Lake Orion Community Schools

Federal Awards Supplemental Information
June 30, 2020
Lake Orion Community Schools

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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
Lake Orion Community Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Orion Community Schools (the "School District") as of and for the year ended June 30, 2020 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 5, 2020, which contained unmodified opinions 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 5, 2020.

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.

October 5, 2020
Independent Auditor's Report

To Management and the Board of Education
Lake Orion Community 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 Lake Orion Community Schools (the "School District") as of and for the year ended June 30, 2020 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 5, 2020.

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. 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 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.
To Management and the Board of Education
Lake Orion Community 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.

October 5, 2020

[Signature]
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
Lake Orion Community Schools

Report on Compliance for Each Major Federal Program

We have audited Lake Orion Community 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, 2020. 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 its major federal program for the year ended June 30, 2020.

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.
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.

October 5, 2020
### Schedule of Expenditures of Federal Awards

**Year Ended June 30, 2020**

#### Clusters:

**Child Nutrition Cluster - U.S. Department of Agriculture -**
Passed through the Michigan Department of Education:

- **Noncash Assistance (Commodities) -**
  - National Lunch Program Bonus Commodities 2019-2020
    - N/A 10.555 $103,038 $ - $ - $ - $103,038 $103,038 $ - $ - $ -

- **Cash Assistance:**
  - National School Lunch Program 2018-2019
    - 191960 10.555 648,150 648,150 31,686 - - 460,315 460,315 - -
  - National School Lunch Program 2019-2020
    - 201960 10.555 460,315 - - - - - - - -
  - COVID-19 - Unanticipated School Closures Program 2019-2020
    - 200902 10.555 277,119 - - - - - - - -

- Total National School Lunch Program (incl. commodities) and COVID-19 - Unanticipated School Closures Program subtotal
  - 10.555 1,488,622 648,150 31,686 - 872,158 840,472 - - -

- National School Breakfast Program 2018-2019
  - 191970 10.553 129,333 129,333 7,098 - 7,098 - - -

- National School Breakfast Program 2019-2020
  - 201970 10.553 92,594 - - - 92,594 - - -

- Total National School Breakfast Program subtotal
  - 221,927 221,927 7,098 - 92,594 92,594 - - -

- Total Child Nutrition Cluster
  - 1,710,549 777,483 38,784 - 971,850 933,066 - - -

**Special Education Cluster - U.S. Department of Education -**
Passed through the Oakland ISD:

- **IDEA Flowthrough:**
  - IDEA Flowthrough 1819
    - 190450 84.027 1,554,913 1,476,188 336,046 - 387,389 78,725 27,382 -
  - IDEA Flowthrough 1920
    - 200450 84.027 1,531,774 - - - 1,087,455 1,511,259 423,804 -

- Total IDEA Flowthrough
  - 84.027 3,086,687 1,476,188 336,046 - 1,474,844 1,589,984 451,186 -

- **IDEA Preschool Incentive:**
  - IDEA Preschool 1819
    - 190460 84.173 56,935 56,935 16,283 - 16,283 - - -
  - IDEA Preschool 1920
    - 200460 84.173 55,370 - - - 48,689 55,370 6,681 -

- Total IDEA Preschool Incentive
  - 84.173 112,305 56,935 16,283 - 64,972 55,370 6,681 -

- **Total Special Education Cluster**
  - 3,198,992 1,533,123 362,329 - 1,539,816 1,645,354 457,867 -

**Medicaid Cluster - U.S. Department of Health and Human Services - Medicaid Administrative Outreach Program - 2019**

- 2019AOP 93.778 28,435 - - - 28,435 28,435 - -

- Total clusters
  - 4,937,976 2,310,606 391,113 - 2,540,101 2,606,855 457,867 -

---

See notes to schedule of expenditures of federal awards.
## Other federal awards:

