

---

# Chippewa Valley Schools

---

**Federal Awards Supplemental Information**  
**June 30, 2024**

### **Independent Auditor's Reports**

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance 1

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* 2-3

Report on Compliance for Each Major Federal Program and Report on Internal Control Over  
Compliance Required by the Uniform Guidance 4-6

**Schedule of Expenditures of Federal Awards** 7-9

**Reconciliation of Basic Financial Statements Federal Revenue with Schedule of  
Expenditures of Federal Awards** 10

**Notes to Schedule of Expenditures of Federal Awards** 11

**Schedule of Findings and Questioned Costs** 12-15



**Plante & Moran, PLLC**  
 Suite 300  
 2601 Cambridge Court  
 Auburn Hills, MI 48326  
 Tel: 248.375.7100  
 Fax: 248.375.7101  
 plantemoran.com

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

**Independent Auditor's Report**

To the Board of Education  
 Chippewa Valley Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chippewa Valley Schools (the "School District") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated September 23, 2024, which contained an unmodified opinion 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 September 23, 2024.

The accompanying schedule of expenditures of federal awards and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis, as required by the Uniform Guidance, and are 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 basic 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 and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

*Plante & Moran, PLLC*

September 23, 2024

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 Auditor's Report**

To Management and the Board of Education  
Chippewa Valley 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 basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chippewa Valley Schools (the "School District") as of and for the year ended June 30, 2024 and the related notes to the basic financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 23, 2024.

**Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

**Report on 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 financial statements. 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  
Chippewa Valley 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 School District'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.

*Plante & Moran, PLLC*

September 23, 2024



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  
Chippewa Valley Schools

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Chippewa Valley Schools' (the "School District") compliance with the types of compliance requirements identified as subject to audit 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, 2024. 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.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal program.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matter***

The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the Uniform Guidance, which is described in the accompanying schedule of findings and questioned costs as Finding 2024-001. Our opinion on the major program federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the School District's response to the noncompliance finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

To the Board of Education  
Chippewa Valley Schools

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2024-001 to be a material weakness.

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 of those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the School District's response to the internal control over compliance finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

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.

*Plante & Moran, PLLC*

September 23, 2024



Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2023	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2024	Current Year Cash Transferred to Subrecipients
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:										
Noncash Assistance (Commodities) - National Lunch Program Entitlement Commodities 2023-2024										
	N/A	10.555	\$ 359,402	\$ -	\$ -	\$ -	\$ 359,402	\$ 359,402	\$ -	\$ -
Cash Assistance:										
National School Lunch Program	231960	10.555	2,872,681	2,530,206	-	-	342,475	342,475	-	-
National School Lunch Program	241960	10.555	2,701,984	-	-	-	2,612,942	2,701,984	89,042	-
Supply Chain Assistance 2023	220910	10.555	405,285	178,174	(227,111)	-	-	227,111	-	-
Supply Chain Assistance 2024	230910	10.555	365,197	-	-	-	365,197	365,197	-	-
Total National School Lunch program (incl. commodities)			6,704,549	2,708,380	(227,111)	-	3,680,016	3,996,169	89,042	-
School Breakfast Program 2022-2023	231970	10.553	662,421	532,951	-	-	129,470	129,470	-	-
School Breakfast Program 2023-2024	241970	10.553	1,131,918	-	-	-	1,090,609	1,131,918	41,309	-
School Breakfast Program subtotal			1,794,339	532,951	-	-	1,220,079	1,261,388	41,309	-
Total Child Nutrition Cluster			8,498,888	3,241,331	(227,111)	-	4,900,095	5,257,557	130,351	-
Special Education Cluster - U.S. Department of Education - Passed through the Macomb ISD:										
IDEA Flowthrough:										
IDEA Flowthrough 2023	230450	84.027	3,192,433	3,192,433	876,637	-	876,637	-	-	-
IDEA Flowthrough 2024	240450	84.027	4,045,115	-	-	-	2,806,776	4,045,115	1,238,339	-
IDEA Flowthrough subtotal			7,237,548	3,192,433	876,637	-	3,683,413	4,045,115	1,238,339	-
IDEA Preschool Incentive:										
IDEA Preschool 2023	230460	84.173	124,779	124,779	35,025	-	35,025	-	-	-
IDEA Preschool 2024	240460	84.173	143,349	-	-	-	100,935	143,349	42,414	-
IDEA Preschool Incentive subtotal			268,128	124,779	35,025	-	135,960	143,349	42,414	-
Total Special Education Cluster			7,505,676	3,317,212	911,662	-	3,819,373	4,188,464	1,280,753	-
Total Clusters			16,004,564	6,558,543	684,551	-	8,719,468	9,446,021	1,411,104	-

