
Kalamazoo Public Schools

Federal Awards Supplemental Information
June 30, 2020

Independent Auditor's Reports

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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
Kalamazoo Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kalamazoo Public Schools (the "School District") as of and for the year ended June 30, 2020 and the related notes to the basic financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 14, 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 14, 2020.

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 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.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

October 14, 2020

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
Kalamazoo Public 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 Kalamazoo Public Schools (the "School District") as of and for the year ended June 30, 2020 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 October 14, 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) 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 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 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
Kalamazoo Public 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

October 14, 2020

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
Kalamazoo Public Schools

Report on Compliance for Each Major Federal Program

We have audited Kalamazoo Public 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 each of the School District's major federal programs for the year ended June 30, 2020. The 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.

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 each of the major federal programs 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.

To the Board of Education
Kalamazoo Public 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. 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.

Plante & Moreau, PLLC

October 14, 2020

Kalamazoo Public Schools

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2019	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2020	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) - 2019-20 Entitlement commodities		10.555	\$ 500,095	\$ -	\$ -	\$ -	\$ 500,095	\$ 500,095	\$ -	-
Cash Assistance:										
National School Lunch Program	191960	10.555	4,099,483	3,491,747	162,506	-	770,242	607,736	-	-
National School Lunch Program	201960	10.555	2,821,097	-	-	-	2,821,097	2,821,097	-	-
COVID-19 - National School Lunch Program - USC	200902	10.555	2,822,367	-	-	-	1,348,823	2,822,367	1,473,544	-
Total National School Lunch Program (incl. commodities)			10,243,042	3,491,747	162,506	-	5,440,257	6,751,295	1,473,544	-
Summer Food Service Program	190900	10.559	318,702	40,026	40,026	-	318,702	278,676	-	-
Summer Food Service Program	191900	10.559	27,133	3,429	3,429	-	27,133	23,704	-	-
Total Summer Food Service Program			345,835	43,455	43,455	-	345,835	302,380	-	-
National School Breakfast Program	191970	10.553	2,151,357	1,845,522	104,348	-	410,183	305,835	-	-
National School Breakfast Program	201970	10.553	1,437,796	-	-	-	1,437,796	1,437,796	-	-
Total National School Breakfast Program			3,589,153	1,845,522	104,348	-	1,847,979	1,743,631	-	-
National School Lunch Snack Program	191980	10.555	738	631	27	-	134	107	-	-
National School Lunch Snack Program	201980	10.555	254	-	-	-	254	254	-	-
Total National School Snack Program			992	631	27	-	388	361	-	-
Total Child Nutrition Cluster			14,179,022	5,381,355	310,336	-	7,634,459	8,797,667	1,473,544	-
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through the Kalamazoo Regional Education Service Agency - Medicaid Outreach - 2019-20										
	N/A	93.778	25,136	-	-	-	25,136	25,136	-	-
Total clusters			14,204,158	5,381,355	310,336	-	7,659,595	8,822,803	1,473,544	-

