

LANSING SCHOOL DISTRICT
ADDITIONAL REPORTS REQUIRED BY
OMB CIRCULAR A-133
YEAR ENDED JUNE 30, 2009

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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, 2009, which collectively comprise Lansing School District's basic financial statements and have issued our report thereon dated October 16, 2009. 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 deficiency described as 2009-1 in the accompanying schedule of findings and questioned costs to be significant deficiency 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 deficiency described above is a 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 16, 2009.

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.

Manes Costeiran PC

October 16, 2009

**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, 2009. 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, *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, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2009-2.

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, 2009, and have issued our report thereon dated October 16, 2009. 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.

Lansing School District's response to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. 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 16, 2009

**LANSING SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

| <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 6/30/2008</u> | <u>Adjustments</u> | <u>Current Year Expenditures</u> | <u>Current Year Receipts (Cash Basis)</u> | <u>Accrued (Deferred) Revenue 6/30/2009</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 | ---- | \$ 270,083 | \$ 299,634 | \$ - | \$ - | \$ 270,083 | \$ 270,083 | \$ - |
| National School Lunch - Bonus | N/A | 10.555 | ---- | 61,166 | 149 | - | - | 61,166 | 61,166 | - |
| | | | | <u>331,249</u> | <u>299,783</u> | <u>-</u> | <u>-</u> | <u>331,249</u> | <u>331,249</u> | <u>-</u> |
| Summer Food Service | N/A | 10.559 | ---- | 69,551 | - | - | - | 69,551 | 69,551 | - |
| Total non-cash assistance | | | | <u>400,800</u> | <u>299,783</u> | <u>-</u> | <u>-</u> | <u>400,800</u> | <u>400,800</u> | <u>-</u> |
| <u>Cash Assistance:</u> | | | | | | | | | | |
| National School Lunch - Section 4 | N/A | 10.555 | 081950 | 371,932 | 318,765 | 8,897 | - | 53,167 | 62,064 | - |
| National School Lunch - Section 11 | N/A | 10.555 | 081960 | 3,144,114 | 2,751,900 | 478,100 | - | 392,214 | 870,314 | - |
| National School Lunch - Snack | N/A | 10.555 | 081980 | 29,887 | 26,953 | 2,960 | - | 2,934 | 5,894 | - |
| National School Lunch - Section 4 | N/A | 10.555 | 091950 | 336,058 | - | - | - | 336,058 | 328,712 | 7,346 |
| National School Lunch - Section 11 | N/A | 10.555 | 091960 | 2,933,394 | - | - | - | 2,933,394 | 2,467,990 | 465,404 |
| National School Lunch - Snack | N/A | 10.555 | 091980 | 46,685 | - | - | - | 46,685 | 42,403 | 4,282 |
| | | | | <u>6,862,070</u> | <u>3,097,618</u> | <u>489,957</u> | <u>-</u> | <u>3,764,452</u> | <u>3,777,377</u> | <u>477,032</u> |
| Fruit and Vegetable Pilot Program | 5898 | 10.582 | 080950/05148 | 45,841 | 41,651 | 8,946 | - | 4,188 | 13,134 | - |
| Fruit and Vegetable Program - North | 5798 | 10.582 | 080950/06662 | 43,022 | 29,747 | 5,681 | - | 11,698 | 17,379 | - |
| Fruit and Vegetable Program - Hill | 5899 | 10.582 | 090950/05148 | 32,053 | - | - | - | 32,053 | 22,293 | 9,760 |
| Fruit and Vegetable Program - North | 5799 | 10.582 | 090950/06662 | 27,437 | - | - | - | 27,437 | 19,736 | 7,701 |
| | | | | <u>148,353</u> | <u>71,398</u> | <u>14,627</u> | <u>-</u> | <u>75,376</u> | <u>72,542</u> | <u>17,461</u> |
| Summer Food Service | 5990 | 10.559 | 090900 | 83,446 | - | - | - | 83,446 | - | 83,446 |
| Summer Food Service | 5999 | 10.559 | 080900 | 220,112 | 63,883 | 63,883 | - | 156,229 | 220,112 | - |
| | | | | <u>303,558</u> | <u>63,883</u> | <u>63,883</u> | <u>-</u> | <u>239,675</u> | <u>220,112</u> | <u>83,446</u> |
| National School Lunch - Breakfast | N/A | 10.553 | 081970 | 948,978 | 948,978 | 152,217 | - | - | 152,217 | - |
| National School Lunch - Breakfast | N/A | 10.553 | 091970 | 1,227,791 | - | - | - | 1,227,791 | 1,049,162 | 178,629 |
| | | | | <u>2,176,769</u> | <u>948,978</u> | <u>152,217</u> | <u>-</u> | <u>1,227,791</u> | <u>1,201,379</u> | <u>178,629</u> |
| Total cash assistance | | | | <u>9,490,750</u> | <u>4,181,877</u> | <u>720,684</u> | <u>-</u> | <u>5,307,294</u> | <u>5,271,410</u> | <u>756,568</u> |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | | <u>9,891,550</u> | <u>4,481,660</u> | <u>720,684</u> | <u>-</u> | <u>5,708,094</u> | <u>5,672,210</u> | <u>756,568</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, 2009**

