

# **Lake Shore Public Schools**

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**Federal Awards  
Supplemental Information  
June 30, 2012**

# Lake Shore Public Schools

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## Independent Auditor's Report

To the Board of Education  
Lake Shore Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Shore Public Schools (the "School District") as of and for the year ended June 30, 2012, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 11, 2012 which contained unqualified opinions on those financial statements. These basic financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We have not performed any procedures with respect to the audited financial statements subsequent to October 11, 2012.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lake Shore Public Schools' basic financial statements. The accompanying schedule of expenditures of federal awards and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis and are 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 11, 2012

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 the Board of Education  
Lake Shore Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Shore Public Schools (the "School District") as of and for the year ended June 30, 2012, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 11, 2012. We have 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**

Management of Lake Shore Public Schools is responsible for establishing and maintaining an effective internal control over financial reporting. In planning and performing our audit, we considered Lake Shore Public Schools' 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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity'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.

To the Board of Education  
Lake Shore Public Schools

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lake Shore Public 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*.

We also noted certain matters that we have reported to management of Lake Shore Public Schools in a separate letter dated October 11, 2012.

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

*Plante & Morse, PLLC*

October 11, 2012

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 Auditor's Report

To the Board of Education  
Lake Shore Public Schools

**Compliance**

We have audited the compliance of Lake Shore Public Schools (the "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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The major federal programs of Lake Shore Public Schools are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lake Shore Public Schools' management. Our responsibility is to express an opinion on Lake Shore Public 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 Lake Shore Public 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 Lake Shore Public Schools' compliance with those requirements.

In our opinion, Lake Shore Public Schools 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, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that 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 Finding 2012-01.

To the Board of Education  
Lake Shore Public Schools

### **Internal Control Over Compliance**

The management of Lake Shore Public Schools is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lake Shore Public Schools' internal control over compliance with 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 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 the entity'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. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as Finding 2012-01. 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.

Lake Shore Public Schools' response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Lake Shore Public Schools' response and, accordingly, we express no opinion on it.

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

*Plante & Morse, PLLC*

October 11, 2012

# Lake Shore Public Schools

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2012

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2011	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2012
<b>Clusters:</b>								
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:								
Noncash Assistance (Commodities):								
National School Lunch Program - Entitlement Commodities	10.555	\$ 68,800	\$ -	\$ -	\$ -	\$ 68,800	\$ 68,800	\$ -
National School Lunch Program - Bonus Commodities	10.555	14,112	-	-	-	14,112	14,112	-
Non-Cash Assistance Subtotal		82,912	-	-	-	82,912	82,912	-
Cash Assistance:								
Summer Food Service Program for Children 50120-00270	10.559	3,636	-	-	-	-	3,636	3,636
National School Breakfast Program - 111970	10.553	83,090	83,090	3,573	-	3,573	-	-
National School Breakfast Program - 121970	10.553	107,832	-	-	-	104,378	107,832	3,454
National School Lunch Program - 111950	10.555	480,299	480,299	16,764	-	16,764	-	-
National School Lunch Program - 121950	10.555	509,887	-	-	-	498,036	509,887	11,851
Cash Assistance Subtotal		1,184,744	563,389	20,337	-	622,751	621,355	18,941
Total Child Nutrition Cluster		1,267,656	563,389	20,337	-	705,663	704,267	18,941
Supplemental Nutrition Assistance Program Cluster - U.S. Department of Agriculture - Passed through the Macomb/St. Clair Workforce Development Board - State Administrative Matching Grants for SNAP Contracts: 11-19-212, 11-19-213, 11-19-214								
	10.561	172,457	-	-	-	138,497	172,457	33,960
Special Education Cluster - U.S. Department of Education - Passed through the Macomb County ISD - IDEA:								
Special Education - Grants to States (IDEA, Part B):								
Project number 110-450-1011	84.027	1,229,717	1,229,717	47,627	-	47,627	-	-
Project number 120-450-1112		642,878	-	-	-	200,000	581,434	381,434
Subtotal IDEA, Part B		1,872,595	1,229,717	47,627	-	247,627	581,434	381,434
ARRA - IDEA, Part B, Recovery Act - Project number 100-455-0910								
	84.391	787,517	403,665	54,325	-	54,325	-	-
Total Special Education - Grants to States (IDEA, Part B)		2,660,112	1,633,382	101,952	-	301,952	581,434	381,434
Special Education - Preschool Grants (IDEA Preschool) -								
Project number 110-460-1011	84.173	26,549	21,341	(5,208)	-	-	-	(5,208)
Project number 120-460-1112		24,457	-	-	-	10,000	24,457	14,457
Subtotal IDEA, Preschool		51,006	21,341	(5,208)	-	10,000	24,457	9,249
Total Special Education Cluster		2,711,118	1,654,723	96,744	-	311,952	605,891	390,683

