

Troy School District

Single Audit Report

June 30, 2019



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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, 2019, 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 1, 2019.

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.

Auburn Hills, MI
October 1, 2019



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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, 2019. 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, 2019.

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, 2019, 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 1, 2019, 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.

Auburn Hills, MI
October 1, 2019

Troy School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Program Title/Project Number/Subrecipient Name	Federal CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2018	Federal Funds/In-kind (Payments) Received	Expenditures	Accrued Revenue at June 30, 2019
U.S. Department of Agriculture							
Child Nutrition Cluster							
Passed through the Michigan Department of Education							
Cash assistance							
Cash in lieu of commodities - 2018-2019	10.555	\$ 213,990	\$ -	\$ -	\$ 213,990	213,990	\$ -
School Breakfast Program - 181970	10.553	93,968	85,877	5,259	13,350	8,091	-
School Breakfast Program - 191970		82,946	-	-	78,381	82,946	4,565
National School Lunch Program - 181960	10.555	758,739	671,084	33,946	121,601	87,655	-
National School Lunch Program - 191960		655,704	-	-	629,346	655,704	26,358
Total Child Nutrition Cluster		<u>1,805,347</u>	<u>756,961</u>	<u>39,205</u>	<u>1,056,668</u>	<u>1,048,386</u>	<u>30,923</u>
Total U.S. Department of Agriculture		<u>1,805,347</u>	<u>756,961</u>	<u>39,205</u>	<u>1,056,668</u>	<u>1,048,386</u>	<u>30,923</u>
U.S. Department of Labor							
Employment Service Cluster							
Passed through the Oakland County Treasurer							
Employment Service - 7A 2017-2018	17.207	293,688	146,481	79,915	227,122	147,207	-
Employment Service - 7A 2018-2019		425,822	-	-	70,353	99,196	28,843
Total Employment Service Cluster		<u>719,510</u>	<u>146,481</u>	<u>79,915</u>	<u>297,475</u>	<u>246,403</u>	<u>28,843</u>
Passed through the Oakland County Treasurer							
Unemployment Insurance							
2017-2018 IFA - Unemployment Insurance	17.225	116,881	22,844	4,988	73,895	88,628	19,721
2018-2019 IFA - Unemployment Insurance	17.225	6,827	-	-	6,175	6,827	652
Total Unemployment Insurance		<u>123,708</u>	<u>22,844</u>	<u>4,988</u>	<u>80,070</u>	<u>95,455</u>	<u>20,373</u>
Passed through the Oakland County Treasurer							
2017-2018 TGAAA - Trade Adjustment Assistance	17.245	43,650	23,144	23,144	43,650	20,506	-
2018-2019 TGAAA - Trade Adjustment Assistance		90,400	-	-	-	36,550	36,550
Total Trade Adjustment Assistance		<u>134,050</u>	<u>23,144</u>	<u>23,144</u>	<u>43,650</u>	<u>57,056</u>	<u>36,550</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, 2019

Program Title/Project Number/Subrecipient Name	Federal CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2018	Federal Funds/In-kind (Payments) Received	Expenditures	Accrued Revenue at June 30, 2019
U.S. Department of Labor (continued)							
Passed through the Oakland County Treasurer							
2017-2018 H-1B Job Training Grant Program	17.268	<u>113,275</u>	<u>20,500</u>	<u>10,000</u>	<u>69,775</u>	<u>92,775</u>	<u>33,000</u>
WIOA Cluster							
Passed through the Oakland County Treasurer							
WIOA Adult Program	17.258						
2016-2017 WIOA Adult Program		\$ 431,996	\$ 431,996	\$ 36,304	\$ 36,304	\$ -	\$ -
2017-2018 WIOA Adult Program		450,986	104,607	104,607	450,986	346,379	-
2018-2019 WIOA Adult Program		420,999	-	-	110,924	236,953	126,029
2016-2017 WIOA One Stop Operations - 29.6%		17,632	16,285	-	1,347	1,347	-
2017-2018 WIOA One Stop Operations - 33.3%		10,995	9,773	9,179	9,179	-	-
2018-2019 WIOA One Stop Operations - 31.0%		13,660	-	-	9,419	13,660	4,241
2017-2018 WIOA Admin Cost Pool - 33.3%		12,266	4,692	3,336	10,902	7,566	-
2018-2019 WIOA Admin Cost Pool - 31.0%		9,811	-	-	3,475	5,697	2,222
2016-2017 WIOA Apprenticeship Success Coordinator - 29.6%		9,250	9,250	2,233	2,233	-	-
2017-2018 WIOA Apprenticeship Success Coordinator		6,250	6,250	6,250	6,250	-	-
2018-2019 WIOA Vets Infrastructure Funding - 31.0%		529	-	-	478	529	51
2018-2019 Career Events and Experiences - 31.0%		133	-	-	133	133	-
2018-2019 Employer Engagement - 31.0%		2,953	-	-	1,051	2,953	1,902
2017-2018 Refugee Navigator - 33.3%		28,333	28,333	12,857	12,857	-	-
2018-2019 Refugee Navigator - 31.0%		13,950	-	-	10,544	13,950	3,406
Total WIOA Adult Activities		<u>1,429,743</u>	<u>611,186</u>	<u>174,766</u>	<u>666,082</u>	<u>629,167</u>	<u>137,851</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, 2019

