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# Allen Park Public Schools

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**Federal Awards Supplemental Information**  
**June 30, 2019**

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

**Independent Auditor's Report**

To the Board of Education  
Allen Park Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Allen Park Public Schools (the "School District") as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 7, 2019, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 7, 2019.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Plante & Moran, PLLC*

October 7, 2019

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*

**Independent Auditor's Report**

To Management and the Board of Education  
Allen Park Public Schools

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Allen Park Public Schools (the "School District") as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 7, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described as Finding 2019-001 in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**The School District's Response to the Finding**

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

To Management and the Board of Education  
Allen Park Public Schools

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plante & Moran, PLLC*

October 7, 2019

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance  
Required by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Education  
Allen Park Public Schools

**Report on Compliance for Each Major Federal Program**

We have audited Allen Park Public Schools' (the "School District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2019. The School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

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

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2019.

**Report on Internal Control Over Compliance**

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

To the Board of Education  
Allen Park Public Schools

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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Plante & Moran, PLLC*

October 7, 2019

**Allen Park Public Schools**

**Schedule of Expenditures of Federal Awards**

**Year Ended June 30, 2019**

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2018	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2019	Current Year Cash Transferred to Subrecipients
Clusters:										
Medicaid Cluster - U.S. Department of Health and Human Services -										
Passed through Wayne County RESA - Medicaid Cluster:										
Medicaid Outreach 2017-2018	N/A	93.778	\$ 15,815	\$ 11,649	\$ 2,815	\$ -	\$ 2,815	\$ -	\$ -	\$ -
Medicaid Outreach 2018-2019	N/A	93.778	12,000	-	-	-	6,004	6,004	-	-
Total Medicaid Cluster			27,815	11,649	2,815	-	8,819	6,004	-	-
Child Nutrition Cluster - U.S. Department of Agriculture -										
Passed through the Michigan Department of Education:										
Noncash Assistance (Commodities) - Entitlement Commodities										
Cash Assistance:	N/A	10.555	75,276	-	-	-	75,276	75,276	-	-
National School Lunch Program:										
2017-18	181960	10.555	508,981	459,590	22,155	-	75,404	53,249	-	-
2018-19	191960	10.555	497,056	-	-	-	443,807	443,807	-	-
Total National School Lunch Program (incl. commodities)		10.555	1,081,313	459,590	22,155	-	594,487	572,332	-	-
National School Breakfast Program:										
2017-18	181970	10.553	83,730	76,250	4,435	-	12,611	8,176	-	-
2018-19	191970	10.553	83,445	-	-	-	75,269	75,269	-	-
Total National School Breakfast Program		10.553	167,175	76,250	4,435	-	87,880	83,445	-	-
Total Child Nutrition Cluster			1,248,488	535,840	26,590	-	682,367	655,777	-	-
Special Education Cluster - U.S. Department of Education -										
Passed through the Wayne County RESA - Special Education:										
Grants to States (IDEA, Part B):										
Flowthrough - 2017-18	180450-1718	84.027	899,173	855,978	433,786	-	470,285	43,195	6,696	-
Flowthrough - 2018-19	190450-1819	84.027	913,792	-	-	-	496,636	913,792	417,156	-
Total Grants to States (IDEA, Part B)		84.027	1,812,965	855,978	433,786	-	966,921	956,987	423,852	-
Preschool Grants (IDEA Preschool):										
IDEA Preschool 1718	180460-1718	84.173	27,626	27,626	5,109	-	5,109	-	-	-
IDEA Preschool 1819	190460-1819	84.173	31,819	-	-	-	29,133	31,819	2,686	-
Total IDEA Preschool Incentive		84.173	59,445	27,626	5,109	-	34,242	31,819	2,686	-
Total Special Education Cluster			1,872,410	883,604	438,895	-	1,001,163	988,806	426,538	-