# Lake Shore Public Schools

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2012

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2011	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2012
Clusters (Continued):								
Title I, Part A Cluster -								
U.S. Department of Education -								
Passed through the Michigan Department of Education -								
Title I, Part A - Improving Basic Programs:								
	84.010							
Project number 09-1530-0809		\$ 270,084	\$ -	\$ 1,738	\$ -	\$ 1,738	\$ -	\$ -
Project number 10-1530-0910		290,253	51,551	33,740	-	33,740	-	-
Project number 11-1530-1011		291,802	274,288	133,850	-	133,850	17,514	17,514
Project number 12-1530-1112		325,672	-	-	-	97,611	210,101	112,490
Total Title I, Part A Cluster		1,177,811	325,839	169,328	-	266,939	227,615	130,004
Other federal awards:								
U.S. Department of Education:								
Direct programs - Indian Education -								
2011-2012	84.060	116,662	-	-	-	101,841	116,662	14,821
Passed through the Michigan Department of Education:								
Title IIA:								
Project number 10-0520-0910		99,978	94,322	30,070	-	30,070	-	-
Project number 11-0520-1011		101,003	4,531	4,531	-	72,848	57,021	(11,296)
Project number 12-0520-1112		84,923	-	-	-	-	-	-
Total Title IIA		285,904	98,853	34,601	-	102,918	57,021	(11,296)
Education Jobs Fund - Project number 112545-1112	84.410A	40,441	-	-	-	40,441	40,441	-
Total noncluster programs passed through the Michigan Department of Education		326,345	98,853	34,601	-	143,359	97,462	(11,296)
Passed through the Macomb County ISD -								
Career and Technical Education - Basic Grants to States (Perkins IV) - Project number 12-3520-121216								
	84.048	33,667	-	-	-	32,479	32,479	-
Passed through other local school districts - Adult Education:								
	84.002A							
Project number 11-1130-111189		40,500	40,500	1,717	-	1,717	-	-
Project number 11-1120-115187		33,300	33,300	13,138	-	13,138	-	-
Project number 125187		35,555	-	-	-	20,412	35,555	15,143
Project number 121189		45,675	-	-	-	40,534	45,675	5,141
Total Adult Education noncluster programs passed through other local school districts		155,030	73,800	14,855	-	75,801	81,230	20,284
Total U.S. Department of Education noncluster programs		631,704	172,653	49,456	-	353,480	327,833	23,809

