \_\_\_\_\_ Yes   X   No

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

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

Any audit findings disclosed that are required to be reported with   X   Yes \_\_\_\_\_ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I
84.367	Title IIA

Dollar threshold used to distinguish between type A and type B \$ 990,936

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

**LANSING SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2008**

**Section II – Findings – Financial Statement Audit**

**Finding 2008-1**

**Finding considered a significant deficiency**

**Criteria:** Pupil counts in the Single Record Student Database (SRSD) should be reconciled to the detail pupil rosters to ensure accuracy.

**Condition:** During the year, Ingham Intermediate School District's pupil membership auditors found significant errors in the reporting of pupil counts while performing their pupil audit.

**Context:** Failure to properly report student counts to the State of Michigan through the SRSD system could result in the District not receiving the appropriate amount of state aid. The District did correct this issue by year-end and did receive the correct amount of state aid.

**Effect:** Inaccurate amount of state aid could be received by the District.

**Cause:** Lack of reconciliation process between SRSD and detail pupil rosters.

**Recommendation:** Paper membership rosters should be reconciled to the SRSD system in a timely manner prior to submission to the State. In addition, improved oversight should be implemented to ensure this process is completed. Consideration should be given to have the business office review reporting in this area.

**Finding 2008-2**

**Finding considered a significant deficiency**

**Criteria:** One significant year end adjustment was proposed by the external auditor and recorded by the client during the audit. This entry was required in order for the financial statements to be accurate.

**Condition:** One account was not adjusted to accurately reflect a transaction taking place at year end.

**Context:** Failure to make significant adjustments increases the risk that the financial statements will be materially misstated.

**Effect:** Inaccurate financial information may be used for management decisions and reporting.

**Cause:** A large amount was received on August 27<sup>th</sup> pertaining to prior years universal service fund applications. These payments were not estimable prior to receipt and the District was unsure if and when they would be received.

**Recommendation:** The District should review year end transactions and record journal entries for any transactions that have not been recorded throughout the entire revenue recognition period (60 days) subsequent to year end.

**LANSING SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Section III – Federal Award Findings and Questioned Costs**

None noted.



**LANSING SCHOOL DISTRICT  
SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2008**

**Finding 2007-1**

**Finding considered a significant deficiency**

**Criteria:** Bank accounts reconciliations should be performed and reconciled to the general ledger in a timely manner.

**Condition:** During the year, bank reconciliations were not being performed in a timely manner.

**Context:** Failure to perform bank reconciliations in a timely manner increases the risk that the financial statements will be materially misstated. During the year, the District experienced turnover in the business office. The District has reorganized and increased staffing. It is expected next year the accounting department will have ample resources to perform these reconciliations monthly. The District hired a CPA firm to assist in completing the bank reconciliations. At June 30, 2007, all bank accounts were reconciled timely.

**Effect:** Inaccurate financial information may be used for management decisions and reporting.

**Cause:** Lack of staffing to complete and review month-end bank reconciliation procedures.

**Recommendation:** Monthly bank reconciliations should be prepared and reviewed by an appropriate individual every month. In addition, the reconciled balance should be compared to the general ledger to ensure all necessary adjustments to the general ledger are made in a timely manner. This will improve the accuracy of interim reporting.

**Status:** Bank reconciliations are now prepared timely.

**Finding 2007-2**

**Finding considered a significant deficiency**

**Criteria:** Pupil counts in the Single Record Student Database (SRSD) should be reconciled to the detail pupil rosters to ensure accuracy.

**Condition:** During the year, Ingham Intermediate School District's pupil membership auditors found significant errors in the reporting of pupil counts while performing their pupil audit.

**Context:** Failure to properly report student counts to the State of Michigan through the SRSD system could result in the District not receiving the appropriate amount of state aid. The District did correct this issue by year-end and did receive the correct amount of state aid.

**LANSING SCHOOL DISTRICT  
SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2008**

**Effect:** Inaccurate amount of state aid could be received by the District.

**Cause:** Lack of reconciliation process between SRSD and detail pupil rosters.

**Recommendation:** Paper membership rosters should be reconciled to the SRSD system in a timely manner prior to submission to the State. In addition, improved oversight should be implemented to ensure this process is completed. Consideration should be given to have the business office review reporting in this area.

Status: See finding 2008-1

**Finding - 2007-3**

**Finding considered a significant deficiency**

**Criteria:** Three year end adjustments were proposed by the external auditor and recorded by the client during the audit. These were required in order for the financial statements to be accurate.

**Condition:** Three accounts were not adjusted to accurately reflect the transactions taking place at year end.

**Context:** Failure to make significant adjustments increases the risk that the financial statements will be materially misstated. During the year, the District experienced turnover in the business office. The District has reorganized and increased staffing. It is expected next year the accounting department will have ample resources to avoid significant audit adjustments.

**Effect:** Inaccurate financial information may be used for management decisions and reporting.

**Cause:** Oversight by the staff and management to record journal entries that properly reflect the transactions that have occurred at year end.

**Recommendation:** The District should review year end transactions and record journal entries for any transactions not recorded.

**Status:** These types of adjustments were not required during the 2008 audit.

**Finding 2007-4**

**Statement of Condition:** Lansing School District was not offering Reading First CFDA #84.357 federal grant money to private schools as required.

**Criteria:** Lansing School District is required to follow specific requirements in notifying private schools of the opportunity to participate in the grant program.

**LANSING SCHOOL DISTRICT  
SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2008**

**Effect of Conditions:** Because of the violation, The funding sources of the grants could request repayment of some of the grant funds that could have been applied to private schools had they been notified of the opportunity to participate.

**Cause of Condition:** The District's compliance department was unaware that these grants were required to be offered to private schools.

**Questioned Costs:** Not determinable.

**Recommendation:** We recommend Lansing School District review procedures to ensure all private schools are properly notified.

**Status:** This issue has been resolved.