Program Title/Project Number/Subrecipient Name	Federal CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2018	Federal Funds/In-kind (Payments) Received	Expenditures	Accrued Revenue at June 30, 2019
U.S. Department of Labor (continued)							
WIOA Cluster (continued)							
Passed through the Oakland County Treasurer (continued)							
WIOA Youth Activities	17.259						
2016-2017 WIOA Youth Activities		\$ 183,124	\$ 183,124	\$ 30,596	\$ 30,596	\$ -	\$ -
2017-2018 WIOA Youth Activities		245,609	45,503	45,503	205,232	200,106	40,377
2018-2019 WIOA Youth Activities		119,048	-	-	7,450	9,149	1,699
2016-2017 WIOA One Stop Operations - 31.6%		18,823	17,385	-	1,438	1,438	-
2017-2018 WIOA One Stop Operations - 33.3%		10,994	9,772	9,179	9,179	-	-
2018-2019 WIOA One Stop Operations - 34.0%		14,982	-	-	10,331	14,982	4,651
2017-2018 WIOA Admin Cost Pool - 33.3%		12,258	4,692	3,337	10,903	7,566	-
2018-2019 WIOA Admin Cost Pool - 34.0%		10,760	-	-	3,811	6,249	2,438
2016-2017 WIOA Apprenticeship Success Coordinator - 31.6%		9,875	9,875	2,383	2,383	-	-
2018-2019 WIOA Vets Infrastructure Funding - 34.0%		580	-	-	525	580	55
2018-2019 Career Events and Experiences - 34.0%		145	-	-	145	145	-
2018-2019 Employer Engagement - 34.0%		3,239	-	-	1,152	3,239	2,087
2017-2018 Refugee Navigator - 33.3%		28,333	28,333	12,857	12,857	-	-
2018-2019 Refugee Navigator - 34.0%		15,300	-	-	11,564	15,300	3,736
Total WIOA Youth Activities		<u>673,070</u>	<u>298,684</u>	<u>103,855</u>	<u>307,566</u>	<u>258,754</u>	<u>55,043</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, 2019