Kalamazoo Public Schools

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2019	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2020	Current Year Cash Transferred to Subrecipients
Other federal awards:										
Passed through Western Michigan University:										
HIL Project - 2018-19		84.423	\$ 184,573	\$ 161,801	\$ 97,731	\$ -	\$ 119,661	\$ 21,930	\$ -	\$ -
HIL Project - 2019-20		84.423	138,464	-	-	-	86,490	110,929	24,439	-
Total HIL Project			323,037	161,801	97,731	-	206,151	132,859	24,439	-
Title I RAG - U.S. Department of Education - Passed through the Kalamazoo Regional Educational Service Agency:										
Title I RAG - 2018-19		84.010A	44,434	14,084	12,280	-	15,815	3,535	-	-
Title I RAG - 2019-20		84.010A	73,032	-	-	-	28,529	42,829	14,300	-
Total Title I RAG			117,466	14,084	12,280	-	44,344	46,364	14,300	-
Passed through the Michigan Department of Education -										
Title I - Part A:										
Title I Part A 18-19	191530	84.010A	5,866,969	4,568,414	689,585	-	1,249,436	559,851	-	-
Title I Part A 19-20	201530	84.010A	5,597,108	-	-	-	3,890,596	4,637,000	746,404	-
Total Title I - Part A (MDE)			11,464,077	4,568,414	689,585	-	5,140,032	5,196,851	746,404	-
Total Title I - Part A and Title I RAG			11,581,543	4,582,498	701,865	-	5,184,376	5,243,215	760,704	-
Title I - Part D:										
Title I - Part D 18-19	191700	84.013A	328,608	147,557	62,823	-	128,068	65,245	-	-
Title I - Part D 19-20	201700	84.013A	374,330	-	-	-	120,577	139,438	18,861	-
Total Title I - Part D			702,938	147,557	62,823	-	248,645	204,683	18,861	-
Title III - Immigrant -										
Title III Immigrant Students 1819	190570	84.365A	18,183	10,565	59	-	1,950	1,891	-	-
Title III - Limited English Proficient:										
Title III Limited English Proficient 18-19	190580	84.365A	163,935	57,920	7,050	-	33,928	26,878	-	-
Title III Limited English Proficient 19-20	200580	84.365A	188,743	-	-	-	36,378	36,474	96	-
Total Title III - Limited English Proficient			352,678	57,920	7,050	-	70,306	63,352	96	-
School Improvement Grants:										
Formula School Improvement 1819	151763	84.377A	800,997	727,288	120,795	-	131,537	10,742	-	-
Formula School Improvement 1920	171761	84.377A	812,967	-	-	-	569,733	661,032	91,299	-
Total School Improvement Grants			1,613,964	727,288	120,795	-	701,270	671,774	91,299	-

Kalamazoo Public Schools

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2019	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2020	Current Year Cash Transferred to Subrecipients
Other federal awards (continued):										
Passed through the Michigan Department of Education (continued):										
21st Century Community Learning Centers:										
21st Century Community Learning Centers I14019	192110	84.287C	\$ 675,000	\$ 589,700	\$ 70,861	\$ -	\$ 156,161	\$ 85,300	\$ -	\$ -
21st Century Community Learning Centers I14021	192110	84.287C	675,000	601,889	72,964	-	146,075	73,111	-	-
21st Century Community Learning Centers I14027	192110	84.287C	567,013	514,451	67,688	-	120,250	52,562	-	-
21st Century Community Learning Centers L194191	202110	84.287C	675,000	-	-	-	425,665	515,251	89,586	-
21st Century Community Learning Centers L194275	202110	84.287C	675,000	-	-	-	425,526	518,827	93,301	-
21st Century Community Learning Centers L194276	202110	84.287C	675,000	-	-	-	405,594	500,916	95,322	-
Total 21st Century Community Learning Centers			3,942,013	1,706,040	211,513	-	1,679,271	1,745,967	278,209	-
Adult Education - WIA Core Programs:										
Adult Ed WIA Core 191927	191130	84.002A	180,000	180,000	24,155	-	24,155	-	-	-
Adult Ed WIA Core 201927	201130	84.002A	207,000	-	-	-	184,405	207,000	22,595	-
Adult Ed WIA Core 201927	201190	84.002A	7,800	-	-	-	7,800	7,800	-	-
Total Adult Education - WIA Core Programs			394,800	180,000	24,155	-	216,360	214,800	22,595	-
Adult Ed - English Literacy and Civics Education Grant:										
Adult Ed - English Literacy and Civic Education 195927	191120	84.002A	70,805	70,805	4,911	-	4,911	-	-	-
Adult Ed - English Literacy and Civic Education 205927	201120	84.002A	70,805	-	-	-	63,031	70,805	7,774	-
Total Adult Education - English Literacy and Civics Education Grant			141,610	70,805	4,911	-	67,942	70,805	7,774	-
Total Adult Education			536,410	250,805	29,066	-	284,302	285,605	30,369	-
Improving Teacher Quality Grant - Title II - Part A:										
Title II Part A 1819	190520	84.367A	1,521,566	926,473	137,436	-	146,328	8,892	-	-
Title II Part A 1920	200520	84.367A	1,269,285	-	-	-	775,216	885,554	110,338	-
Total Improving Teacher Quality Grant - Title II - Part A			2,790,851	926,473	137,436	-	921,544	894,446	110,338	-
Child Care Food Program:										
Child Care Food Program	191920	10.558	703,498	641,171	27,388	-	89,715	62,327	-	-
Child Care Food Program	201920	10.558	452,316	-	-	-	452,316	452,316	-	-
Child Care Food Program	192010	10.558	38,715	35,399	1,442	-	4,558	3,116	-	-
Child Care Food Program	202010	10.558	24,206	-	-	-	24,206	24,206	-	-
Total Child Care Food Program			1,218,735	676,570	28,830	-	570,795	541,965	-	-
Fresh Fruit and Vegetable Program - Fresh Fruit and Vegetable:										
Program 119	190950	10.582	77,706	74,750	-	-	2,956	2,956	-	-
Program 120	200950	10.582	101,897	-	-	-	101,897	101,897	-	-
Total Fresh Fruit and Vegetable Program - Fresh Fruit and Vegetable			179,603	74,750	-	-	104,853	104,853	-	-

