

Vicksburg Community Schools

**Additional Reports Required by
*OMB Circular A-133***

Year Ended June 30, 2008



Vicksburg Community Schools

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*OMB Circular A-133***

Year Ended June 30, 2008

Vicksburg Community Schools

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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Education
Vicksburg Community Schools
Vicksburg, Michigan

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Vicksburg Community Schools, as of and for the year ended June 30, 2008, which collectively comprise Vicksburg Community Schools' basic financial statements and have issued our report thereon dated October 27, 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 Vicksburg Community Schools' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Vicksburg Community Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Vicksburg Community Schools' internal control over financial reporting.

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 Vicksburg Community Schools' 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 Vicksburg Community Schools' financial statements that is more than inconsequential will not be prevented or detected by Vicksburg Community Schools' internal control.



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 Vicksburg Community Schools' internal control.

Our consideration of 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 internal control that might be 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vicksburg Community Schools' 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*.

This report is intended solely for the information and use of the board of education, management, 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.

BDO Seidman, LLP

Certified Public Accountants

October 27, 2008



Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance In Accordance With *OMB Circular A-133*

Board of Education
Vicksburg Community Schools
Vicksburg, Michigan

Compliance

We have audited the compliance of Vicksburg Community Schools 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. Vicksburg Community Schools' major federal program is 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 Vicksburg Community Schools' management. Our responsibility is to express an opinion on Vicksburg Community Schools' 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 Vicksburg Community Schools' compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Vicksburg Community Schools' compliance with those requirements.



In our opinion, Vicksburg Community Schools 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 Vicksburg Community Schools 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 Vicksburg Community Schools' 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Vicksburg Community Schools' internal control over compliance.

A control deficiency in Vicksburg Community Schools' 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 Vicksburg Community Schools' 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 Vicksburg Community Schools' 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 Vicksburg Community Schools' 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Vicksburg Community Schools, as of and for the year ended June 30, 2008, and have issued our report thereon dated October 27, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Vicksburg Community Schools' 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, 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.

BDO Seidman, LLP

Certified Public Accountants

October 27, 2008

<i>Federal Grantor Pass Through Grantor Program/Project Number</i>	<i>Federal CFDA Number</i>	<i>Grant Award</i>
U.S. Department of Education:		
<i>Passed Through Michigan Department of Education:</i>		
Title I Part A:		
Project Number 061530-0607	84.010	\$ 17,024
Project Number 071530-0607	84.010	167,392
Project Number 081530-0708	84.010	178,452
Total Title I Part A		362,868
Title V:		
Project Number 070250-0607	84.298	566
Project Number 080250-0708	84.298	553
Total Title V		1,119
Technology Literacy:		
Project Number 064290-0607	84.318	3,501
Project Number 074290-0607	84.318	1,716
Project Number 084290-0708	84.318	1,677
Total Technology Literacy		6,894
Improving Teacher Quality:		
Project Number 060520-0607	84.367	4,581
Project Number 070520-0607	84.367	97,462
Project Number 080520-0708	84.367	98,123
Total Improving Teacher Quality		200,166
Total Passed Through Michigan Department of Education		571,047

Vicksburg Community Schools

Schedule of Expenditures of Federal Awards Year Ended June 30, 2008

<i>(Memo Only)</i> <i>Prior</i> <i>Year</i> <i>Expenditures</i>	<i>Accrued</i> <i>Revenue</i> <i>July 1,</i> <i>2007</i>	<i>Current</i> <i>Year</i> <i>Receipts</i>	<i>Current</i> <i>Year</i> <i>Expenditures</i>	<i>Accrued</i> <i>Revenue</i> <i>June 30,</i> <i>2008</i>
\$ 16,924	\$ 7,160	\$ 7,160	\$ -	\$ -
160,102	86,108	86,108	-	-
-	-	70,373	149,962	79,589
177,026	93,268	163,641	149,962	79,589
168	52	52	-	-
-	-	-	553	553
168	52	52	553	553
1,903	1,903	1,903	-	-
1,625	1,625	1,625	-	-
-	-	-	1,677	1,677
3,528	3,528	3,528	1,677	1,677
4,581	1,939	1,939	-	-
97,462	29,525	29,525	-	-
-	-	45,000	69,327	24,327
102,043	31,464	76,464	69,327	24,327
282,765	128,312	243,685	221,519	106,146

See accompanying independent auditors' report and notes to Schedule of Expenditures of Federal Awards.