Program Title/Project Number/Subrecipient Name	Federal CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2018	Federal Funds/In-kind (Payments) Received	Expenditures	Accrued Revenue at June 30, 2019
U.S. Department of Labor (continued)							
WIOA Cluster (continued)							
Passed through the Oakland County Treasurer (continued)							
WIOA Dislocated Worker Formula Grants	17.278						
2016-2017 WIOA Dislocated Worker		\$ 361,021	\$ 361,021	\$ 9,858	\$ 9,858	\$ -	\$ -
2017-2018 WIOA Dislocated Worker		252,125	57,369	57,369	252,125	194,756	-
2018-2019 WIOA Dislocated Worker		193,993	-	-	57,802	104,952	47,150
2016-2017 WIOA One Stop Operations - 38.8%		23,111	21,346	-	1,765	1,765	-
2017-2018 WIOA One Stop Operations - 33.4%		10,995	9,773	9,179	9,179	-	-
2018-2019 WIOA One Stop Operations - 35.0%		15,424	-	-	10,634	15,424	4,790
2017-2018 WIOA Admin Cost Pool - 33.4%		12,281	4,692	3,336	10,925	7,589	-
2018-2019 WIOA Admin Cost Pool - 35.0%		11,076	-	-	3,924	6,433	2,509
2016-2017 WIOA Apprenticeship Success Coordinator - 38.8%		12,124	12,124	2,926	2,926	-	-
2018-2019 WIOA Vets Infrastructure Funding - 35.0%		597	-	-	540	597	57
2018-2019 Career Events and Experiences - 35.0%		149	-	-	149	149	-
2018-2019 Employer Engagement - 35.0%		3,334	-	-	1,186	3,334	2,148
2017-2018 Refugee Navigator - 33.3%		28,334	28,334	12,858	12,858	-	-
2017-2018 Refugee Navigator - 35.0%		15,750	-	-	11,904	15,750	3,846
Total WIOA Dislocated Worker		<u>940,314</u>	<u>494,659</u>	<u>95,526</u>	<u>385,775</u>	<u>350,749</u>	<u>60,500</u>
Total WIOA Cluster		<u>3,043,127</u>	<u>1,404,529</u>	<u>374,147</u>	<u>1,359,423</u>	<u>1,238,670</u>	<u>253,394</u>
Total U.S. Department of Labor		<u>4,133,670</u>	<u>1,617,498</u>	<u>492,194</u>	<u>1,850,393</u>	<u>1,730,359</u>	<u>372,160</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, 2019

Program Title/Project Number/Subrecipient Name	Federal CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2018	Federal Funds/In-kind (Payments) Received	Expenditures	Accrued Revenue at June 30, 2019
U.S. Department of Education							
Passed through the Michigan Department of Education							
Adult Education							
Project number 181120 185247	84.002	\$ 22,375	\$ 22,375	\$ 5,027	\$ 5,027	\$ -	\$ -
Project number 191120 195247		34,465	-	-	34,465	34,465	-
Project number 191130 191247		115,400	-	-	115,400	115,400	-
Total Adult Education		<u>172,240</u>	<u>22,375</u>	<u>5,027</u>	<u>154,892</u>	<u>149,865</u>	<u>-</u>
Passed through the Michigan Department of Education							
Local Educational Agencies - Title I, Part A							
Project number 181530 1718	84.010	598,792	477,538	186,233	259,587	73,354	-
Project number 191530 1819		330,233	-	-	330,233	330,233	-
Total Local Education Agencies - Title I, Part A		<u>929,025</u>	<u>477,538</u>	<u>186,233</u>	<u>589,820</u>	<u>403,587</u>	<u>-</u>
Special Education Cluster							
Passed through the Oakland County ISD							
IDEA Flowthrough							
Project number 180450 1718	84.027A	2,293,973	2,175,012	687,659	803,293	118,961	3,327
Project number 190450 1819		2,449,344	-	-	1,949,391	2,420,219	470,828
Total IDEA Flowthrough		<u>4,743,317</u>	<u>2,175,012</u>	<u>687,659</u>	<u>2,752,684</u>	<u>2,539,180</u>	<u>474,155</u>
Preschool Incentive							
Project number 180460 1718	84.173A	82,482	80,040	28,011	30,453	2,442	-
Project number 190460 1819		91,831	-	-	72,634	91,831	19,197
Total Preschool Incentive		<u>174,313</u>	<u>80,040</u>	<u>28,011</u>	<u>103,087</u>	<u>94,273</u>	<u>19,197</u>
Total Special Education Cluster		<u>4,917,630</u>	<u>2,255,052</u>	<u>715,670</u>	<u>2,855,771</u>	<u>2,633,453</u>	<u>493,352</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, 2019

