

FINANCIAL STATEMENT FINDINGS

| Finding | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Financial Statement Preparation (SAS 112) | 145 | 168 | | | | |
| Segregation of Duties | 122 | 103 | 48 | 37 | 40 | 40 |
| Adjusting Entries Required | 42 | 11 | | 2 | 12 | 9 |
| Budget: PA 621 Violations | 33 | 37 | 22 | 19 | 10 | 7 |
| Cash management: Internal Controls | 21 | 19 | 8 | 9 | 9 | 3 |
| General Ledger Reconciliation & Review | 21 | 22 | 13 | 16 | | |
| Bank Reconciliations | 19 | 22 | 9 | 18 | 16 | 14 |
| Asset Capitalization Policy/Procedures | 16 | 28 | 2 | 2 | 1 | 17 |
| Revenue Controls/Recognition | 16 | | | | | |
| Student Activity Fund Procedures | 14 | 6 | 1 | 8 | 3 | 1 |
| Journal Entry procedures | 13 | | 1 | | | |
| Payroll Procedures | 13 | 15 | 12 | 11 | 5 | 14 |
| Budget Deficit | 12 | 4 | 5 | 9 | 6 | 3 |
| Expenditure Documentation | 11 | 17 | 1 | | 1 | 6 |
| Fringe Benefit Allocation/Accruals | 9 | 3 | | | | 2 |
| Accounts Payable Controls | 7 | | | | | |
| Bidding | 6 | 13 | 1 | | | 2 |
| Liabilities Reporting | 5 | 4 | | 4 | | |
| Year End Closing Procedures | 5 | | | | | |
| Budgets: Funds | 4 | | | | | |
| Construction in Process Reporting | 4 | | | | | |
| Fraud Reporting Procedures | 4 | 6 | 1 | | | |
| Information Technology Controls | 4 | | | | | |
| Internal Service Funds | 4 | | | | | |
| Inventory | 4 | 2 | | | | |
| Third Party Pay Procedures/Policies | 4 | | | | | |
| Time Certification | 4 | | | | | |
| Budget Posting to web | 3 | | | | | |
| Cash management: Federal | 3 | 4 | | 5 | | |
| Defeased Debt Recording | 3 | | | | | |
| Depreciation Recording | 3 | | | | | |
| Pupil Accounting | 3 | 2 | | | 1 | 2 |
| Purchase Order documentation & approval | 3 | 10 | 6 | 3 | | |
| Accuracy in Reporting | 2 | 8 | | | | |
| Capital Lease Procedures | 2 | | | | | |
| Credit Card Policies | 2 | | | | | |
| Financial Reporting | 2 | 18 | | | | |
| Food Service Policies | 2 | | | | | |
| Grant Policies/Procedures | 2 | 10 | | | | |
| Property Tax Reconciliation | 2 | | | | | |
| Sinking Fund Policies | 2 | | | | | |
| Board Approval of Expenditures | 1 | 2 | 1 | | | |
| Deferred Revenue | 1 | 5 | | | | |
| EIN - unauthorized use | 1 | 3 | | 1 | | |
| Inter-fund borrowing/merging of funds | 1 | 3 | | 1 | | 5 |
| Internal Audit (Lack of) | 1 | 1 | | | | |
| Investment Policies | 1 | 2 | 2 | 1 | | 1 |
| Lease Review | 1 | 36 | 1 | | | |

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| Legal Case Reserve Analysis | 1 | | 1 | |
| Management Company Agreements | 1 | 4 | | |
| Monitoring Controls | 1 | | | |
| Policy manual | 1 | 1 | | |
| Supplemental Education Services | 1 | | | |
| Audit Submission to MDE after due date | | 3 | 1 | 8 |
| Total | 608 | | | |

**MICHIGAN DEPARTMENT OF EDUCATION
SINGLE AUDIT PROGRAM FINDINGS**

| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|------|------|------|------|------|------|
| 21st Century Community Learning - 84.287 | | | | | | |
| Allowable Costs | 1 | | 1 | | | |
| Cash Management - 3 Day Cash Needs | 1 | 1 | 1 | | | |
| Fringe Benefits | 1 | | | | | |
| Grant Reporting | 1 | | | | | |
| Non-Public School Participation | 1 | 2 | | | | |
| Payroll Documentation | 1 | | | | | |
| School-wide Plan | 1 | 1 | | | | |
| Suspension & Debarment | 1 | | | | | |
| Time Certification | 3 | | 1 | 1 | | |
| Vouchers | 1 | | | | | |
| Total | 12 | | | | | |
| Safe and Drug Free Schools - 84.186 | | | | | | |
| Equipment Purchasing | 1 | | | | | |
| Total | 1 | | | | | |
| Charter School Grant - 84.282 | | | | | | |
| Inventory | 2 | | | | | |
| Total | 2 | | | | | |
| Reading First - 84.357 | | | | | | |
| Cash Management - 3 Day Cash Needs | 1 | | 1 | | | |
| Contract Procurement | 1 | | 1 | | | |
| Expenditure Approval | 2 | | | | | |
| Fringe Benefits | 1 | | | | | |
| Payroll Documentation | 1 | | | | | |
| Reporting Accuracy | 1 | | 1 | | | |
| Segregation of Duties | 1 | | | | | |
| Suspension & Debarment | 1 | | | | | |
| Time Certification | 2 | | | | | |
| Total | 11 | | | | | |
| Child Nutrition - 10.550,10.553,10.555 | | | | | | |
| Application Errors | 2 | 4 | | 4 | | |
| Bidding | 1 | 1 | | | | 2 |
| Cash Management - 3 Day Cash Needs | 1 | | | | | |

