

Troy School District

Single Audit Report

June 30, 2018



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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*

Independent Auditors' Report

Members of the Board of Education
Troy School District
Troy, MI

We have audited, in accordance with the 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 Troy School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Troy School District's basic financial statements, and have issued our report thereon dated October 2, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Troy 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 Troy School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Troy 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 entity'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Troy 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*.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yeo & Yeo, P.C.

Saginaw, MI
October 2, 2018



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Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

Members of the Board of Education
Troy School District
Troy, MI

Report on Compliance for Each Major Federal Program

We have audited Troy School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Troy School District's major federal programs for the year ended June 30, 2018. Troy School District's major federal programs are 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 programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Troy 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* (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 Troy 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 Troy School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Troy 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 each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Troy 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 Troy 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 Troy School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Troy School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Troy School District's basic financial statements. We issued our report thereon dated October 2, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Yeo & Yeo, P.C.

Saginaw, MI
October 2, 2018

Troy School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Program Title/Project Number/Subrecipient Name	Federal CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2017	Federal Funds/In-kind (Payments) Received	Expenditures	Accrued Revenue at June 30, 2018
U.S. Department of Agriculture							
Child Nutrition Cluster							
Passed through the Michigan Department of Education							
Cash assistance							
Cash in lieu of commodities - 2017-2018	10.555	\$ 204,044	\$ -	\$ -	\$ 204,044	\$ 204,044	\$ -
School Breakfast Program - 171970	10.553	89,694	82,242	5,765	13,217	7,452	-
School Breakfast Program - 181970		85,877	-	-	80,618	85,877	5,259
National School Lunch Program - 171960	10.555	706,048	638,985	34,458	101,521	67,063	-
National School Lunch Program - 181960		671,084	-	-	637,138	671,084	33,946
Total Child Nutrition Cluster		<u>1,756,747</u>	<u>721,227</u>	<u>40,223</u>	<u>1,036,538</u>	<u>1,035,520</u>	<u>39,205</u>
U.S. Department of Labor							
Employment Service Cluster							
Passed through the Oakland County Treasurer							
Employment Service - 7A 2016-2017	17.207	268,382	166,613	29,748	131,516	101,768	-
Employment Service - 7A 2017-2018		276,467	-	-	66,566	146,481	79,915
Total Employment Service Cluster		<u>544,849</u>	<u>166,613</u>	<u>29,748</u>	<u>198,082</u>	<u>248,249</u>	<u>79,915</u>
Passed through the Oakland County Treasurer							
Unemployment Insurance							
2015-16	17.225	33,322	33,322	4,929	4,929	-	-
2016-17		37,801	44,800	-	17,856	22,844	4,988
2017-18		40,763	-	-	40,763	40,763	-
Total Unemployment Insurance		<u>111,886</u>	<u>78,122</u>	<u>4,929</u>	<u>63,548</u>	<u>63,607</u>	<u>4,988</u>
Passed through the Oakland County Treasurer							
2016-2017 TGAAA - Trade Adjustment Assistance							
2017-2018 TGAAA - Trade Adjustment Assistance	17.245	60,355	15,940	15,940	60,355	44,415	-
		43,650	-	-	-	23,144	23,144
Total Trade Adjustment Assistance		<u>104,005</u>	<u>15,940</u>	<u>15,940</u>	<u>60,355</u>	<u>67,559</u>	<u>23,144</u>
Passed through the Oakland County Treasurer							
2017-2018 America's Promise Grant (Catalyst)	17.268	20,500	-	-	10,500	20,500	10,000