Kalamazoo Public Schools

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2019	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2020	Current Year Cash Transferred to Subrecipients
Other federal awards (continued):										
Passed through the Michigan Department of Education (continued):										
McKinney Homeless Students' Assistance:										
McKinney Homeless Students' Assistance 1819	192320	84.196A	\$ 122,512	\$ 63,992	\$ 6,052	\$ -	\$ 17,022	\$ 10,970	\$ -	\$ -
McKinney Homeless Students' Assistance 1920	202320	84.196A	121,305	-	-	-	54,053	56,536	2,483	-
Total McKinney Homeless Students' Assistance			243,817	63,992	6,052	-	71,075	67,506	2,483	-
Title IV Part A Student Achievement Support & Academic Enrich:										
Title IV Part A 1819	190750	84.424A	371,497	63,606	21,713	-	41,077	19,364	-	-
Title IV Part A 1920	200750	84.424A	641,370	-	-	-	64,822	77,239	12,417	-
Total Title IV Part A Student Achievement Support & Academic Enrich			1,012,867	63,606	21,713	-	105,899	96,603	12,417	-
Title II Part A School Leader Reservation Grant:										
Title II Part A 18	180532	84.367	205,208	107,574	17,647	-	115,281	97,634	-	-
Title II Part A 1920A	190532	84.367	32,361	-	-	-	-	32,361	32,361	-
Title II Part A	200532	84.367	190,947	-	-	-	-	31,353	31,353	-
Total Title II Part A School Leader Reservation Grant			428,516	107,574	17,647	-	115,281	161,348	63,714	-
Total passed through the Michigan Department of Education			38,683,674	14,762,909	1,642,905	-	17,649,682	18,834,511	2,827,734	-
Total federal financial assistance			\$ 39,149,313	\$ 14,938,794	\$ 1,752,916	\$ -	\$ 17,925,313	\$ 19,038,870	\$ 2,866,473	\$ -

Kalamazoo Public Schools

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

Year Ended June 30, 2020

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 19,399,609
Less QSCB federal interest subsidy	<u>(360,739)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 19,038,870</u>

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Kalamazoo Public 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 same basis of accounting as the basic financial statements. 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. 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. The grantee received no noncash assistance during the year ended June 30, 2020 that is not included in the schedule of expenditures of federal awards.

Schedule of Findings and Questioned Costs

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:

CFDA Number	Name of Federal Program or Cluster	Opinion
10.553,5,9	Child Nutrition Cluster	Unmodified
84.287	21st Century Community Learning Centers	Unmodified
84.367	Title II, Part A	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

None

Section III - Federal Program Audit Findings

None