<i>Federal Grantor Pass Through Grantor Program/Project Number</i>	<i>Federal CFDA Number</i>	<i>Grant Award</i>
U.S. Department of Education (Concluded):		
<i>Passed Through Calhoun Intermediate School District:</i>		
Drug Free Schools - 2005-2006 Carryover	84.186	\$ 2,817
Drug Free Schools - 2006-2007	84.186	4,386
Drug Free Schools - 2006-2007 Carryover	84.186	2,132
Drug Free Schools - 2007-2008	84.186	6,247
<i>Total Passed Through Calhoun Intermediate School District</i>		15,582
<i>Passed Through Kalamazoo Regional Educational Service Agency:</i>		
Carl D. Perkins Vocational Education Project 073520-0712-50	84.048	46,515
IDEA - Project Number 070450-0708	84.027 A	33,818
<i>Total Passed Through Kalamazoo Regional Educational Service Agency</i>		80,333
Total U.S. Department of Education		666,962
U.S. Department of Agriculture:		
<i>Passed Through Michigan Department of Education:</i>		
<i>National School Lunch Program - 2007-2008:</i>		
Project Number 071950	10.555	6,245
Project Number 071960	10.555	19,924
Project Number 081950	10.555	52,315
Project Number 081960	10.555	157,856
<i>Total National School Lunch Program - 2007-2008</i>		236,340

Vicksburg Community Schools

Schedule of Expenditures of Federal Awards Year Ended June 30, 2008

<i>(Memo Only)</i> <i>Prior</i> <i>Year</i> <i>Expenditures</i>	<i>Accrued</i> <i>Revenue</i> <i>July 1,</i> <i>2007</i>	<i>Current</i> <i>Year</i> <i>Receipts</i>	<i>Current</i> <i>Year</i> <i>Expenditures</i>	<i>Accrued</i> <i>Revenue</i> <i>June 30,</i> <i>2008</i>
\$ 2,817	\$ 2,817	\$ 2,817	\$ -	\$ -
4,386	3,981	3,981	-	-
-	-	2,132	2,132	-
-	-	4,712	4,712	-
7,203	6,798	13,642	6,844	-
-	-	46,515	46,515	-
-	-	33,818	33,818	-
-	-	80,333	80,333	-
289,968	135,110	337,660	308,696	106,146
-	-	6,245	6,245	-
-	-	19,924	19,924	-
-	-	52,315	52,315	-
-	-	157,856	157,856	-
-	-	236,340	236,340	-

See accompanying independent auditors' report and notes to Schedule of Expenditures of Federal Awards.

<i>Federal Grantor Pass Through Grantor Program/Project Number</i>	<i>Federal CFDA Number</i>	<i>Grant Award</i>
U.S. Department of Agriculture (Concluded):		
<i>Passed Through Michigan Department of Education (Concluded):</i>		
National School Lunch - Breakfast Program:		
Project Number 071970	10.553	\$ 3,611
Project Number 081970	10.553	40,209
Total National School Lunch - Breakfast Program		43,820
USDA Donated Commodities - Entitlement commodities	10.550	54,974
Total U.S. Department of Agriculture		335,134
Total Federal Awards		\$ 1,002,096

Vicksburg Community Schools

Schedule of Expenditures of Federal Awards Year Ended June 30, 2008

<i>(Memo Only)</i> <i>Prior</i> <i>Year</i> <i>Expenditures</i>	<i>Accrued</i> <i>Revenue</i> <i>July 1,</i> <i>2007</i>	<i>Current</i> <i>Year</i> <i>Receipts</i>	<i>Current</i> <i>Year</i> <i>Expenditures</i>	<i>Accrued</i> <i>Revenue</i> <i>June 30,</i> <i>2008</i>
\$ -	\$ -	\$ 3,611	\$ 3,611	\$ -
-	-	40,209	40,209	-
-	-	43,820	43,820	-
-	-	48,706	48,706	-
-	-	328,866	328,866	-
\$ 289,968	\$ 135,110	\$ 666,526	\$ 637,562	\$ 106,146

See accompanying independent auditors' report and notes to Schedule of Expenditures of Federal Awards.

Vicksburg Community Schools

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2008

Note 1

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Vicksburg Community Schools and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2

Management has utilized the Grants Section Auditor's Report (Form R7120) in preparing the Schedule of Expenditures of Federal Awards.

Inventory values are based on the USDA value for donated food commodities and include spoilage.

See accompanying independent auditors' report.

Vicksburg Community Schools

Summary of Auditors' Results and Schedule of Findings and Questioned Costs Year Ended June 30, 2008

Section I – Summary of Auditors' Results

Financial Statements

An unqualified opinion was issued on the auditor's report.

Internal control over financial reporting:

- Material weakness (es) identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None Reported

An unqualified opinion was issued on the compliance report for major programs.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) or Circular A-133? No

Identification of major programs:

Name of Federal Program or Cluster CFDA Numbers

Child Nutrition Cluster 10.555/10.553

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes

Section II – Financial Statement Findings

There were no findings which are required to be reported under *Governmental Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs

There were no findings or questioned costs.

