

LANSING SCHOOL DISTRICT
ADDITIONAL REPORTS REQUIRED BY
OMB CIRCULAR A-133
YEAR ENDED JUNE 30, 2010

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**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, 2010, which collectively comprise Lansing School District's basic financial statements and have issued our report thereon dated October 15, 2010. 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.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting, 2010-1. A significant deficiency is a deficiency, or 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.

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, 2010.

Lansing School District's response to the finding identified in our audit is 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.

Maney Costeiran PC

October 15, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Lansing School District

Compliance

We have audited Lansing School District's compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lansing School District's major federal programs for the year ended June 30, 2010. Lansing School District's major federal programs are identified in the summary of auditors' 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. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2010-2.

Internal Control Over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Lansing 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.

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 deficiencies, 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, 2010, and have issued our report thereon dated October 15, 2010. Our audit was performed for the purpose of forming 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.

Lansing School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Lansing School District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Education, others within the District, 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.

Manes Costeiran PC

October 15, 2010

**LANSING SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

<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 6/30/2009</u>	<u>Adjustments</u>	<u>Current Year Expenditures</u>	<u>Current Year Receipts (Cash Basis)</u>	<u>Accrued (Deferred) Revenue 6/30/2010</u>
<u>U.S. Department of Agriculture:</u>										
Passed through Michigan Department of Education:										
Child Nutrition Cluster										
<u>Non-Cash Assistance (Commodities):</u>										
National School Lunch - Entitlement	N/A	10.555	----	\$ 253,307	\$ 270,083	\$ -	\$ -	\$ 253,307	\$ 253,307	\$ -
National School Lunch - Bonus	N/A	10.555	----	87,804	61,166	-	-	87,804	87,804	-
				<u>341,111</u>	<u>331,249</u>	<u>-</u>	<u>-</u>	<u>341,111</u>	<u>341,111</u>	<u>-</u>
Summer Food Service	N/A	10.559	----	61,579	69,551	-	-	61,579	61,579	-
Total non-cash assistance				<u>402,690</u>	<u>400,800</u>	<u>-</u>	<u>-</u>	<u>402,690</u>	<u>402,690</u>	<u>-</u>
<u>Cash Assistance:</u>										
National School Lunch - Section 4	N/A	10.555	091950	379,346	336,058	7,346	-	43,288	50,634	-
National School Lunch - Section 11	N/A	10.555	091950	3,263,535	2,933,394	465,404	-	330,141	795,545	-
National School Lunch - Snack	N/A	10.555	091950	47,883	46,685	4,282	-	1,198	5,480	-
National School Lunch - Section 4	N/A	10.555	101950	384,950	-	-	-	384,950	318,467	66,483
National School Lunch - Section 11	N/A	10.555	101950	2,992,838	-	-	-	2,992,838	2,469,508	523,330
National School Lunch - Snack	N/A	10.555	101950	43,427	-	-	-	43,427	39,849	3,578
				<u>7,111,979</u>	<u>3,316,137</u>	<u>477,032</u>	<u>-</u>	<u>3,795,842</u>	<u>3,679,483</u>	<u>593,391</u>
Summer Food Service	5991	10.559	101900	33,903	-	-	-	33,903	-	33,903
Summer Food Service	5990	10.559	090900	220,112	83,446	83,446	-	170,595	254,041	-
				<u>254,015</u>	<u>83,446</u>	<u>83,446</u>	<u>-</u>	<u>204,498</u>	<u>254,041</u>	<u>33,903</u>
National School Lunch - Breakfast	N/A	10.553	091970	1,227,791	1,227,791	178,629	-	-	178,629	-
National School Lunch - Breakfast	N/A	10.553	101970	1,762,262	-	-	-	1,762,262	1,473,682	288,580
				<u>2,990,053</u>	<u>1,227,791</u>	<u>178,629</u>	<u>-</u>	<u>1,762,262</u>	<u>1,652,311</u>	<u>288,580</u>
Total cash assistance				<u>10,356,047</u>	<u>4,627,374</u>	<u>739,107</u>	<u>-</u>	<u>5,762,602</u>	<u>5,585,835</u>	<u>915,874</u>
Total child nutrition cluster				<u>10,758,737</u>	<u>5,028,174</u>	<u>739,107</u>	<u>-</u>	<u>6,165,292</u>	<u>5,988,525</u>	<u>915,874</u>
Fruit and Vegetable Program - Hill	5899	10.582	090950/05148	32,053	32,053	9,760	-	-	9,760	-
Fruit and Vegetable Program - North	5799	10.582	090950/06662	27,437	27,437	7,701	-	-	7,701	-
Fruit and Vegetable Program - North	5790	10.582	100950/06662	31,671	-	-	-	31,671	29,484	2,187
				<u>91,161</u>	<u>59,490</u>	<u>17,461</u>	<u>-</u>	<u>31,671</u>	<u>46,945</u>	<u>2,187</u>
North School Gardens Grant	1230	10.574	0919-FO	2,500	-	-	-	1,704	-	1,704
Supper Program	5780	10.558	101920	21,476	-	-	-	25,291	21,476	3,815
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>10,873,874</u>	<u>5,087,664</u>	<u>756,568</u>	<u>-</u>	<u>6,223,958</u>	<u>6,056,946</u>	<u>923,580</u>

