
Kalamazoo Public Schools

Federal Awards Supplemental Information
June 30, 2021

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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, 2021 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 05, 2021, 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 October 5, 2021.

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.

Plante & Moran, PLLC

October 5, 2021

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, 2021 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, 2021.

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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2021-001, that we consider to be a significant deficiency.

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*.

The School District's Response to the Finding

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

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 5, 2021

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, 2021. 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, 2021.

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 & Moran, PLLC

October 5, 2021

Kalamazoo Public Schools

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

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, 2020	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2021	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):										
2020-21 Entitlement commodities - Regular	N/A	10.555	\$ 323,213	\$ -	\$ -	\$ -	\$ 323,213	\$ 323,213	\$ -	\$ -
2020-21 Entitlement commodities - Bonus	N/A	10.555	2,184	-	-	-	2,184	2,184	-	-
Total 2020-21 Entitlement commodities			325,397	-	-	-	325,397	325,397	-	-
Cash Assistance -										
COVID-19 - National School Lunch Program - USC	200902	10.555	2,822,367	2,822,367	1,473,544	-	1,473,544	-	-	-
Total National School Lunch Program (incl. commodities)			3,147,764	2,822,367	1,473,544	-	1,798,941	325,397	-	-
Summer Food Service Program	200900	10.559	964,234	-	-	-	964,234	964,234	-	-
Summer Food Service Program	210904	10.559	661,426	-	-	-	416,795	661,426	244,631	-
Extended Summer Food Service Program	210904	10.559	4,027,794	-	-	-	4,027,794	4,027,794	-	-
Total Summer Food Service Program			5,653,454	-	-	-	5,408,823	5,653,454	244,631	-
Total Child Nutrition Cluster			8,801,218	2,822,367	1,473,544	-	7,207,764	5,978,851	244,631	-
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through the Kalamazoo Regional Education Service Agency - Medicaid Outreach - 2020-21										
	N/A	93.778	24,576	-	-	-	7,370	24,576	17,206	-
Total clusters			8,825,794	2,822,367	1,473,544	-	7,215,134	6,003,427	261,837	-

Kalamazoo Public Schools

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

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, 2020	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2021	Current Year Cash Transferred to Subrecipients
Other federal awards:										
U.S. Department of Education:										
Passed through Western Michigan University:										
HIL Project - 2019-20	N/A	84.423	\$ 138,464	\$ 110,929	\$ 24,439	\$ -	\$ 41,564	\$ 17,125	\$ -	\$ -
HIL Project - 2020-21	N/A	84.423	9,600	-	-	-	-	9,600	9,600	-
Total HIL Project			148,064	110,929	24,439	-	41,564	26,725	9,600	-
Title I RAG - Passed through the Kalamazoo Regional Educational Service Agency:										
Title I RAG - 2019-20	N/A	84.010A	73,032	42,829	14,300	-	19,191	4,891	-	-
Title I RAG - 2020-21	N/A	84.010A	51,192	-	-	-	7,096	7,096	-	-
Total Title I RAG			124,224	42,829	14,300	-	26,287	11,987	-	-
Passed through the Michigan Department of Education:										
Title I - Part A:										
Title I Part A 19-20	201530	84.010A	5,597,108	4,637,000	746,404	-	790,778	44,374	-	-
Title I Part A 20-21	211530	84.010A	5,736,865	-	-	-	3,562,701	3,946,304	383,603	-
Total Title I - Part A (MDE)			11,333,973	4,637,000	746,404	-	4,353,479	3,990,678	383,603	-
Total Title I - Part A and Title I RAG			11,458,197	4,679,829	760,704	-	4,379,766	4,002,665	383,603	-
Title I - Part D:										
Title I - Part D 19-20	201700	84.013A	374,330	139,438	18,861	-	61,894	43,033	-	-
Title I - Part D 20-21	211700	84.013A	445,982	-	-	-	122,849	150,316	27,467	-
Total Title I - Part D			820,312	139,438	18,861	-	184,743	193,349	27,467	-
Title III - Immigrant - Title III Immigrant Students 1920										
	200570	84.365A	31,733	-	-	-	1,295	1,295	-	-
Title III - Limited English Proficient:										
Title III Limited English Proficient 19-20	200580	84.365A	188,743	36,474	96	-	6,965	6,869	-	-
Title III Limited English Proficient 20-21	210580	84.365A	222,413	-	-	-	-	5,180	5,180	-
Total Title III - Limited English Proficient			411,156	36,474	96	-	6,965	12,049	5,180	-
Total Title III			442,889	36,474	96	-	8,260	13,344	5,180	-
School Improvement Grants:										
Formula School Improvement 1920	171761	84.377A	812,967	661,032	91,299	-	96,159	4,860	-	-
Formula School Improvement 2021	171762	84.377A	647,074	-	-	-	525,710	615,345	89,635	-
Total School Improvement Grants			1,460,041	661,032	91,299	-	621,869	620,205	89,635	-

