

**BLISSFIELD COMMUNITY SCHOOLS**  
**ADDITIONAL REPORTS REQUIRED BY**  
**OMB CIRCULAR A-133**  
**YEAR ENDED JUNE 30, 2011**

BLISSFIELD COMMUNITY SCHOOLS

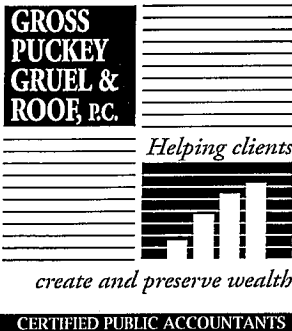
Blissfield, Michigan

REPORT OF FEDERAL PROGRAMS

Year Ended June 30, 2011

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ADRIAN, MICHIGAN  
JACKSON, MICHIGAN

**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**

To the Board of Education  
Blissfield Community Schools  
Blissfield, Michigan 49228

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Blissfield Community Schools as of and for the year ended June 30, 2011, which collectively comprise the Blissfield Community School's basic financial statements and have issued our report thereon dated October 10, 2011. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Blissfield Community Schools' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Blissfield Community School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Blissfield Community School'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 the 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.

## Compliance and Other Matters

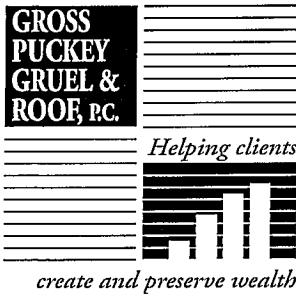
As part of obtaining reasonable assurance about whether Blissfield Community Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 noted certain matters that we reported to management of Blissfield Community Schools in a separate letter dated October 10, 2011.

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

*Gross, Peckey, Hill & Roof, P.C.*

Adrian, Michigan  
October 10, 2011



CERTIFIED PUBLIC ACCOUNTANTS

ADRIAN, MICHIGAN  
JACKSON, MICHIGAN

**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 AUDITORS' REPORT**

To the Board of Education  
Blissfield Community Schools  
Blissfield, Michigan 49228

Compliance

We have audited the Blissfield Community Schools' compliance 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 Blissfield Community Schools' major federal programs for the year ended June 30, 2011. Blissfield Community Schools' major federal programs are identified in the summary of auditors' 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 Blissfield Community Schools' management. Our responsibility is to express an opinion on Blissfield Community 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 Blissfield Community 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 of Blissfield Community Schools' compliance with those requirements.

In our opinion, Blissfield Community 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, 2011.

### Internal Control Over Compliance

Management of Blissfield Community Schools is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Blissfield Community 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 Blissfield Community Schools' 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.

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.

### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Blissfield Community Schools, as of and for the year ended June 30, 2011, and have issued our report thereon dated October 10, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Blissfield Community School's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the Audit Committee, Board of Education, management and 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.

*Yost, Puckey, Huel & Roof, P.C.*

Adrian, Michigan  
October 10, 2011

BLISSFIELD COMMUNITY SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For Fiscal Year Ended June 30, 2011

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA number	Pass- through grantor's number	Award amount	Accrued (deferred) revenue 6/30/09	(Memo only) Prior years expenditures	Current year expenditures	Current year receipts	Adjustments	Accrued (deferred) revenue 6/30/10
<b>U. S. Department of Agriculture:</b>									
Passed through MI Department of Education:									
Child Nutrition Cluster									
Non-cash assistance (commodities):									
	10.555		\$ 45,782	\$ -	\$ -	\$ 45,782	\$ 45,782	\$ -	\$ -
National School Lunch Program - Regular			321	-	-	321	321	-	-
National School Lunch Program - Bonus			46,103	-	-	46,103	46,103	-	-
Cash assistance:									
School Breakfast Program	10.553	101970	39,651	-	35,079	4,572	4,572	-	-
		111970	39,609	-	-	39,609	39,609	-	-
			79,260	-	35,079	44,181	44,181	-	-
National School Lunch	10.555	101950	30,420	-	27,237	3,183	3,183	-	-
		101960	144,276	-	128,473	15,803	15,803	-	-
		111950	26,756	-	-	26,756	26,756	-	-
		111960	127,892	-	-	127,892	127,892	-	-
			329,344	-	155,710	173,634	173,634	-	-
Summer Feeding Program	10.559	100900	16,241	419	10,163	7,050	7,469	-	-
		101900	1,134	44	-	742	786	-	-
			17,375	463	10,163	7,792	8,255	-	-
Total cash assistance			425,979	463	200,952	225,607	226,070	-	-
Total Child Nutrition Cluster			472,082	463	200,952	271,710	272,173	-	-
Total U.S. Department of Agriculture			472,082	463	200,952	271,710	272,173	-	-

The accompanying notes are an integral part of this schedule.



BLISSFIELD COMMUNITY SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For Fiscal Year Ended June 30, 2011

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA number	Pass- through grantor's number	Award amount	Accrued (deferred) revenue 6/30/09	(Memo only) Prior years expenditures	Current year expenditures	Current year receipts	Adjustments	Accrued (deferred) revenue 6/30/10
<b>US Environmental Protection Agency:</b> Passed through Lenawee ISD: ARRA Clean Diesel	66.039	2A-00E86001	\$ 273,369	\$ -	\$ 179,159	\$ 99,174	\$ 99,174	\$ -	\$ -
<b>US Department of Health and Human Services:</b> Passed through Lenawee ISD: Medicaid Outreach	93.780		16,919	-	-	16,919	16,919	-	-
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<u>\$ 2,048,830</u>	<u>\$ 295,100</u>	<u>\$ 528,758</u>	<u>\$ 1,064,988</u>	<u>\$ 1,360,003</u>	<u>\$ (85)</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

BLISSFIELD COMMUNITY SCHOOLS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2011

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Blissfield Community Schools and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133, and reconciled with the amounts presented in the preparation of the financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. ARRA Educational Stabilization Fund (CFDA #84.394); Title I Cluster (CFDA #84.010 & CFDA #84.389); and, ARRA – IDEA Flowthrough, (CFDA # 84.391) were audited as major programs representing 41% of federal expenditures.
2. The threshold for distinguishing Type A and Type B programs was \$300,000.
3. Federal expenditures are reported as revenue in the following funds in the financial statements:

General Fund	\$ 793,193
Other nonmajor governmental funds	<u>271,710</u>
	1,064,903
Adjustment (Title I, Part C) to prior year receivable	<u>85</u>
Total expenditures per SEFA	<u>\$ 1,064,988</u>

4. Management has utilized the Grants Auditors Report in preparing the Schedule of Expenditures of Federal Awards.

**BLISSFIELD COMMUNITY SCHOOLS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2011

**Section I - Summary of Auditors' Results**

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**Financial Statements**

Type of auditors' 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   No

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   No

Type of auditors' 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? \_\_\_\_\_ Yes      X   No

Identification of major programs:

Name of Federal Program Cluster	CFDA Number(s)
ARRA Educational Stabilization Fund	84.394
Title I Cluster	84.010 & 84.389
ARRA - IDEA Flowthrough	84.391

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

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

**BLISSFIELD COMMUNITY SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2011**

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**Section II - Financial Statement Findings**

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None

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**Section III - Federal Award Findings and Questioned Costs**

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None

**BLISSFIELD COMMUNITY SCHOOLS**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For The Year Ended June 30, 2011**

There were no findings in the prior year.