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, 2010**

<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 6/30/2009</u>	<u>Adjustments</u>	<u>Current Year Expenditures</u>	<u>Current Year Receipts (Cash Basis)</u>	<u>Accrued (Deferred) Revenue 6/30/2010</u>
U.S. Department of Education:										
Direct programs:										
Indian Education	1300	84.060A	S060A090962	\$ 36,011	\$ -	\$ -	\$ -	\$ 36,011	\$ 33,466	\$ 2,545
Magnet Schools - SMART	1500	84.165A	U165A070064-09	2,463,739	-	-	-	2,243,179	1,886,280	356,899
Magnet Schools - SMART - Carryover	1508	84.165A	U165A070064	1,689,398	419,032	28,057	-	53,874	79,067	2,864
Magnet Schools - SMART	1509	84.165A	U165A070064	2,588,801	1,908,621	179,025	-	461,535	637,103	3,457
				<u>6,741,938</u>	<u>2,327,653</u>	<u>207,082</u>	<u>-</u>	<u>2,758,588</u>	<u>2,602,450</u>	<u>363,220</u>
LINK - Local Intervention Network for Kids	1288	84.184A	Q184A070052	42,542	62,465	6,659	-	-	6,659	-
LINK - Local Intervention Network for Kids	1280	84.184A	Q184A070052	398,055	-	-	-	291,135	249,657	41,478
LINK - Local Intervention Network for Kids	1290	84.184A	Q184A070052	176,115	-	-	-	125,585	111,575	14,010
LINK - Local Intervention Network for Kids	1289	84.184A	Q184A070052	133,573	264,495	9,699	-	-	9,699	-
				<u>750,285</u>	<u>326,960</u>	<u>16,358</u>	<u>-</u>	<u>416,720</u>	<u>377,590</u>	<u>55,488</u>
Teaching American History	1570	84.215X	U215X090579	326,621	-	-	-	221,496	190,460	31,036
Foreign Language Assistance Program	1520	84.293B		233,281	-	-	-	214,356	191,572	22,784
Foreign Language Assistance Program	1529	84.293B		257,701	222,382	17,920	-	35,319	53,239	-
				<u>490,982</u>	<u>222,382</u>	<u>17,920</u>	<u>-</u>	<u>249,675</u>	<u>244,811</u>	<u>22,784</u>
Michigan Art Project	1568	84.351C	U351C050085	346,313	105,949	18,119	-	-	18,119	-
PAINTS	1590	84.351D	U351D060071-09	274,903	-	-	-	135,613	92,930	42,683
PAINTS	1598	84.351D	U351D060071-09	274,974	121,687	19,991	-	57,901	53,242	24,650
PAINTS	1599	84.351D	U351D060071-09	274,976	84,262	28,177	-	99,036	123,423	3,790
				<u>824,853</u>	<u>205,949</u>	<u>48,168</u>	<u>-</u>	<u>292,550</u>	<u>269,595</u>	<u>71,123</u>
Passed through Michigan Department of Education:										
Federal Adult Ed English	1089	84.002A	091120/950567	15,000	15,000	307	-	-	307	-
Federal Adult Ed English	4069	84.002A	091130/911057	170,000	170,000	5,510	-	-	5,510	-
Federal Adult Ed English	4099	84.002A	091190/911057	81,909	81,909	11,448	-	-	11,448	-
Federal Adult Ed English	1080	84.002A	101120/105057	15,518	-	-	-	15,518	12,145	3,373
Federal Adult Ed English	4060	84.002A	101130/101057	120,000	-	-	-	120,000	98,820	21,180
Federal Adult Ed English	4090	84.002A	101190/101057	70,000	-	-	-	70,000	55,205	14,795
				<u>472,427</u>	<u>266,909</u>	<u>17,265</u>	<u>-</u>	<u>205,518</u>	<u>183,435</u>	<u>39,348</u>
ECIA Title 1 - School Improvement	1010	84.010	101550/0910	151,920	-	-	-	6,617	-	6,617
ECIA Title I - Regular	1009	84.010	091530/0809	10,244,679	9,144,946	1,261,549	-	-	1,261,549	-
ECIA Title I - Regular	1000	84.010	101530/0910	9,671,479	-	-	-	7,829,770	6,435,965	1,393,805
				<u>20,068,078</u>	<u>9,144,946</u>	<u>1,261,549</u>	<u>-</u>	<u>7,836,387</u>	<u>7,697,514</u>	<u>1,400,422</u>