| <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 6/30/2008</u> | <u>Adjustments</u> | <u>Current Year Expenditures</u> | <u>Current Year Receipts (Cash Basis)</u> | <u>Accrued (Deferred) Revenue 6/30/2009</u> |
|---|---------------------------|----------------------------|--------------------------------------|------------------------------|--|---|--------------------|----------------------------------|---|---|
| U.S. Department of Education: | | | | | | | | | | |
| Direct programs: | | | | | | | | | | |
| Impact Aid | 1369 | 84.041 | ---- | \$ 23,084 | \$ - | \$ - | \$ - | \$ 23,084 | \$ 23,084 | \$ - |
| Indian Education | 1308 | 84.060A | S060A070962 | 34,699 | 34,699 | 6,768 | - | - | 6,768 | - |
| Indian Education | 1309 | 84.060A | S060A080962 | 33,430 | - | - | - | 33,430 | 33,430 | - |
| | | | | 68,129 | 34,699 | 6,768 | - | 33,430 | 40,198 | - |
| Magnet Schools - Carryover | 1506 | 84.165A | U165A050034 | 6,065,050 | 492,487 | 11,872 | - | - | 11,872 | - |
| Magnet Schools - Carryover | 1507 | 84.165A | U165A050034 | 2,633,067 | 2,571,172 | 242,486 | - | 61,895 | 304,381 | - |
| Magnet Schools - SMART - Carryover | 1508 | 84.165A | U165A070064 | 1,689,398 | 1,008,391 | 240,763 | - | 419,032 | 631,739 | 28,056 |
| Magnet Schools - SMART | 1509 | 84.165A | U165A070064 | 2,588,801 | - | - | - | 1,908,621 | 1,729,595 | 179,026 |
| | | | | 12,976,316 | 4,072,050 | 495,121 | - | 2,389,548 | 2,677,587 | 207,082 |
| LINK - Local Intervention Network for Kids | 1288 | 84.184A | Q184A070052 | 398,992 | 293,985 | 35,155 | - | 62,465 | 90,961 | 6,659 |
| LINK - Local Intervention Network for Kids | 1289 | 84.184A | Q184A070052 | 398,068 | - | - | - | 264,495 | 254,796 | 9,699 |
| | | | | 797,060 | 293,985 | 35,155 | - | 326,960 | 345,757 | 16,358 |
| Teaching American History | 1578 | 84.215X | U215X050204 | 341,833 | 170,557 | 12,956 | - | 171,276 | 184,232 | - |
| Teaching American History C/O | 1588 | 84.215X | U215X050204 | 325,384 | 117,344 | 18,375 | - | - | 18,375 | - |
| | | | | 667,217 | 287,901 | 31,331 | - | 171,276 | 202,607 | - |
| Foreign Language Assistance Program | 1528 | 84.293B | | 298,033 | 213,222 | 56,263 | - | 545 | 56,808 | - |
| Foreign Language Assistance Program | 1529 | 84.293B | | 257,701 | - | - | - | 222,382 | 204,462 | 17,920 |
| | | | | 555,734 | 213,222 | 56,263 | - | 222,927 | 261,270 | 17,920 |
| Michigan Art Project | 1566 | 84.351C | U351C050085 | 344,065 | 107,145 | 16,952 | - | - | 16,952 | - |
| Michigan Art Project | 1568 | 84.351C | U351C050085 | 346,313 | 194,484 | 9,206 | - | 105,949 | 97,036 | 18,119 |
| | | | | 690,378 | 301,629 | 26,158 | - | 105,949 | 113,988 | 18,119 |
| PAINTS | 1597 | 84.351D | U351D060071 | 274,949 | 94,862 | 11,166 | - | - | 11,166 | - |
| PAINTS | 1598 | 84.351D | U351D060071 | 274,974 | 59,177 | 5,609 | - | 121,687 | 107,305 | 19,991 |
| PAINTS | 1599 | 84.351D | U351D060071-08 | 274,976 | - | - | - | 84,262 | 56,085 | 28,177 |
| | | | | 824,899 | 154,039 | 16,775 | - | 205,949 | 174,556 | 48,168 |