# Lake Shore Public Schools

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2012

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2011	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2012
Clusters (Continued):								
Other federal awards (Continued):								
Employment Services Training Contracts with the Macomb/St. Clair Workforce Development Board, Incorporated:		\$ 1,835,610						
Contracts - 09-19-204, 09-19-205, 09-19-206, 09-19-207, 09-19-208, 11-19-215								
U.S. Department of Labor - WIA Cluster - Workforce Investment Act, Dislocated Workers	17.278	-	\$ 298,848	\$ 53,955	\$ -	\$ 192,689	\$ 138,734	\$ -
U.S. Department of Labor - WIA Cluster - Workforce Investment Act, Adult Programs	17.258	-	162,740	19,003	-	64,688	45,685	-
U.S. Department of Labor - Employment Services Cluster - Wagner-Peyser Act	17.207	-	1,197,203	85,092	-	970,550	1,041,860	156,402
U.S. Department of Labor - Unemployment Insurance - Emergency Unemployment Comp	17.225	-	-	-	-	44,750	195,299	150,549
Total Employment Services Training Contracts with the Macomb/St. Clair Workforce Development Board, Incorporated		1,835,610	1,658,791	158,050	-	1,272,677	1,421,578	306,951
Employment Services Training Contract with the Washtenaw County Workforce Development Board - Contract - CR 41691.1 - U.S. Department of Labor - Employment Services Cluster - Wagner-Peyser Act	17.207	420,148	318,435	57,026	-	366,219	390,102	80,909
Jobs, Education, and Training (JET) Contracts with the Macomb/St. Clair Workforce Development Board, Incorporated - Contracts: 11-19-212, 11-19-213, 11-19-214								
U.S. Department of Health and Human Services - TANF Cluster - Temporary Assistance for Needy Families	93.558	1,859,876	252,598	11,092	-	290,610	492,908	213,390
Jobs, Education, and Training (JET) Contract with the Washtenaw County Workforce Development Board - Contract: CR 41677.1 - U.S. Department of Health and Human Services - TANF Cluster - Temporary Assistance for Needy Families								
	93.558	679,168	582,286	52,560	-	482,691	550,531	120,400
Computer Learning Center Contract with the Macomb/St. Clair Workforce Development Board, Incorporated: Contract: 08-19-201								
		54,504						
U.S. Department of Health and Human Services - TANF Cluster - Temporary Assistance for Needy Families	93.558	-	12,760	749	-	749	-	-
U.S. Department of Labor - WIA Cluster - Workforce Investment Act, Adult Programs	17.258	-	1,827	321	-	321	-	-
Total Computer Learning Center Contracts with the Macomb/St. Clair Workforce Development Board, Incorporated		54,504	14,587	1,070	-	1,070	-	-
Total federal awards		\$ 10,810,052	\$ 5,543,301	\$ 615,663	\$ -	\$ 4,189,798	\$ 4,893,182	\$ 1,319,047

# Lake Shore Public Schools

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## Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards Year Ended June 30, 2012

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 4,995,134
Less amounts that were recorded as expenditures and deferred revenue on the schedule of expenditures of federal awards for the year ended June 30, 2011. The deferred revenue was reversed and recorded as federal revenue when the revenue recognition criteria had been satisfied, during the year ended June 30, 2012	<u>(101,952)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 4,893,182</u>

# Lake Shore Public Schools

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## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2012

### Note 1 - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Lake Shore Public Schools under programs of the federal government for the year ended June 30, 2012. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of Lake Shore Public Schools, it is not intended to and does not present the financial position, changes in net assets, or cash flows, if applicable, of Lake Shore Public Schools. Pass-through entity identifying numbers are presented where available.

### Note 2 - Grant Auditor Report

Management has utilized Form R-7120 and 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 3 - Nonfederal Funding Sources

During the year ended June 30, 2012, the School District received \$989,639 in State of Michigan funding sources, passed through the Macomb/St. Clair Workforce Development Board to settle School District reimbursement requests under the jobs, education, and training (JET) program and the employment services program. The related expenditures and cash receipts are not included on the schedule of expenditures of federal awards.

# Lake Shore Public Schools

## Schedule of Findings and Questioned Costs Year Ended June 30, 2012

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

#### Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes  X  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  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 auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  X  Yes \_\_\_\_\_ No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster (including commodities)
84.027, 84.391, 84.173	IDEA Special Education Cluster
17.207	Employment Services Cluster