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Troy School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Program Title/Project Number/Subrecipient Name	Federal CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2017	Federal Funds/In-kind (Payments) Received	Expenditures	Accrued Revenue at June 30, 2018
U.S. Department of Labor (continued)							
WIOA Cluster							
Passed through the Oakland County Treasurer							
WIOA Adult Program							
	17.258						
2015-2016 WIOA Adult Program		\$ 351,115	\$ 301,949	\$ -	\$ 36,951	\$ 36,951	\$ -
2016-2017 WIOA Adult Program		431,996	194,463	72,536	273,765	237,533	36,304
2017-2018 WIOA Adult Program		410,986	-	-	-	104,607	104,607
2015-2016 WIOA One Stop Operations 29.6%		16,133	16,135	2,160	2,160	-	-
2016-2017 WIOA One Stop Operations 29.6%		16,287	14,231	14,231	16,285	2,054	-
2017-2018 WIOA One Stop Operations 33.3%		10,995	-	-	594	9,773	9,179
2015-2016 WIOA Admin Cost Pool 29.6%		8,802	9,322	1,480	1,480	-	-
2016-2017 WIOA Admin Cost Pool 29.6%		7,296	2,958	365	3,799	3,434	-
2017-2018 WIOA Admin Cost Pool 33.3%		12,266	-	-	1,356	4,692	3,336
2016-2017 WIOA Apprenticeship Success Coordinator 29.6%		9,250	1,576	590	6,031	7,674	2,233
2017-2018 WIOA Apprenticeship Success Coordinator		6,250	-	-	-	6,250	6,250
2017-2018 Refugee Navigator - 33.3%		28,333	-	-	15,476	28,333	12,857
		<u>1,309,709</u>	<u>540,634</u>	<u>91,362</u>	<u>357,897</u>	<u>441,301</u>	<u>174,766</u>
WIOA Youth Activities							
	17.259						
2016-2017 WIOA Youth Activities		152,837	30,287	11,959	134,200	152,837	30,596
2017-2018 WIOA Youth Activities		145,609	-	-	-	45,503	45,503
2015-2016 WIOA One Stop Operations 31.6%		17,225	17,225	2,306	2,306	-	-
2016-2017 WIOA One Stop Operations 31.6%		17,387	15,192	15,192	17,385	2,193	-
2017-2018 WIOA One Stop Operations 33.3%		10,994	-	-	593	9,772	9,179
2015-2016 WIOA Admin Cost Pool 31.6%		9,397	9,951	1,580	1,580	-	-
2016-2017 WIOA Admin Cost Pool 31.6%		7,789	3,158	389	4,055	3,666	-
2017-2018 WIOA Admin Cost Pool 33.3%		12,266	-	-	1,355	4,692	3,337
2016-2017 WIOA Apprenticeship Success Coordinator 31.6%		9,875	1,683	630	6,439	8,192	2,383
2017-2018 Refugee Navigator - 33.3%		28,333	-	-	15,476	28,334	12,858
		<u>411,712</u>	<u>77,496</u>	<u>32,056</u>	<u>183,389</u>	<u>255,189</u>	<u>103,856</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Troy School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Program Title/Project Number/Subrecipient Name	Federal CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2017	Federal Funds/In-kind (Payments) Received	Expenditures	Accrued Revenue at June 30, 2018
U.S. Department of Labor (continued)							
WIOA Cluster (continued)							
Passed through the Oakland County Treasurer (continued)							
WIOA Dislocated Worker	17.278						
2015-2016 WIOA Dislocated Worker		\$ 553,249	\$ 543,107	\$ -	\$ 10,142	\$ 10,142	\$ -
2016-2017 WIOA Dislocated Worker		356,021	178,243	58,522	231,442	182,778	9,858
2017-2018 WIOA Dislocated Worker		232,125	-	-	-	57,369	57,369
2015-2016 WIOA One Stop Operations 38.8%		21,150	21,150	2,832	2,832	-	-
2016-2017 WIOA One Stop Operations 38.8%		21,349	18,654	18,654	21,346	2,692	-
2017-2018 WIOA One Stop Operations 33.4%		10,995	-	-	594	9,773	9,179
2015-2016 WIOA Admin Cost Pool 38.8%		11,539	12,219	1,940	1,940	-	-
2016-2017 WIOA Admin Cost Pool 38.8%		9,563	3,878	478	4,978	4,500	-
2017-2018 WIOA Admin Cost Pool 33.4%		12,266	-	-	1,356	4,692	3,336
2016-2017 WIOA Apprenticeship Success Coordinator 38.8%		12,125	2,066	773	7,905	10,058	2,926
2017-2018 Refugee Navigator - 33.3%		28,334	-	-	15,476	28,334	12,858
Total WIOA Dislocated Worker		<u>1,268,716</u>	<u>779,317</u>	<u>83,199</u>	<u>298,011</u>	<u>310,338</u>	<u>95,526</u>
Total WIOA Cluster		<u>2,990,137</u>	<u>1,397,447</u>	<u>206,617</u>	<u>839,297</u>	<u>1,006,828</u>	<u>374,148</u>
U.S. Department of Labor (continued)							
Passed through the Oakland County Treasurer							
2016-2017 WIOA Job Driven National Emergency Grants #2623	17.277	<u>11,472</u>	<u>11,472</u>	<u>11,472</u>	<u>11,472</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Labor		<u>3,782,849</u>	<u>1,669,594</u>	<u>268,706</u>	<u>1,183,254</u>	<u>1,406,743</u>	<u>492,195</u>
U.S. Department of Education							
Passed through the Michigan Department of Education							
Adult Education	84.002A						
Project number 171130 171247		110,000	109,988	272	272	-	-
Project number 181130 181247		115,400	-	-	115,400	115,400	-
Project number 181120 185247		<u>22,375</u>	<u>-</u>	<u>-</u>	<u>17,348</u>	<u>22,375</u>	<u>5,027</u>
Total Adult Education		<u>247,775</u>	<u>109,988</u>	<u>272</u>	<u>133,020</u>	<u>137,775</u>	<u>5,027</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Troy School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Program Title/Project Number/Subrecipient Name	Federal CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2017	Federal Funds/In-kind (Payments) Received	Expenditures	Accrued Revenue at June 30, 2018