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, 2009**

| <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 6/30/2008</u> | <u>Adjustments</u> | <u>Current Year Expenditures</u> | <u>Current Year Receipts (Cash Basis)</u> | <u>Accrued (Deferred) Revenue 6/30/2009</u> |
|---|---------------------------|----------------------------|--------------------------------------|------------------------------|--|---|--------------------|----------------------------------|---|---|
| Passed through Michigan Department of Education: | | | | | | | | | | |
| Federal Adult Ed English | 4068 | 84.002 | 081130/811057 | \$ 197,000 | \$ 197,000 | \$ 17,475 | \$ - | \$ - | \$ 17,475 | \$ - |
| Federal Adult Ed English | 4098 | 84.002 | 081190/811057 | 80,000 | 76,856 | 13,339 | - | - | 13,339 | - |
| Federal Adult Ed English | 1089 | 84.002A | 091120/950567 | 15,000 | - | - | - | 15,000 | 14,693 | 307 |
| Federal Adult Ed English | 4069 | 84.002A | 091130/911057 | 170,000 | - | - | - | 170,000 | 164,490 | 5,510 |
| Federal Adult Ed English | 4099 | 84.002A | 091190/911057 | 81,909 | - | - | - | 81,909 | 70,461 | 11,448 |
| | | | | <u>543,909</u> | <u>273,856</u> | <u>30,814</u> | <u>-</u> | <u>266,909</u> | <u>280,458</u> | <u>17,265</u> |
| ECIA Title I - Schoolwide | 1048 | 84.010 | 071520/0708 | 3,000 | 1,043 | 43 | - | - | 43 | - |
| ECIA Title I - Regular | 1008 | 84.010 | 081530/0708 | 8,980,895 | 8,025,626 | 911,114 | - | 175,358 | 1,086,472 | - |
| ECIA Title I - Regular | 1009 | 84.010 | 091530/0809 | 10,244,679 | - | - | - | 9,144,946 | 7,883,397 | 1,261,549 |
| | | | | <u>19,228,574</u> | <u>8,026,669</u> | <u>911,157</u> | <u>-</u> | <u>9,320,304</u> | <u>8,969,912</u> | <u>1,261,549</u> |
| ECIA Title I - N & D | 1028 | 84.013 | 081700/0708 | 92,508 | 39,352 | 16,843 | - | 21,146 | 37,989 | - |
| ECIA Title I - N & D | 1029 | 84.013 | 091700/0809 | 130,524 | - | - | - | 55,845 | 36,344 | 19,501 |
| | | | | <u>223,032</u> | <u>39,352</u> | <u>16,843</u> | <u>-</u> | <u>76,991</u> | <u>74,333</u> | <u>19,501</u> |
| Drug Free Schools - Carryover | 4018 | 84.186 | 072860/0708 | 9,470 | 9,470 | 2,139 | - | - | 2,139 | - |
| Drug Free Schools | 4008 | 84.186 | 082860/0708 | 153,569 | 141,908 | 11,670 | - | 4,639 | 16,309 | - |
| Drug Free Schools | 4009 | 84.186 | 092860/0809 | 135,442 | - | - | - | 122,398 | 111,373 | 11,025 |
| | | | | <u>298,481</u> | <u>151,378</u> | <u>13,809</u> | <u>-</u> | <u>127,037</u> | <u>129,821</u> | <u>11,025</u> |
| Education for Homeless Children and Youth | 4419 | 84.196A | 072320/0708 C | 12,434 | 12,434 | 610 | - | - | 610 | - |
| Education for Homeless Children and Youth | 4408 | 84.196A | 082320/0708 | 51,344 | 36,089 | 5,534 | - | 10,016 | 15,550 | - |
| Education for Homeless Children and Youth | 4419 | 84.196A | 082320/0809 C | 5,239 | - | - | - | 5,239 | 5,239 | - |
| Education for Homeless Children and Youth | 4409 | 84.196A | 092320/0809 | 51,344 | - | - | - | 24,343 | 21,449 | 2,894 |
| | | | | <u>120,361</u> | <u>48,523</u> | <u>6,144</u> | <u>-</u> | <u>39,598</u> | <u>42,848</u> | <u>2,894</u> |
| 21st Century | 1378 | 84.287C | 082110/D07043 | 600,000 | 417,039 | 72,945 | - | - | 72,945 | - |
| 21st Century | 1379 | 84.287C | 092110/D07043 | 600,000 | - | - | - | 525,218 | 474,033 | 51,185 |
| | | | | <u>1,200,000</u> | <u>417,039</u> | <u>72,945</u> | <u>-</u> | <u>525,218</u> | <u>546,978</u> | <u>51,185</u> |
| ECIA Title V - Regular | 1148 | 84.298 | 080250/0708 | 75,285 | 73,476 | 5,043 | - | 764 | 5,807 | - |
| ECIA Title V - Regular | 1149 | 84.298 | 090250/0809 | 1,046 | - | - | - | 1,046 | - | 1,046 |
| | | | | <u>76,331</u> | <u>73,476</u> | <u>5,043</u> | <u>-</u> | <u>1,810</u> | <u>5,807</u> | <u>1,046</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, 2009**