### Title I, Part A - U.S. Department of Education -
Passed through the Michigan Department of Education:

<table>
<thead>
<tr>
<th>Program Title</th>
<th>Pass-through Entity</th>
<th>CFDA Number</th>
<th>Award Amount</th>
<th>Prior Year Expenditures</th>
<th>Revenue at July 1, 2019</th>
<th>Adjustments and Transfers</th>
<th>Federal Funds/Payments In-kind Received</th>
<th>Federal Expenditures</th>
<th>Revenue at June 30, 2020</th>
<th>Current Year Cash Transferred to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title I, Part A 1819</td>
<td>191530 84.010</td>
<td>$224,877</td>
<td>$224,877</td>
<td>$24,416</td>
<td>-</td>
<td>$24,416</td>
<td>-</td>
<td>$24,416</td>
<td>198,544</td>
<td>198,544</td>
</tr>
<tr>
<td>Title I, Part A 1920</td>
<td>201530 84.010</td>
<td>212,022</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>198,544</td>
<td>198,544</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Title I, Part A</strong></td>
<td></td>
<td>436,899</td>
<td>224,877</td>
<td>24,416</td>
<td>-</td>
<td>222,360</td>
<td>198,544</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

### Improving Teacher Quality, Title II - Part A - U.S. Department of Education -
Passed through the Michigan Department of Education:

<table>
<thead>
<tr>
<th>Program Title</th>
<th>Pass-through Entity</th>
<th>CFDA Number</th>
<th>Award Amount</th>
<th>Prior Year Expenditures</th>
<th>Revenue at July 1, 2019</th>
<th>Adjustments and Transfers</th>
<th>Federal Funds/Payments In-kind Received</th>
<th>Federal Expenditures</th>
<th>Revenue at June 30, 2020</th>
<th>Current Year Cash Transferred to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title II, Part A 1819</td>
<td>190520 84.367</td>
<td>164,137</td>
<td>164,137</td>
<td>34,074</td>
<td>-</td>
<td>34,074</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Title II, Part A 1920</td>
<td>200520 84.367</td>
<td>124,979</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>102,655</td>
<td>123,414</td>
<td>20,759</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Title II, Part A</strong></td>
<td></td>
<td>289,116</td>
<td>164,137</td>
<td>34,074</td>
<td>-</td>
<td>136,729</td>
<td>123,414</td>
<td>20,759</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

### English Language Acquisition Grant - U.S. Department of Education -
Passed through Washtenaw Intermediate School District:

<table>
<thead>
<tr>
<th>Program Title</th>
<th>Pass-through Entity</th>
<th>CFDA Number</th>
<th>Award Amount</th>
<th>Prior Year Expenditures</th>
<th>Revenue at July 1, 2019</th>
<th>Adjustments and Transfers</th>
<th>Federal Funds/Payments In-kind Received</th>
<th>Federal Expenditures</th>
<th>Revenue at June 30, 2020</th>
<th>Current Year Cash Transferred to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title III 1819</td>
<td>190580 84.365</td>
<td>23,522</td>
<td>18,623</td>
<td>3,463</td>
<td>-</td>
<td>8,362</td>
<td>4,899</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Title III 1920</td>
<td>200580 84.365</td>
<td>57,234</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19,838</td>
<td>19,838</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Title III</strong></td>
<td></td>
<td>80,756</td>
<td>18,623</td>
<td>3,463</td>
<td>-</td>
<td>28,200</td>
<td>24,737</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

### Student Support and Academic Enrichment Program - U.S. Department of Education -
Passed through the Michigan Department of Education:

<table>
<thead>
<tr>
<th>Program Title</th>
<th>Pass-through Entity</th>
<th>CFDA Number</th>
<th>Award Amount</th>
<th>Prior Year Expenditures</th>
<th>Revenue at July 1, 2019</th>
<th>Adjustments and Transfers</th>
<th>Federal Funds/Payments In-kind Received</th>
<th>Federal Expenditures</th>
<th>Revenue at June 30, 2020</th>
<th>Current Year Cash Transferred to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title IV 1819</td>
<td>190750 84.424</td>
<td>28,702</td>
<td>28,702</td>
<td>8,584</td>
<td>-</td>
<td>8,584</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Title IV 1920</td>
<td>200750 84.424</td>
<td>15,734</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,627</td>
<td>14,627</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Title IV</strong></td>
<td></td>
<td>44,436</td>
<td>28,702</td>
<td>8,584</td>
<td>-</td>
<td>23,211</td>
<td>14,627</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