U.S. Department of Education (continued)							
Passed through the Michigan Department of Education							
Local Educational Agencies - Title I, Part A							
Project number 171530 1617	84.010	\$ 548,210	\$ 365,202	\$ 98,348	\$ 168,670	\$ 70,322	\$ -
Project number 181530 1718		<u>598,792</u>	<u>-</u>	<u>-</u>	<u>291,305</u>	<u>477,538</u>	<u>186,233</u>
Total Local Education Agencies - Title I, Part A		<u>1,147,002</u>	<u>365,202</u>	<u>98,348</u>	<u>459,975</u>	<u>547,860</u>	<u>186,233</u>
U.S. Department of Education (continued)							
Special Education Cluster							
Passed through the Oakland County ISD							
IDEA Flowthrough							
Project number 160450	84.027A	1,953,352	1,953,352	11,448	11,448	-	-
Project number 170450		2,127,767	2,127,767	481,062	481,062	-	-
Project number 180450		<u>2,293,973</u>	<u>-</u>	<u>-</u>	<u>1,487,353</u>	<u>2,175,012</u>	<u>687,659</u>
Total IDEA Flowthrough		<u>6,375,092</u>	<u>4,081,119</u>	<u>492,510</u>	<u>1,979,863</u>	<u>2,175,012</u>	<u>687,659</u>
Preschool Incentive							
Project number 170460	84.173A	67,502	67,309	15,814	16,636	822	-
Project number 180460		<u>82,482</u>	<u>-</u>	<u>-</u>	<u>52,029</u>	<u>80,040</u>	<u>28,011</u>
Total Preschool Incentive		<u>149,984</u>	<u>67,309</u>	<u>15,814</u>	<u>68,665</u>	<u>80,862</u>	<u>28,011</u>
Total Special Education Cluster		<u>6,525,076</u>	<u>4,148,428</u>	<u>508,324</u>	<u>2,048,528</u>	<u>2,255,874</u>	<u>715,670</u>
Passed through the Michigan Department of Education							
English Language Acquisition - Title III							
Project number 170580 1617	84.365A	267,627	148,468	39,687	106,177	66,490	-
Project number 180580 1718		<u>251,721</u>	<u>-</u>	<u>-</u>	<u>84,563</u>	<u>121,942</u>	<u>37,379</u>
Total English Language Acquisition - Title III		<u>519,348</u>	<u>148,468</u>	<u>39,687</u>	<u>190,740</u>	<u>188,432</u>	<u>37,379</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Troy School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Program Title/Project Number/Subrecipient Name	Federal CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2017	Federal Funds/In-kind (Payments) Received	Expenditures	Accrued Revenue at June 30, 2018
U.S. Department of Education (continued)							
Passed through the Michigan Department of Education							
Immigrant Students - Title III	84.365A						
Project number 170570 1617		\$ 110,589	\$ 40,293	\$ 35,807	\$ 47,137	\$ 11,330	\$ -
Project number 180570 1718		<u>167,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,329</u>	<u>12,329</u>
Total Immigrant Students - Title III		<u>277,910</u>	<u>40,293</u>	<u>35,807</u>	<u>47,137</u>	<u>23,659</u>	<u>12,329</u>
Total Title III		<u>797,258</u>	<u>188,761</u>	<u>75,494</u>	<u>237,877</u>	<u>212,091</u>	<u>49,708</u>
Passed through the Michigan Department of Education							
Supporting Effective Instruction - Title II Part A	84.367						
Project number 170520 1617		245,238	145,327	34,579	72,786	38,207	-
Project number 180520 1718		<u>257,526</u>	<u>-</u>	<u>-</u>	<u>82,453</u>	<u>136,870</u>	<u>54,417</u>
Total Title II Part A		<u>502,764</u>	<u>145,327</u>	<u>34,579</u>	<u>155,239</u>	<u>175,077</u>	<u>54,417</u>
Passed through the Michigan Department of Education							
Student Support & Academic Enrichment - Title IV, Part A	84.424						
Project number 180750 1718		<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total U.S. Department of Education		<u>9,749,223</u>	<u>5,106,174</u>	<u>756,704</u>	<u>3,235,379</u>	<u>3,338,677</u>	<u>1,048,434</u>
U.S. Department of Health and Human Services							
Temporary Assistance for Needy Families (TANF) Cluster							
Passed through Oakland County Treasurer							
Work First (PATH) 2016-2017	93.558	331,158	168,968	48,409	210,599	162,190	-
Work First (PATH) 2017-2018		<u>300,522</u>	<u>-</u>	<u>-</u>	<u>81,411</u>	<u>173,753</u>	<u>92,342</u>
Total Temporary Assistance for Needy Families Cluster		<u>631,680</u>	<u>168,968</u>	<u>48,409</u>	<u>292,010</u>	<u>335,943</u>	<u>92,342</u>
Medicaid Outreach Program Cluster							
Passed through Oakland County ISD							
Medical Assistance Program 2017-2018	93.778	<u>6,907</u>	<u>-</u>	<u>-</u>	<u>6,907</u>	<u>6,907</u>	<u>-</u>
Total U.S. Department of Health and Human Services		<u>638,587</u>	<u>168,968</u>	<u>48,409</u>	<u>298,917</u>	<u>342,850</u>	<u>92,342</u>
Total federal awards		<u>\$ 15,927,406</u>	<u>\$ 7,665,963</u>	<u>\$ 1,114,042</u>	<u>\$ 5,754,088</u>	<u>\$ 6,123,790</u>	<u>\$ 1,672,176</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Troy School District
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2018