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2024

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2023	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2024	Current Year Cash Transferred to Subrecipients
Other federal awards:										
U.S. Department of Agriculture - Passed through the Michigan Department of Education - Local Food for Schools 2024	230985	10.185	\$ 20,133	\$ -	\$ -	\$ -	\$ 20,133	\$ 20,133	\$ -	\$ -
Title I, Part A - U.S. Department of Education - Passed through the Michigan Department of Education:										
Title I, Part A 2223	231530	84.010	1,700,167	1,409,132	327,943	-	327,943	-	-	-
Title I, Part A 2324	241530	84.010	<u>2,066,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,528,433</u>	<u>1,888,470</u>	<u>360,037</u>	<u>-</u>
Total Title I, Part A			3,766,961	1,409,132	327,943	-	1,856,376	1,888,470	360,037	-
Improving Teacher Quality, Title II, Part A - U.S. Department of Education - Passed through the Michigan Department of Education:										
Title II, Part A 2223	230520	84.367A	585,893	436,497	71,397	-	71,397	-	-	-
Title II, Part A 2324	240520	84.367A	<u>493,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,175</u>	<u>290,019</u>	<u>77,844</u>	<u>-</u>
Total Title II, Part A			1,079,165	436,497	71,397	-	283,572	290,019	77,844	-
English Language Acquisition Grant - U.S. Department of Education - Passed through the Michigan Department of Education:										
Title III 2223	230580	84.365A	221,472	63,828	20,399	-	20,399	-	-	-
Title III 2324	240580	84.365A	<u>251,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,668</u>	<u>90,179</u>	<u>47,511</u>	<u>-</u>
Total Title III			473,130	63,828	20,399	-	63,067	90,179	47,511	-
Language Instruction for Immigrant Students - U.S. Department of Education - Passed through the Michigan Department of Education - Title III 2324										
	240570	84.365A	36,223	-	-	-	18,500	26,250	7,750	-
Student Support & Academic Enrichment, Title IV, Part A - U.S. Department of Education - Passed through the Michigan Department of Education:										
Title IV, Part A 2223	230750	84.424	159,420	32,730	4,098	-	4,098	-	-	-
Title IV, Part A 2324	240750	84.424	<u>198,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,942</u>	<u>34,362</u>	<u>5,420</u>	<u>-</u>
Total Title IV, Part A			358,163	32,730	4,098	-	33,040	34,362	5,420	-
Adult Education - State Administered - U.S. Department of Education - Passed through the Michigan Department of Education:										
Adult Education 2223	231130 231703	84.002A	87,123	74,452	11,450	-	11,450	-	-	-
Adult Education 2324	241130 241703	84.002A	<u>89,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,605</u>	<u>78,026</u>	<u>15,421</u>	<u>-</u>
Total Adult Education - State Administered			176,343	74,452	11,450	-	74,055	78,026	15,421	-
Education Stabilization Fund (ESF):										
COVID-19 ESSER II 98c Learning Loss	213782-2223	84.425D	761,377	761,377	302,006	-	302,006	-	-	-
COVID-19 ARP ESSER III Equalization Section 11t	213723-2122	84.425U	6,397,962	5,706,815	35,443	-	501,918	508,492	42,017	-
COVID-19 ARP Elementary and Sec School Emergency Relief Fund	211012-2122	84.425W	<u>56,893</u>	<u>28,544</u>	<u>12,768</u>	<u>-</u>	<u>41,117</u>	<u>28,349</u>	<u>-</u>	<u>-</u>
Total ESF passed through the Michigan Department of Education			7,216,232	6,496,736	350,217	-	845,041	536,841	42,017	-

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2024

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2023	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2024	Current Year Cash Transferred to Subrecipients
Other federal awards (continued):										
Passed through the Department of Labor and Economic Opportunity, Workforce Development - Workforce Development - COVID-19 Futures 4 Frontliners - GEER										
		84.425C	<u>50,000</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>	<u>-</u>	<u>-</u>
Total Education Stabilization Fund			<u>7,266,232</u>	<u>6,497,236</u>	<u>350,217</u>	<u>-</u>	<u>845,541</u>	<u>537,341</u>	<u>42,017</u>	<u>-</u>
Total U.S. Department of Education noncluster programs			13,156,217	8,513,875	785,504	-	3,174,151	2,944,647	556,000	-
Passed through Macomb County ISD:										
Title I Regional Assistance Grant										
	231570-2223	84.010A	\$ 121,366	\$ 72,288	\$ -	\$ -	\$ 6,441	\$ 6,441	\$ -	\$ -
Title I Regional Assistance Grant										
	241570-2324	84.010A	98,464	-	-	-	24,997	32,244	7,247	-
Passed through Calhoun County ISD - Title I Technical Assistance Grant										
	231580-2223	84.010	40,000	18,335	18,335	-	18,335	-	-	-
Vocational Education (Perkins IV) - U.S. Department of Education - Passed through the Macomb County ISD:										
Vocational Education 2023										
	233520/231216	84.048A	124,400	124,400	39,803	-	39,803	-	-	-
Vocational Education 2024										
	243520/241216	84.048A	<u>184,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,770</u>	<u>184,353</u>	<u>42,583</u>	<u>-</u>
Total Vocational Education			308,753	124,400	39,803	-	181,573	184,353	42,583	-
Indian Education - U.S. Department of Education - Grants to Local Educational Agencies:										
Indian Education 2023										
	#S060A 222342	84.060A	55,396	55,396	2,377	-	2,377	-	-	-
Indian Education 2024										
	#S060A 232342	84.060A	<u>51,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,350</u>	<u>51,531</u>	<u>1,181</u>	<u>-</u>
Total Indian Education			106,927	55,396	2,377	-	52,727	51,531	1,181	-
U.S. Department of Health and Human Services - Passed through the Prevention Network - COVID-19 ARP - Substance Abuse Block Grant										
	09MBCE12	93.959	51,471	24,364	-	-	49,074	49,074	-	-
Federal Communications Commission - COVID-19 Emergency Connectivity Funds - 2022-23										
	N/A	32.009	<u>1,393,000</u>	<u>1,393,000</u>	<u>1,393,000</u>	<u>-</u>	<u>1,393,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total federal awards			<u>\$ 31,300,895</u>	<u>\$ 16,760,201</u>	<u>\$ 2,923,570</u>	<u>-</u>	<u>\$ 13,639,899</u>	<u>\$ 12,734,444</u>	<u>\$ 2,018,115</u>	<u>-</u>