### Total U.S. Department of Education noncluster programs

<table>
<thead>
<tr>
<th>Program Title</th>
<th>Award Amount</th>
<th>Prior Year Expenditures</th>
<th>Revenue at July 1, 2019</th>
<th>Adjustments and Transfers</th>
<th>Federal Funds/Payments In-kind Received</th>
<th>Federal Expenditures</th>
<th>Revenue at June 30, 2020</th>
<th>Current Year Cash Transferred to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Title I, Part A</strong></td>
<td>$224,877</td>
<td>$224,877</td>
<td>$24,416</td>
<td>-</td>
<td>$24,416</td>
<td>-</td>
<td>$24,416</td>
<td>198,544</td>
</tr>
<tr>
<td><strong>Total Title II, Part A</strong></td>
<td>$164,137</td>
<td>$164,137</td>
<td>$34,074</td>
<td>-</td>
<td>$34,074</td>
<td>-</td>
<td>$34,074</td>
<td>123,414</td>
</tr>
<tr>
<td><strong>Total Title III</strong></td>
<td>$23,522</td>
<td>$18,623</td>
<td>$3,463</td>
<td>-</td>
<td>$8,362</td>
<td>-</td>
<td>$8,362</td>
<td>19,838</td>
</tr>
<tr>
<td><strong>Total Title IV</strong></td>
<td>$28,702</td>
<td>$28,702</td>
<td>$8,584</td>
<td>-</td>
<td>$8,584</td>
<td>-</td>
<td>$8,584</td>
<td>14,627</td>
</tr>
<tr>
<td><strong>Total U.S. Department of Education noncluster programs</strong></td>
<td>$851,207</td>
<td>$436,339</td>
<td>$70,537</td>
<td>-</td>
<td>$411,100</td>
<td>361,322</td>
<td>20,759</td>
<td>-</td>
</tr>
</tbody>
</table>

### Total federal awards

<table>
<thead>
<tr>
<th>Program Title</th>
<th>Award Amount</th>
<th>Prior Year Expenditures</th>
<th>Revenue at July 1, 2019</th>
<th>Adjustments and Transfers</th>
<th>Federal Funds/Payments In-kind Received</th>
<th>Federal Expenditures</th>
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<th>Current Year Cash Transferred to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Title I, Part A</strong></td>
<td>$224,877</td>
<td>$224,877</td>
<td>$24,416</td>
<td>-</td>
<td>$24,416</td>
<td>-</td>
<td>$24,416</td>
<td>198,544</td>
</tr>
<tr>
<td><strong>Total Title II, Part A</strong></td>
<td>$164,137</td>
<td>$164,137</td>
<td>$34,074</td>
<td>-</td>
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<td><strong>Total Title III</strong></td>
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<td>$3,463</td>
<td>-</td>
<td>$8,362</td>
<td>-</td>
<td>$8,362</td>
<td>19,838</td>
</tr>
<tr>
<td><strong>Total Title IV</strong></td>
<td>$28,702</td>
<td>$28,702</td>
<td>$8,584</td>
<td>-</td>
<td>$8,584</td>
<td>-</td>
<td>$8,584</td>
<td>14,627</td>
</tr>
<tr>
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<td>$436,339</td>
<td>$70,537</td>
<td>-</td>
<td>$411,100</td>
<td>361,322</td>
<td>20,759</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total federal awards**: $6,981,767 $3,023,161 $737,866 $ - $3,828,405 $3,606,390 $515,851 $ -
Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Lake Orion Community Schools (the "School District") under programs of the federal government for the year ended June 30, 2020. 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 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. 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.
Lake Orion Community Schools

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

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? _____ Yes  X 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:

<table>
<thead>
<tr>
<th>CFDA Number</th>
<th>Name of Federal Program or Cluster</th>
<th>Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.555, 10.553</td>
<td>Child Nutrition Cluster</td>
<td>Unmodified</td>
</tr>
</tbody>
</table>

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

Auditee qualified as low-risk auditee? X Yes  ____ No

Section II - Financial Statement Audit Findings

Finding

None

Section III - Federal Program Audit Findings

Finding

None