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, 2010**

<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 6/30/2009</u>	<u>Adjustments</u>	<u>Current Year Expenditures</u>	<u>Current Year Receipts (Cash Basis)</u>	<u>Accrued (Deferred) Revenue 6/30/2010</u>
Passed through Michigan Department of Education (continued):										
ARRA Title I, Part A	1330	84.389	101535/0910	\$ 3,378,121	\$ -	\$ -	\$ -	\$ 1,476,477	\$ 1,053,913	\$ 422,564
ARRA Title I, Part A	1030	84.389	101705/0910	163,245	-	-	-	44,036	30,033	14,003
				<u>3,541,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,520,513</u>	<u>1,083,946</u>	<u>436,567</u>
Total Title I Cluster				<u>23,609,444</u>	<u>9,144,946</u>	<u>1,261,549</u>	<u>-</u>	<u>9,356,900</u>	<u>8,781,460</u>	<u>1,836,989</u>
ECIA Title I - N & D	1029	84.013	091700/0809	130,524	55,845	19,501	-	-	19,501	-
ECIA Title I - N & D	1020	84.013	101700/0910	339,739	-	-	-	112,620	87,945	24,675
				<u>470,263</u>	<u>55,845</u>	<u>19,501</u>	<u>-</u>	<u>112,620</u>	<u>107,446</u>	<u>24,675</u>
Drug Free Schools	4009	84.186	092860/0809	135,442	122,398	11,025	-	1,612	12,637	-
Drug Free Schools	4000	84.186	102860/0910	132,513	-	-	-	95,161	82,638	12,523
				<u>267,955</u>	<u>122,398</u>	<u>11,025</u>	<u>-</u>	<u>96,773</u>	<u>95,275</u>	<u>12,523</u>
Education for Homeless Children and Youth	4409	84.196A	092320/0809	51,344	24,343	2,894	-	27,001	29,895	-
Education for Homeless Children and Youth	4400	84.196A	102320/0910	30,067	-	-	-	14,292	12,656	1,636
				<u>81,411</u>	<u>24,343</u>	<u>2,894</u>	<u>-</u>	<u>41,293</u>	<u>42,551</u>	<u>1,636</u>
ARRA Homeless Child & Youth Grant	4420	84.387A	102325/0910	40,203	-	-	-	10,478	9,530	948
Total Education for Homeless Children & Youth Cluster				<u>121,614</u>	<u>24,343</u>	<u>2,894</u>	<u>-</u>	<u>51,771</u>	<u>52,081</u>	<u>2,584</u>
21st Century	1379	84.287C	092110/D07043	600,000	525,218	51,185	-	-	51,185	-
21st Century	1370	84.287C	102110/D07043	600,000	-	-	-	490,115	407,705	82,410
				<u>1,200,000</u>	<u>525,218</u>	<u>51,185</u>	<u>-</u>	<u>490,115</u>	<u>458,890</u>	<u>82,410</u>
ECIA Title V - Regular	1149	84.298	090250/0809	1,046	1,046	1,046	-	-	1,046	-
Title IID Technology	1269	84.318	094290/0809	163,737	127,702	8,940	-	-	8,940	-
Title IID Technology	1260	84.318	104290/0910	36,034	-	-	-	36,034	9,083	26,951
				<u>199,771</u>	<u>127,702</u>	<u>8,940</u>	<u>-</u>	<u>36,034</u>	<u>18,023</u>	<u>26,951</u>
Reading First	4369	84.357A	092930/0809	886,963	448,991	46,676	-	145,830	124,267	68,239
Title III Limited English	1169	84.365A	090570/0809	87,718	45,609	20,124	-	-	20,124	-
Title III Limited English	1129	84.365A	090580/0809	193,068	175,207	24,000	-	-	24,000	-
Title III Limited English	1160	84.365A	100570/0910	111,264	-	-	-	20,891	4,276	16,615
Title III Limited English	1120	84.365A	100580/0910	179,196	-	-	-	53,308	45,641	7,667
				<u>571,246</u>	<u>220,816</u>	<u>44,124</u>	<u>-</u>	<u>74,199</u>	<u>94,041</u>	<u>24,282</u>
Title II Part A	1099	84.367	090520/0809	3,400,945	2,295,238	522,933	-	(552)	522,381	-
Title II Part A	1090	84.367	100520/0910	2,443,062	-	-	-	1,222,585	1,045,134	177,451
				<u>5,844,007</u>	<u>2,295,238</u>	<u>522,933</u>	<u>-</u>	<u>1,222,033</u>	<u>1,567,515</u>	<u>177,451</u>
ARRA Education Stabilization Fund	1329	84.394	092525/0809	5,434,419	5,434,419	5,434,419	-	-	5,434,419	-
ARRA Education Stabilization Fund	1320	84.394	102525/0910	4,102,636	-	-	-	4,102,636	3,111,823	990,813
				<u>9,537,055</u>	<u>5,434,419</u>	<u>5,434,419</u>	<u>-</u>	<u>4,102,636</u>	<u>8,546,242</u>	<u>990,813</u>
FEMA Assistance - Federal	1250	97.036	--	3,931	-	-	-	3,931	3,931	-