**Allen Park Public Schools**

**Schedule of Expenditures of Federal Awards (Continued)**

**Year Ended June 30, 2019**

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2018	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2019	Current Year Cash Transferred to Subrecipients
Other federal awards - U.S. Department of Education - Passed through the Michigan Department of Education:										
Title I, Part A:										
Project Number 181530 1718	181530-1718	84.010	\$ 255,941	\$ 232,958	\$ 109,995	\$ -	\$ 132,978	\$ 19,724	\$ (3,259)	\$ -
Project Number 191530 1819	191530-1819	84.010	229,294	-	-	-	-	215,413	215,413	-
Total Title I, Part A		84.010	485,235	232,958	109,995	-	132,978	235,137	212,154	-
Title II, Part A:										
Project Number 180520 1718	180520-1718	84.367	103,145	65,390	13,206	-	24,981	17,550	5,775	-
Project Number 190520 1819	190520-1819	84.367	107,681	-	-	-	-	77,071	77,071	-
Total Title II, Part A		84.367	210,826	65,390	13,206	-	24,981	94,621	82,846	-
Title IV, Part A: SSAE										
Project Number 180750 1718	180750-1718	84.424	10,000	9,705	9,705	-	9,705	-	-	-
Project Number 190750 1819	190750-1819	84.424	17,678	-	-	-	-	16,236	16,236	-
Total Title IV, Part A: SSAE			27,678	9,705	9,705	-	9,705	16,236	16,236	-
Total U.S. Department of Education noncluster programs			723,739	308,053	132,906	-	167,664	345,994	311,236	-
CTE Perkins Grant - U.S. Department of Education - Passed through Wayne County RESA										
	193520-191225	84.424A	72,724	-	-	-	21,258	72,724	51,466	-
Total federal awards			\$ 3,945,176	\$ 1,739,146	\$ 601,206	\$ -	\$ 1,881,271	\$ 2,069,305	\$ 789,240	\$ -

**Notes to Schedule of Expenditures of Federal Awards**

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**Year Ended June 30, 2019**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Allen Park Public Schools (the "School District") under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The School District has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

**Note 3 - Grant Auditor Report**

Management has utilized the Cash Management System (CMS) Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.

**Note 4 - Noncash Assistance**

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance.

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## Schedule of Findings and Questioned Costs

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**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2019**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 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   None reported

**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
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? \_\_\_\_\_ Yes      X   No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
84.027, 84.173	Special Education Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

Section II - Financial Statement Audit Findings

Reference Number	Finding
2019-001	<p><b>Finding Type</b> - Significant deficiency</p> <p><b>Criteria</b> - The School District's internal control structure should ensure that financial information is complete, accurate, and made available to management and those charged with governance in a timely and orderly manner.</p> <p><b>Condition</b> - Several account balances in the School District's books and records for the 2019 fiscal year were not reconciled and closed prior to commencement of the audit and, thus, were identified by either the School District or as part of the audit process to be improperly recorded. Several adjustments and reclassifications to the School District's general ledger were discussed with and recorded by management during our audit process. Additionally, there were several modifications made to the schedule of expenditures of federal awards during the audit process. Similar conditions existed during the year ended June 30, 2015 (2015-001) and also recurred during the years ended June 30, 2016 (2016-003), 2017 (2017-002), and 2018 (2018-001).</p> <p><b>Context</b> - Adjustments and reclassifications that were identified during the audit, either by management or as a result of audit procedures, impacted expenditures, revenue, assets, and liabilities within the School District's governmental funds. These adjustments and reclassifications were corrected by management and are reflected in the School District's June 30, 2019 financial statements. There were also modifications made to the schedule of expenditures of federal awards.</p> <p><b>Cause</b> - The School District did not have controls and processes in place to analyze, adjust, and independently review account balances and the schedule of expenditures of federal awards prior to commencement of the audit.</p> <p><b>Effect</b> - Account balances and the schedule of expenditures of federal awards were not completely reconciled and adjusted prior to the commencement of the audit.</p> <p><b>Recommendation</b> - We recommend that the School District continue to review and revise its year-end closing accounting procedures and controls to make certain that all account balances and the schedule of expenditures of federal awards are completely and accurately reconciled and reviewed prior to the commencement of the annual audit.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The School District agrees that all adjustments, schedules, and account balance reconciliations should be completed before the year-end audit process. The School District continues to use its resources to adequately review and revise year-end closing procedures to make certain all account balance reconciliations are completed accurately before the annual audit.</p>

**Allen Park Public Schools**

**Schedule of Findings and Questioned Costs (Continued)**

**Year Ended June 30, 2019**

**Section III - Federal Program Audit Findings**

Reference Number	Finding	Questioned Costs
<b>Current Year</b>	None	