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Troy School District under programs of the federal government for the year ended June 30, 2018. The information in this 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* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Troy School District, it is not intended to and does not present the financial position and changes in financial positions of Troy School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance where 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.

Indirect Cost Rate

Troy School District has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Reconciliation to the Financial Statements

Expenditures per the schedule of expenditures of federal awards	\$ 6,123,790
Immigrant Students - Title III funds not received within 60 days	<u>(12,329)</u>
Federal revenues per the financial statements	<u>\$ 6,111,461</u>

Note 4 - Subrecipients

No amounts were provided to subrecipients.

Troy School District
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2018

Note 5 - Michigan Department of Education Disclosures

The federal amounts reported on the grant auditor report are in agreement with the schedule of expenditures of federal awards except for the following timing difference of when the deposit was made:

	Per Grant Auditor Report	Per Schedule of Expenditures of Federal Awards	Variance
School Breakfast Program Project Number: 171970	\$ 7,452	\$ 13,217	\$ 5,765
National School Lunch Program Project Number: 171960	67,064	101,521	34,457
Total	\$ 74,516	\$ 114,738	\$ 40,222

The amounts reported on the recipient entitlement balance report agree with the schedule of expenditures of federal awards for U.S.D.A. cash in lieu of commodities.

Troy School District
Schedule of Findings and Questioned Costs
June 30, 2018

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared in accordance with Generally Accepted Accounting Principles:
 Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516(a)? _____ yes X no

Identification of major programs:

CFDA Number(s)

10.553 & 10.555
 84.027 & 84.173

Name of Federal Program or Cluster

Child Nutrition Cluster
 Special Education Cluster

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

Auditee qualified as low-risk auditee? _____ yes X no

Troy School District
Schedule of Findings and Questioned Costs
June 30, 2018

Section II - Government Auditing Standards Findings

There were no findings related to the financial statements which are required to be reported in accordance with governmental auditing standards generally accepted in the United States of America for the year ended June 30, 2018.

Section III - Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2018.

Troy School District
Summary Schedule of Prior Audit Findings
June 30, 2018

Section IV - Prior Audit Findings

Finding 2017-001, 2016-002, 2015-004 - Material Weakness and Material Noncompliance - Program Income

Criteria: The School District must limit its net cash resources to an amount that does not exceed three months' average expenditures for its non-profit school food service per requirements in 7 CFR 210.14 (b)

Status: Finding has been corrected.

Finding 2017-002, 2016-003, 2015-005, 2014-003 - Significant Deficiency and Noncompliance - Eligibility

Criteria: In accordance with Uniform Guidance, the School District is required to determine eligibility based on income levels and family sizes reported on student applications. Federal guidelines provide thresholds to determine if students are eligible for free or reduced lunches.

Status: Finding has been corrected.