**Chippewa Valley Schools**

---

**Reconciliation of Basic Financial Statements Federal Revenue  
with Schedule of Expenditures of Federal Awards**

---

**Year Ended June 30, 2024**

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 14,165,157
Deferred revenue earned in the current year reported as federal expenditures for year ended June 30, 2023	(1,393,000)
Other differences	<u>(37,713)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><b>\$ 12,734,444</b></u>

**Notes to Schedule of Expenditures of Federal Awards**

---

**Year Ended June 30, 2024**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Chippewa Valley Schools (the "School District") under programs of the federal government for the year ended June 30, 2024. 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.

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. The 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 Michigan Department of Education NexSys Grant Auditor Report (GAR) in preparing the schedule of expenditures of federal awards. Differences, if any, between the GAR and the schedule of expenditures of federal awards relate to the timing of payments and the fiscal year to which the payments relate. 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.

---

## Schedule of Findings and Questioned Costs

---

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2024**

**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?   X   Yes    \_\_\_\_\_ 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)?   X   Yes    \_\_\_\_\_ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
10.553, 10.555	Child Nutrition Cluster	Unmodified

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**

**Current Year**    None

**Schedule of Findings and Questioned Costs (Continued)**

**Year Ended June 30, 2024**

**Section III - Federal Program Audit Findings**

Reference Number	Finding	Questioned Costs
2024-001	<p><b>Assistance Listing Number, Federal Agency, and Program Name</b> - 10.553 and 10.555, U.S. Department of Agriculture, Child Nutrition Cluster</p> <p><b>Federal Award Identification Number and Year</b> - 241960, 230910, 240910, and 241970</p> <p><b>Pass-through Entity</b> - Michigan Department of Education</p> <p><b>Finding Type</b> - Material weakness and material noncompliance with laws and regulations</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - The School District must submit monthly claims for reimbursement for meals served to eligible students within 60 days following the last day of the month covered by the claim (7 CFR sections 210.8, 220.11, 215.10, and 225.15 (c)). Upon preparation of meal reimbursement claims, the School District is required to have controls in place to ensure the accuracy of the request for reimbursement.</p> <p><b>Condition</b> - The School District does not currently have a control in place where a review of the meal counts entered into the Michigan Nutrition Data (MiND) system takes place, which could result in incorrect reporting of the number of free and reduced priced meals, which could result in the School District being reimbursed an incorrect amount by the Michigan Department of Education.</p> <p><b>Questioned Costs</b> - \$9,438</p> <p><b>Identification of How Questioned Costs Were Computed</b> - The entire population of claims submitted was recalculated by the School District.</p> <p><b>Context</b> - It was noted that the School District submitted for reimbursement with inaccurate information for seven months during the fiscal year. There were 3,062 overclaimed free breakfast/lunch meals and 2,838 overclaimed reduced breakfast/lunch meals.</p> <p><b>Cause and Effect</b> - The absence of a secondary review comparing meal data from the School District's meal tracking point-of-sale system to the inputs into the MiND system resulted in the School District being reimbursed for inaccurate amounts.</p> <p><b>Recommendation</b> - The School District should implement a control where the monthly reimbursement request is reviewed and approval is documented to ensure the submission is mechanically accurate and that it agrees with the School District's internal meal claims data report.</p>	\$9,438



**Schedule of Findings and Questioned Costs (Continued)**

**Year Ended June 30, 2024**

**Section III - Federal Program Audit Findings (Continued)**

Reference Number	Finding	Questioned Costs
---------------------	---------	---------------------

**Views of Responsible Officials and Corrective Action Plan** - As a result of errors identified during the audit, the School District's Business Office performed a detailed review of all meal claim submissions for the 2023/2024 fiscal year. An offsetting amount of underclaimed meal reimbursements was identified which nets against the overclaimed meal reimbursements, resulting in an aggregate underclaim of \$2,243.18 when looking at the entire fiscal year in total. Ultimately, the School District did not request funds beyond which it was eligible to claim over the span of the fiscal year. The Business Office has since implemented a formalized internal control procedure for the Food Service Department to adhere, alongside performing a thorough review of the monthly claims reimbursement submission.