| <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 6/30/2008</u> | <u>Adjustments</u> | <u>Current Year Expenditures</u> | <u>Current Year Receipts (Cash Basis)</u> | <u>Accrued (Deferred) Revenue 6/30/2009</u> |
|---|---------------------------|----------------------------|--------------------------------------|------------------------------|--|---|--------------------|----------------------------------|---|---|
| Passed through Michigan Department of Education: | | | | | | | | | | |
| Title IID Technology | 1268 | 84.318 | 084290/0708 | \$ 123,555 | \$ 12,265 | \$ 589 | \$ - | \$ - | \$ 589 | \$ - |
| Title IID Technology | 1269 | 84.318 | 094290/0809 | 163,737 | - | - | - | 127,702 | 118,762 | 8,940 |
| | | | | <u>287,292</u> | <u>12,265</u> | <u>589</u> | <u>-</u> | <u>127,702</u> | <u>119,351</u> | <u>8,940</u> |
| Reading First | 4368 | 84.357A | 082930/0708 | 1,489,316 | 1,394,465 | 195,274 | - | - | 195,274 | - |
| Reading First | 4369 | 84.357A | 092930/0809 | 462,969 | - | - | - | 448,991 | 402,315 | 46,676 |
| | | | | <u>1,952,285</u> | <u>1,394,465</u> | <u>195,274</u> | <u>-</u> | <u>448,991</u> | <u>597,589</u> | <u>46,676</u> |
| Title III Limited English | 1128 | 84.365A | 080580/0708 | 143,265 | 129,744 | 9,501 | - | 12,067 | 21,568 | - |
| Title III Limited English | 1169 | 84.365A | 090570/0809 | 87,718 | - | - | - | 45,609 | 25,485 | 20,124 |
| Title III Limited English | 1129 | 84.365A | 090580/0809 | 193,068 | - | - | - | 175,207 | 151,207 | 24,000 |
| | | | | <u>424,051</u> | <u>129,744</u> | <u>9,501</u> | <u>-</u> | <u>232,883</u> | <u>198,260</u> | <u>44,124</u> |
| Title II Part A | 1098 | 84.367 | 080520/0708 | 3,272,711 | 1,455,057 | 506,389 | - | 371,241 | 877,630 | - |
| Title II Part A | 1099 | 84.367 | 090520/0809 | 3,400,945 | - | - | - | 2,295,238 | 1,772,305 | 522,933 |
| | | | | <u>6,673,656</u> | <u>1,455,057</u> | <u>506,389</u> | <u>-</u> | <u>2,666,479</u> | <u>2,649,935</u> | <u>522,933</u> |
| Education Stabilization Fund (ARRA) | 1329 | 84.394 | 092525/0809 | 5,434,419 | - | - | - | 5,434,419 | - | 5,434,419 |
| Total passed through Michigan Department of Education | | | | <u>36,462,391</u> | <u>12,021,824</u> | <u>1,768,508</u> | <u>-</u> | <u>19,268,341</u> | <u>13,615,292</u> | <u>7,421,557</u> |
| Special Education Cluster | | | | | | | | | | |
| Passed through Ingham Intermediate School District: | | | | | | | | | | |
| IDEA Flowthrough A | 2209 | 84.027 | 090450/0809 | 10,121,962 | - | - | - | 10,121,962 | 7,601,350 | 2,520,612 |
| IDEA Flowthrough A | 2208 | 84.027 | 080450/0708 | 8,800,000 | 8,800,000 | 1,901,064 | - | - | 1,901,064 | - |
| IDEA Flowthrough B | 2219 | 84.027 | 080450/0809 | 254,780 | - | - | - | 254,780 | 182,179 | 72,601 |
| IDEA Flowthrough B | 2218 | 84.027 | 070450/0708 | 166,649 | 166,649 | 26,252 | - | - | 26,252 | - |
| | | | | <u>19,343,391</u> | <u>8,966,649</u> | <u>1,927,316</u> | <u>-</u> | <u>10,376,742</u> | <u>9,710,845</u> | <u>2,593,213</u> |
| IDEA Pre-school Development A | 2109 | 84.173A | 090460/0809 | 160,291 | - | - | - | 160,291 | 114,436 | 45,855 |
| IDEA Pre-school Development A | 2108 | 84.173A | 080460/0708 | 165,230 | 165,230 | 19,453 | - | - | 19,453 | - |
| | | | | <u>325,521</u> | <u>165,230</u> | <u>19,453</u> | <u>-</u> | <u>160,291</u> | <u>133,889</u> | <u>45,855</u> |
| TOTAL SPECIAL EDUCATION CLUSTER | | | | <u>19,668,912</u> | <u>9,131,879</u> | <u>1,946,769</u> | <u>-</u> | <u>10,537,033</u> | <u>9,844,734</u> | <u>2,639,068</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, 2009**