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|--|-----------|----|----|----|----|----|
| Daily Sales Reports - Documentation | 2 | 4 | 2 | | | |
| Direct Certification | 1 | | | | | |
| Eligibility | 17 | 20 | 10 | 22 | 22 | 12 |
| FSMC performing unallowable activities | 1 | 2 | 1 | 2 | 1 | 1 |
| Income Verification | 7 | 8 | 1 | 1 | 2 | 8 |
| Incomplete Production Records | 2 | 1 | 3 | 2 | 2 | 2 |
| On-site Review | 4 | 3 | 5 | 2 | | 4 |
| Record Keeping | 1 | | | | | |
| Reporting Accuracy | 2 | 7 | 2 | 1 | | |
| Total | 41 | | | | | |
| Title I - 84.010 | | | | | | |
| Allowable Costs | 5 | 6 | | | | |
| Asset Inventory | 5 | | | | | |
| Bidding | 3 | 1 | 1 | | | |
| Budget | 5 | | | | 4 | 2 |
| Cash Management - 3 Day Cash Needs | 13 | 2 | 7 | 3 | 2 | 8 |
| Contract Procurement | 1 | | 1 | | | |
| Eligibility | 3 | | 1 | 1 | 4 | 1 |
| Expenditure Approval | 5 | 1 | | | | |
| Expenditure Reports (submitted vs. actual) | 2 | 4 | 8 | | | |
| Grant Reporting | 1 | | | | | |
| Highly Qualified Teachers | 4 | 3 | 1 | 2 | 1 | |
| Indirect Costs | 1 | | | | 1 | |
| Invoice Detail | 1 | | | | | |
| Level of Effort | 1 | | | | | |
| Non-Public School Participation | 3 | 5 | 3 | 5 | | |
| Parental Involvement | 4 | 3 | 6 | 4 | 5 | 1 |
| Payroll Documentation | 3 | | | | | |
| Period of Availability | 1 | 1 | | | | |
| Professional Development | 3 | | | | | |
| Ranking | 2 | | | | | |
| Reporting Accuracy | 1 | 2 | | | | |
| Review Process | 1 | | | | | |
| School-wide Plan | 6 | 2 | 3 | 1 | 4 | |
| Segregation of Duties | 1 | 1 | 1 | | | |
| SES Provider | 1 | | | | | |
| Suspension & Debarment | 1 | | | | | |

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|---|------------|----|----|----|----|----|
| Time Certification | 33 | 20 | 29 | 22 | 38 | 51 |
| Vouchers | 1 | | | | | |
| Total | 111 | | | | | |
| Title IIA - 84.367 | | | | | | |
| Allowable Costs | 3 | | | | 2 | 1 |
| Bidding | 1 | | | | | |
| Cash Management - 3 Day Cash Needs | 6 | 4 | 2 | 1 | 1 | |
| Final Expenditure Report | 1 | | 2 | | | |
| Fringe Benefits | 1 | | | | | |
| Indirect Costs | 1 | | | | | |
| Level of Effort | 1 | | | | | |
| Non-Public School Participation | 1 | | | | 1 | 1 |
| Payroll Documentation | 2 | | | | | |
| Period of Availability | 1 | | | | 1 | |
| Professional Development | 1 | 1 | 1 | | | |
| School-wide Plan | 3 | | | | | |
| Suspension & Debarment | 1 | | | | | |
| Time Certification | 1 | 1 | | 1 | 12 | 19 |
| Total | 24 | | | | | |
| Title III - 84.365 | | | | | | |
| Cash Management - 3 Day Cash Needs | 1 | 1 | | | | |
| Total | 1 | | | | | |
| Special Education - 84.027, 84.173 | | | | | | |
| Allowable Costs | 1 | | 2 | 1 | 2 | 3 |
| Bidding | 1 | | | | | |
| Cash Management - 3 Day Cash Needs | 1 | 2 | | | | |
| Contract Procurement | 1 | | 1 | | | |
| Final Expenditure Report | 1 | | 2 | | | |
| Fringe Benefits | 1 | | | | | |
| Inventory | 1 | | | | | |
| Maintenance of Effort | 2 | | | | 2 | 2 |
| Payroll Documentation | 2 | | | | 1 | 1 |
| Proportionate Share | 3 | | | | | |
| Suspension & Debarment | 1 | | | | | |
| Total | 15 | | | | | |
| Title V - 84.298 | | | | | | |
| Transferability | 1 | | | | | |

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|--------------------------------------|------------|-----|-----|-----|-----|-----|
| Vouchers | 1 | | | | | |
| Total | 2 | | | | | |
| Vocational Education - 84.048 | | | | | | |
| School-wide Plan | 1 | | 1 | | | |
| Suspension & Debarment | 1 | | | | | |
| Total | 2 | | | | | |
| Impact Aid - 84.041 | | | | | | |
| Time Certification | 1 | | | | | |
| Total | 1 | | | | | |
| Migrant Education - 84.011 | | | | | | |
| Documentation | 1 | | | | | |
| Total | 1 | | | | | |
| Character Education - 84.215 | | | | | | |
| Allowable Costs | 1 | | | | | |
| Budget | 1 | | | | | |
| Total | 2 | | | | | |
| Total Findings | 226 | 214 | 173 | 126 | 165 | 196 |