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, 2010**

<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 6/30/2009</u>	<u>Adjustments</u>	<u>Current Year Expenditures</u>	<u>Current Year Receipts (Cash Basis)</u>	<u>Accrued (Deferred) Revenue 6/30/2010</u>
Special Education Cluster										
Passed through Ingham Intermediate School District:										
IDEA Flowthrough A	2209	84.027	090450/0809	\$ 10,121,962	\$ 10,121,962	\$ 2,520,612	\$ -	\$ -	\$ 2,520,612	\$ -
IDEA Flowthrough A	2200	84.027	100455/0910	10,508,957	-	-	-	10,508,957	8,338,010	2,170,947
IDEA Flowthrough B	2219	84.027	080450/0809	254,780	254,780	72,601	-	-	72,601	-
				<u>20,885,699</u>	<u>10,376,742</u>	<u>2,593,213</u>	<u>-</u>	<u>10,508,957</u>	<u>10,931,223</u>	<u>2,170,947</u>
IDEA Pre-school Development A	2109	84.173A	090460/0809	160,291	160,291	45,855	-	-	45,855	-
IDEA Pre-school Development A	2100	84.173A	100460/0910	151,455	-	-	-	130,804	96,813	33,991
				<u>311,746</u>	<u>160,291</u>	<u>45,855</u>	<u>-</u>	<u>130,804</u>	<u>142,668</u>	<u>33,991</u>
ARRA IDEA Flowthrough	2220	84.391	100455/0910	1,486,695	-	-	-	973,199	786,685	186,514
ARRA IDEA Preschool	2120	84.392	100465/0910	86,667	-	-	-	49,351	44,384	4,967
Total special education cluster				<u>22,770,807</u>	<u>10,537,033</u>	<u>2,639,068</u>	<u>-</u>	<u>11,662,311</u>	<u>11,904,960</u>	<u>2,396,419</u>
Passed through Central Michigan University										
CMU Science	6500	84.367B	090290-2991	22,000	-	-	-	6,228	3,277	2,951
CMU Excel	6510	84.367B	100290-9848	14,000	-	-	-	1,589	-	1,589
				<u>36,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,817</u>	<u>3,277</u>	<u>4,540</u>
Passed through Ferris State University:										
Otto-Ferris State Grant	4209	84.318X		1,400	1,388	(12)	-	12	-	-
Freedom to Learn	4206	84.318X	064280-5A	14,312	-	(2,967)	-	-	-	(2,967)
Freedom to Learn	4217	84.318X		15,000	-	(1,515)	-	-	-	(1,515)
Freedom to Learn	4226	84.318X		8,647	-	(3,647)	-	-	-	(3,647)
Freedom to Learn	4227	84.318X		1,250	-	(1,250)	-	-	-	(1,250)
				<u>40,609</u>	<u>1,388</u>	<u>(9,391)</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>(9,379)</u>
Passed through Macomb ISD:										
MIBLSI - Gier Park	1560	84.027A		3,700	-	-	-	2,867	3,700	(833)
Passed through Clinton County RESA:										
Voc Ed Special Needs	4079	84.048A	--	381,936	340,793	55,080	-	-	55,080	-
Voc Ed Special Needs	4070	84.048A	--	321,232	-	-	-	166,570	124,214	42,356
				<u>703,168</u>	<u>340,793</u>	<u>55,080</u>	<u>-</u>	<u>166,570</u>	<u>179,294</u>	<u>42,356</u>
Passed through Lansing Community College										
Technical Preparation	4080	84.243A	--	3,628	-	-	-	3,628	1,135	2,493
Passed through Michigan State University										
MSU Middle School	4190	93.837	R01HL09007505	45,017	-	-	-	43,122	24,492	18,630
TOTAL U.S. DEPARTMENT OF EDUCATION				<u>76,329,954</u>	<u>32,735,978</u>	<u>10,413,961</u>	<u>-</u>	<u>31,759,727</u>	<u>35,887,001</u>	<u>6,286,687</u>