| <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 6/30/2008</u> | <u>Adjustments</u> | <u>Current Year Expenditures</u> | <u>Current Year Receipts (Cash Basis)</u> | <u>Accrued (Deferred) Revenue 6/30/2009</u> |
|---|---------------------------|----------------------------|--------------------------------------|------------------------------|--|---|--------------------|----------------------------------|---|---|
| Passed through Ferris State University: | | | | | | | | | | |
| Otto-Ferris State Grant | 4209 | 84.318X | | \$ 1,400 | \$ - | \$ - | \$ - | \$ 1,388 | \$ 1,400 | \$ (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 | 5,000 | (3,647) | - | - | - | (3,647) |
| Freedom to Learn | 4227 | 84.318X | | 1,250 | - | (1,250) | - | - | - | (1,250) |
| | | | | <u>40,609</u> | <u>5,000</u> | <u>(9,379)</u> | <u>-</u> | <u>1,388</u> | <u>1,400</u> | <u>(9,391)</u> |
| Passed through Clinton County RESA: | | | | | | | | | | |
| Voc Ed Special Needs | 4079 | 84.048A | -- | 381,936 | - | - | - | 340,793 | 285,713 | 55,080 |
| Voc Ed Special Needs | 4078 | 84.048A | -- | 380,320 | 374,655 | 83,409 | - | - | 83,409 | - |
| | | | | <u>762,256</u> | <u>374,655</u> | <u>83,409</u> | <u>-</u> | <u>340,793</u> | <u>369,122</u> | <u>55,080</u> |
| Passed through Lansing Community College | | | | | | | | | | |
| Technical Preparation | 4089 | 84.243A | -- | 16,839 | - | - | - | 16,839 | 16,839 | - |
| Technical Preparation | 4088 | 84.243A | -- | 7,000 | 7,000 | 6,144 | - | - | 6,144 | - |
| | | | | <u>23,839</u> | <u>7,000</u> | <u>6,144</u> | <u>-</u> | <u>16,839</u> | <u>22,983</u> | <u>-</u> |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | | <u>73,560,824</u> | <u>26,897,883</u> | <u>4,463,022</u> | <u>-</u> | <u>33,643,517</u> | <u>27,692,578</u> | <u>10,413,961</u> |
| <u>U.S. Department of Community and Mental Health:</u> | | | | | | | | | | |
| Passed through Eaton ISD | | | | | | | | | | |
| SPLASH | 4059 | 10.561 | | 18,399 | - | - | - | 8,661 | - | 8,661 |
| <u>U.S. Department of Labor:</u> | | | | | | | | | | |
| Passed through Capital Area Michigan Works: | | | | | | | | | | |
| WIA Out of School | 1399 | 17.255 | ---- | 115,666 | - | - | - | 106,953 | 84,395 | 22,558 |
| WIA Out of School | 1398 | 17.255 | ---- | 107,595 | 106,019 | 10,921 | - | - | 10,921 | - |
| WIA In School Youth | 1409 | 17.255 | ---- | 167,095 | - | - | - | 161,012 | 133,815 | 27,197 |
| WIA In School Youth | 1408 | 17.255 | ---- | 124,941 | 117,801 | 9,214 | - | - | 9,214 | - |
| WIA Summer Youth | 1419 | 17.255 | ---- | 451,477 | - | - | - | 89,080 | - | 89,080 |
| WIA In School Youth | 3139 | 17.255 | ---- | 268,375 | - | - | - | 260,716 | 230,420 | 30,296 |
| WIA In School Youth | 3138 | 17.255 | ---- | 222,253 | 207,978 | 11,521 | - | - | 11,521 | - |
| WIA In School Youth | 3149 | 17.255 | ---- | 26,203 | - | - | - | 26,203 | 24,320 | 1,883 |
| WIA In School Youth | 3148 | 17.255 | ---- | 26,203 | 24,478 | 4,122 | - | - | 4,122 | - |
| | | | | <u>1,509,808</u> | <u>456,276</u> | <u>35,778</u> | <u>-</u> | <u>643,964</u> | <u>508,728</u> | <u>171,014</u> |
| TOTAL U.S. DEPARTMENT OF LABOR | | | | <u>1,509,808</u> | <u>456,276</u> | <u>35,778</u> | <u>-</u> | <u>643,964</u> | <u>508,728</u> | <u>171,014</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, 2009**