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

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

### Section II - Financial Statement Audit Findings

None

# Lake Shore Public Schools

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2012

### Section III - Federal Program Audit Findings

Reference Number	Finding
2012-01	<p><b>Program Name</b> - Title I Part A Cluster - Improving Basic Programs (84.010), U.S. Department of Education, Michigan Department of Education, 11-1530-1011 &amp; 12-1530-1112, 2011-2012</p> <p>Title IIA, U.S. Department of Education, Michigan Department of Education, 11-0520-1011, 2011-2012</p> <p><b>Pass-through Entity</b> - Michigan Department of Education</p> <p><b>Finding Type</b> - Significant deficiency and material noncompliance with laws and regulations</p> <p><b>Criteria</b> - Under Code of Federal Regulations Title 31, Chapter 11, Part 205 (31 CFR Section 205), requests for reimbursement should not be submitted prior to the School District incurring and paying the related expenditures.</p> <p><b>Condition</b> - It was identified during review of the schedule of expenditures of federal awards that select reimbursements for the programs referenced exceeded total expenditures.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Context</b> - The grant operates on a reimbursement basis. Once the School District incurs and liquidates the related liability, it is then permitted to request for reimbursement from the pass-through agency. In compiling the schedule of expenditures of federal awards, the School District identified that it had requested more funds than the School District had incurred related to expenditures for the grant.</p> <p><b>Cause and Effect</b> - The School District inadvertently requested reimbursement for expenditures that had not been incurred. The result is that federal funds have been requested by the School District in excess of actual expenditures incurred in the amount of \$17,513 related to Title I, Part A and \$56,528 related to Title II, Part A. The reimbursement requests were actually received by the School District after June 30, 2012 except for \$11,296 of Title IIA related reimbursements that were received prior to June 30, 2012.</p> <p><b>Recommendation</b> - The School District should perform a more detailed analysis of expenditures incurred to date prior to submitting claims for reimbursement from the pass-through agency to help ensure that reimbursements are only received by the School District for expenditures already incurred and paid out in School District funds.</p>

# Lake Shore Public Schools

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2012

### Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2012-01 (Con't)	<b>Views of Responsible Officials and Planned Corrective Actions -</b> Management agrees with the finding and the recommendation. The School District will perform a more detailed review of the reimbursement requests as well as the general ledger to ensure that costs being requested for reimbursement only include those actually incurred and paid. A "Request for Funds Worksheet" has been developed by the School District that will track requests that correlate to the grant year and the fiscal year in order to track expenditures incurred against requests submitted to date.

# Lake Shore Public Schools

## Summary Schedule of Prior Audit Findings Year Ended June 30, 2012

Prior Year Finding Number	Federal Program	Original Finding Description	Status	Planned Corrective Action
2011-01	N/A	In accordance with generally accepted accounting principles, the School District should record deferred revenue for amounts uncollected within 60 days of year end.	Corrected	N/A, finding has been resolved.
2011-02	N/A	In accordance with generally accepted accounting principles, the School District should review disbursements that are made after year end to determine whether or not disbursements should be recorded as accounts payable at year end.	Corrected	N/A, finding has been resolved.
2011-03	Child Nutrition Cluster; National School Lunch Program (10.555), National School Breakfast Program (10.553)	Under Code of Federal Regulations Title 7, Chapter 2, Part 245 (7 CFR Section 245), eligibility to participate in the free and reduced meal program should be determined based on review of the student's application compared to national requirements for participation.	Corrected	N/A, finding has been resolved.

# Lake Shore Public Schools

## Summary Schedule of Prior Audit Findings (Continued) Year Ended June 30, 2012

Prior Year Finding Number	Federal Program	Original Finding Description	Status	Planned Corrective Action
2011-04	Special Education Cluster - Preschool Grants (84.173A),	Under Code of Federal Regulations Title 31, Chapter 11, Part 205 (31 CFR Section 205), requests for reimbursement should not be submitted prior to the School District incurring and paying the related expenditures.	Not corrected, see finding 2012-02 in Section III of the report	The School District will perform a more detailed review of the reimbursement requests as well as the general ledger to ensure that costs being requested for reimbursement only include those actually incurred and paid. A "Request for Funds Worksheet" has been developed by the School District that will track requests that correlate to the grant year and the fiscal year in order to track expenditures incurred against requests submitted to date.