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, 2010**

<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 6/30/2009</u>	<u>Adjustments</u>	<u>Current Year Expenditures</u>	<u>Current Year Receipts (Cash Basis)</u>	<u>Accrued (Deferred) Revenue 6/30/2010</u>
<u>U.S. Department of Community and Mental Health:</u>										
Passed through Eaton ISD										
SPLASH	4050	10.561		\$ 50,567	\$ -	\$ -	\$ -	\$ 29,303	\$ 23,852	\$ 5,451
SPLASH	4059	10.561		18,399	8,661	8,661	-	2,522	11,183	-
				<u>68,966</u>	<u>8,661</u>	<u>8,661</u>	<u>-</u>	<u>31,825</u>	<u>35,035</u>	<u>5,451</u>
<u>U.S. Department of Labor:</u>										
<u>WIA Program Cluster</u>										
Passed through Capital Area Michigan Works:										
WIA Out of School	1399	17.259	----	115,666	106,953	22,558	-	-	22,558	-
WIA In School Youth	1409	17.259	----	167,095	161,012	27,197	-	-	27,197	-
WIA Youth	1420	17.259	----	577,430	-	-	-	574,505	471,460	103,045
ARRA WIA Summer Youth	1419	17.259	----	451,477	89,080	89,080	-	373,368	462,448	-
WIA In School Youth	3139	17.259	----	268,375	260,716	30,296	-	-	30,296	-
WIA In School Youth	3149	17.259	----	26,203	26,203	1,883	-	-	1,883	-
TOTAL U.S. DEPARTMENT OF LABOR				<u>1,606,246</u>	<u>643,964</u>	<u>171,014</u>	<u>-</u>	<u>947,873</u>	<u>1,015,842</u>	<u>103,045</u>
<u>U.S. Department of Health & Human Services</u>										
Passed through Ingham ISD										
Medicaid Outreach Reimbursement		93.778		159,210	73,856	-	-	275,758	255,788	19,970
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 89,038,250</u>	<u>\$ 38,550,123</u>	<u>\$ 11,350,204</u>	<u>\$ -</u>	<u>\$ 39,239,141</u>	<u>\$ 43,250,612</u>	<u>\$ 7,338,733</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, 2010**

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. WIA, CFDA #17.259, Special Education Cluster, CFDA #84.027, #84.173A, #84.391, and #84.392, Title I Cluster, CFDA #84.010 and #84.389, and ARRA Stabilization, CFDA #84.394 were audited major programs, representing 66% of expenditures.
3. The threshold for distinguishing Type A and Type B programs was \$1,177,174.
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	\$ 33,011,017
Special revenue fund	6,228,124
	<u>\$ 39,239,141</u>