| <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 6/30/2008</u> | <u>Adjustments</u> | <u>Current Year Expenditures</u> | <u>Current Year Receipts (Cash Basis)</u> | <u>Accrued (Deferred) Revenue 6/30/2009</u> |
|---|---------------------------|----------------------------|--------------------------------------|------------------------------|--|---|--------------------|----------------------------------|---|---|
| U.S. Department of Health & Human Services Passed through Ingham ISD | | | | | | | | | | |
| Medicaid Transportation | | 93.778 | | \$ 102,583 | \$ - | \$ - | \$ - | \$ 102,583 | \$ 102,583 | \$ - |
| Medicaid Outreach Reimbursement | | 93.778 | | 73,856 | 235,211 | 135,572 | - | 73,856 | 112,848 | 96,580 |
| | | | | <u>176,439</u> | <u>235,211</u> | <u>135,572</u> | <u>-</u> | <u>176,439</u> | <u>215,431</u> | <u>96,580</u> |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | | <u>\$ 85,157,020</u> | <u>\$ 32,071,030</u> | <u>\$ 5,355,056</u> | <u>\$ -</u> | <u>\$ 40,180,675</u> | <u>\$ 34,088,947</u> | <u>\$ 11,446,784</u> |

**LANSING SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

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. National School Lunch, CFDA # 10.553, 10.555, and 10.559, Magnet, CFDA #84.165A, and ARRA CFDA #84.394 were audited major programs, representing 33.5% of expenditures.
3. The threshold for distinguishing Type A and Type B programs was \$1,205,420.
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 | \$ 34,472,581 |
| Special revenue fund | <u>5,708,094</u> |
| | <u><u>\$ 40,180,675</u></u> |

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, 2009**

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 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 Section 510(a) of Circular A-133? X Yes _____ No

Identification of major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|------------------------|------------------------------------|
| 10.553, 10.555, 10.559 | National School Lunch |
| 84.165A | Magnet |
| 84.394 | ARRA |

Dollar threshold used to distinguish between type A and type B programs: \$ 1,205,420

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

Section II - Financial Statement Findings

See pages 14

Section III - Federal Award Findings and Questioned Costs

See page 14

**LANSING SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009**

Section II – Findings – Financial Statement Audit

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.

Section III – Findings – Financial Statement Audit

Finding 2009-2

Finding - Noncompliance

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.

**LANSING SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2009**

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.

Status: The lack of reconciliation process between SRSD and detail pupil rosters continues for the year ended June 30, 2009. See finding 2009-1.

**LANSING SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2009**

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 27th 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.

Status: The District reviews year end transactions and considers the entire revenue recognition period (60 days) subsequent to year end.



**LANSING SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDING JUNE 30, 2009**

U.S. Department of Education:

Lansing School District respectfully submits the following corrective action plan for the year ended June 30, 2009.

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, 2009

The finding from the June 30, 2009 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 2009-1: 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 consider reviewing reporting in this area.

Finding 2009-2: Noncompliance

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

Action to be taken: We are aware of the deficiency and believe this to be an isolated incident as annual on-site reviews have been completed in prior years. We will monitor this issue to ensure the annual on-site reviews are completed within the required time period.

Lansing School District Contact Person: Kim Sleight