Program Title/Project Number/Subrecipient Name	Federal CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2018	Federal Funds/In-kind (Payments) Received	Expenditures	Accrued Revenue at June 30, 2019
U.S. Department of Education (continued)							
Passed through the Oakland County Treasurer 2018-2019 IFA - Rehabilitation Services	84.126A	\$ 3,414	\$ -	\$ -	\$ 3,088	\$ 3,414	\$ 326
Passed through the Michigan Department of Education							
English Language Acquisition - Title III	84.365						
Project number 180580 1718		251,721	121,942	37,379	105,129	67,750	-
Project number 190580 1819		274,145	-	-	91,222	121,080	29,858
Total English Language Acquisition - Title III		<u>525,866</u>	<u>121,942</u>	<u>37,379</u>	<u>196,351</u>	<u>188,830</u>	<u>29,858</u>
U.S. Department of Education (continued)							
Passed through the Michigan Department of Education							
Immigrant Students - Title III	84.365						
Project number 180570 1718		167,321	12,329	12,329	116,673	104,344	-
Project number 190570 1819		154,250	-	-	32,824	47,538	14,714
Total Immigrant Students - Title III		<u>321,571</u>	<u>12,329</u>	<u>12,329</u>	<u>149,497</u>	<u>151,882</u>	<u>14,714</u>
Total Title III		<u>847,437</u>	<u>134,271</u>	<u>49,708</u>	<u>345,848</u>	<u>340,712</u>	<u>44,572</u>
Passed through the Michigan Department of Education							
Supporting Effective Instruction - Title II, Part A	84.367						
Project number 180520 1718		257,526	136,870	54,417	92,984	38,567	-
Project number 190520 1819		320,248	-	-	211,182	234,967	23,785
Total Title II Part A		<u>577,774</u>	<u>136,870</u>	<u>54,417</u>	<u>304,166</u>	<u>273,534</u>	<u>23,785</u>
Passed through the Michigan Department of Education							
Student Support & Academic Enrichment - Title IV, Part A	84.424						
Project number 190750 1819		33,044	-	-	20,560	23,007	2,447
Total U.S. Department of Education		<u>7,480,564</u>	<u>3,026,106</u>	<u>1,011,055</u>	<u>4,274,145</u>	<u>3,827,572</u>	<u>564,482</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, 2019

Program Title/Project Number/Subrecipient Name	Federal CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2018	Federal Funds/In-kind (Payments) Received	Expenditures	Accrued Revenue at June 30, 2019
U.S. Department of Health and Human Services							
Temporary Assistance for Needy Families (TANF)							
Passed through Oakland County Treasurer							
Work First (PATH) 2017-2018	93.558	\$ 300,522	\$ 173,753	\$ 92,342	\$ 219,111	\$ 126,769	\$ -
Work First (PATH) 2018-2019		<u>318,807</u>	<u>-</u>	<u>-</u>	<u>164,922</u>	<u>239,076</u>	<u>74,154</u>
Total Temporary Assistance for Needy Families		<u>619,329</u>	<u>173,753</u>	<u>92,342</u>	<u>384,033</u>	<u>365,845</u>	<u>74,154</u>
Medicaid Outreach Program Cluster							
Passed through Oakland County ISD							
Medical Assistance Program 2018-2019	93.778	<u>9,017</u>	<u>-</u>	<u>-</u>	<u>9,017</u>	<u>9,017</u>	<u>-</u>
Total U.S. Department of Health and Human Services		<u>628,346</u>	<u>173,753</u>	<u>92,342</u>	<u>393,050</u>	<u>374,862</u>	<u>74,154</u>
Total federal awards		<u>\$ 14,047,927</u>	<u>\$ 5,574,318</u>	<u>\$ 1,634,796</u>	<u>\$ 7,574,256</u>	<u>\$ 6,981,179</u>	<u>\$ 1,041,719</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, 2019

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, 2019. 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 modified 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	\$ 6,981,179
Immigrant Students - Title III funds not received within 60 days in prior fiscal year	<u>12,329</u>
Federal revenues per the financial statements	<u>\$ 6,993,508</u>

Note 4 - Subrecipients

No amounts were provided to subrecipients.

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.

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, 2019

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)

84.027 & 84.173
 84.367

Name of Federal Program or Cluster

Special Education Cluster
 Title II, Part A - Supporting Effective
 Instruction

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, 2019

Section II - *Government Auditing Standards* Findings

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards* generally accepted in the United States of America for the year ended June 30, 2019.

Section III - Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2019.

Troy School District
Summary Schedule of Prior Audit Findings
June 30, 2019

Section IV - Prior Audit Findings

There were no *Government Auditing Standards* or Federal Awards finding for the year ended June 30, 2018.