6. Program clusters contained within the schedule are as follows:
 - Child Nutrition Cluster consists of CFDA #10.553, #10.555 and #10.559
 - Title I Cluster consists of CFDA #84.010 and #84.389
 - Special Education Cluster consists of CFDA #84.027, #84.173A, #84.391 and #84.392
 - Education for Homeless Children and Youth Cluster consists of CFDA #84.196A and #84.387A

**LANSING SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

➤ Material weakness(es) identified: _____ Yes X No

➤ Significant deficiency(ies) identified? 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? _____ 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 Section 510(a) of Circular A-133? X Yes _____ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
17.259	WIA
84.010 and 84.389	Title I Cluster
84.027, 84.173A, 84.391, and 84.392	Special Education Cluster
84.394	ARRA Education Stabilization

Dollar threshold used to distinguish between type A and type B programs: \$ 1,177,174

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Findings

See page 13

Section III - Federal Award Findings and Questioned Costs

See page 14

**LANSING SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

Section II – Findings – Financial Statement Audit

Finding 2010-1

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.

**LANSING SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

Section III – Findings – Federal Awards Audit

Finding 2010-2

Finding - Noncompliance

Criteria: The District must spend at least 10% of its Title I budget allocated to the school identified for improvement on professional development.

Condition: The District did not spend 10% of its Title I budget allocated to the school identified for improvement on professional development.

Context: The District is required to follow specific requirements for schools identified for improvement. However, due to the timing of the approval process (the State issued what may be considered final approval the first week in June 2010 with several line item budgets continuing to require modifications), it was not feasible for the building to expend 10% of the budget on professional development during the school year.

Effect: The District is not in compliance with Title I requirements.

Cause: The original budget allocation included a designation of 10% to professional development for the school identified for improvement. Due to MDE required modifications made to the budget throughout the year, the final budget included an allocation of only 6% to professional development, which was not spent in its entirety.

Recommendation: We recommend the District review procedures to ensure the proper budget allocations are maintained for the school identified for improvement.

**LANSING SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2010**

Finding 2009-1

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.

Status: The lack of reconciliation process between SRSD and detail pupil rosters continues for the year ended June 30, 2010. See finding 2010-1.

**LANSING SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2010**

Finding 2009-2

Finding considered a significant deficiency

Criteria: A complete review of the National School Lunch Program must be conducted by the District in each building each year prior to February 1.

Condition: Annual on-site reviews were not performed for the year ending June 30, 2009.

Context: Failure to conduct annual on-site reviews could result in the District being not in compliance with MDE guidelines, as outlined in the MDE Food Service Administrative Policy.

Effect: The District is not in compliance with MDE requirements.

Cause: The District did not perform annual on-site reviews for the year ending June 30, 2009.

Recommendation: The District should ensure annual on-site reviews are conducted for each building within the required time period.

Status: The District performed annual on-site reviews in the required time period for the year ended June 30, 2010.



**LANSING SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDING JUNE 30, 2010**

U.S. Department of Education:

Lansing School District respectfully submits the following corrective action plan for the year ended June 30, 2010.

Name and address of independent public accounting firm:

Maner Costerisan
2425 East Grand River Avenue, Suite 1
Lansing, Michigan 48912

Audit Period: For the year ended June 30, 2010

The finding from the June 30, 2010 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Finding – Financial statement audit

Finding 2010-1: Considered a significant deficiency

Recommendation: Pupil 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.

Action to be taken: We are aware of the deficiency and are currently investigating various ways to improve the pupil accounting process. This will be given much more scrutiny in the current year to ensure all paper counts are also getting reported in the electronic system. The business office will be overseeing reporting in this area for the year ended June 30, 2011.

Finding 2010-2: Noncompliance

Recommendation: The District should review procedures to ensure the proper amount of Title I funds are spent for the school identified for improvement.

Action to be taken: We are aware of the deficiency and believe this to be an isolated incident as the original budget called for a 10% allocation to professional development, since the State denied the buildings proposed professional development activities, several budget modifications were made throughout the year, shifting professional development funds to student instruction. To the extent possible, based upon the State approval of professional development activities as requested by the building and the school improvement team, our District will continuously monitor to assure that the school will maintain the 10% spending for professional development required by Title I.

Lansing School District Contact Person: Kim Sleight