Kalamazoo Public Schools

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

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, 2020	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2021	Current Year Cash Transferred to Subrecipients
Other federal awards (continued):										
U.S. Department of Education (continued) -										
Passed through the Michigan Department of Education (continued):										
21st Century Community Learning Centers:										
21st Century Community Learning Centers L194191	202110	84.287C	\$ 675,000	\$ 515,251	\$ 89,586	\$ -	\$ 89,586	\$ -	\$ -	\$ -
21st Century Community Learning Centers L194275	202110	84.287C	675,000	518,827	93,301	-	93,301	-	-	-
21st Century Community Learning Centers L194276	202110	84.287C	567,013	500,916	95,322	-	95,322	-	-	-
21st Century Community Learning Centers L194192	212110	84.287C	675,000	-	-	-	482,829	546,269	63,440	-
21st Century Community Learning Centers L194275	212110	84.287C	675,000	-	-	-	440,887	497,482	56,595	-
21st Century Community Learning Centers L194276	212110	84.287C	675,000	-	-	-	445,877	523,415	77,538	-
Total 21st Century Community Learning Centers			3,942,013	1,534,994	278,209	-	1,647,802	1,567,166	197,573	-
Adult Education - WIA Core Programs:										
Adult Ed WIA Core 201927	201130	84.002A	207,000	207,000	22,595	-	22,595	-	-	-
Adult Ed WIA Core 211927	211130	84.002A	191,100	-	-	-	179,170	186,257	7,087	-
Total Adult Education - WIA Core Programs			398,100	207,000	22,595	-	201,765	186,257	7,087	-
Adult Ed - English Literacy and Civics Education Grant:										
Adult Ed - English Literacy and Civic Education 205927	201120	84.002A	70,805	70,805	7,774	-	7,774	-	-	-
Adult Ed - English Literacy and Civic Education 215927	211120	84.002A	70,800	-	-	-	58,709	61,077	2,368	-
Total Adult Education - English Literacy and Civics Education Grant			141,605	70,805	7,774	-	66,483	61,077	2,368	-
Total Adult Education			539,705	277,805	30,369	-	268,248	247,334	9,455	-
Improving Teacher Quality Grant - Title II - Part A:										
Title II Part A 1920	200520	84.367A	1,269,285	885,554	110,338	-	113,744	3,406	-	-
Title II Part A 2021	210520	84.367A	1,051,981	-	-	-	477,750	514,332	36,582	-
Total Improving Teacher Quality Grant - Title II - Part A			2,321,266	885,554	110,338	-	591,494	517,738	36,582	-
McKinney Homeless Students' Assistance:										
McKinney Homeless Students' Assistance 1920	202320	84.196A	121,305	56,536	2,483	-	15,724	13,241	-	-
McKinney Homeless Students' Assistance 2021	212320	84.196A	141,852	-	-	-	43,963	47,475	3,512	-
Total McKinney Homeless Students' Assistance			263,157	56,536	2,483	-	59,687	60,716	3,512	-
Title IV Part A Student Achievement Support & Academic Enrich:										
Title IV Part A 1920	200750	84.424A	641,370	77,239	12,417	-	67,731	55,314	-	-
Title IV Part A 2021	210750	84.424A	701,821	-	-	-	284,580	362,210	77,630	-
Total Title IV Part A Student Achievement Support & Academic Enrich			1,343,191	77,239	12,417	-	352,311	417,524	77,630	-

Kalamazoo Public Schools

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

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, 2020	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2021	Current Year Cash Transferred to Subrecipients
Other federal awards (continued):										
U.S. Department of Education (continued) -										
Passed through the Michigan Department of Education (continued):										
Title II Part A School Leader Reservation Grant:										
Title II Part A 1920A	190532	84.367	\$ 32,361	\$ 32,361	\$ 32,361	\$ -	\$ 32,361	\$ -	\$ -	\$ -
Title II Part A	200532	84.367	190,947	31,353	31,353	-	155,187	123,834	-	-
Total Title II Part A School Leader Reservation Grant			223,308	63,714	63,714	-	187,548	123,834	-	-
Education Relief Fund:										
COVID-19 GEER Fund	201200	84.425C	1,006,410	-	-	-	218,538	442,463	223,925	-
COVID-19 ESSER Fund	203710/203720	84.425D	4,700,735	-	-	-	784,463	1,249,415	464,952	-
Total Education Relief Fund			5,707,145	-	-	-	1,003,001	1,691,878	688,877	-
Total U.S. Department of Education			28,669,288	8,523,544	1,392,929	-	9,346,293	9,482,478	1,529,114	-
U.S. Department of Agriculture -										
Passed through Michigan Department of Education:										
Child Care Food Program:										
Child Care Food Program	201920	10.558	465,638	452,316	-	-	13,322	13,322	-	-
Child Care Food Program	211920	10.558	148,524	-	-	-	139,405	148,524	9,119	-
Child Care Food Program	202010	10.558	24,833	24,206	-	-	627	627	-	-
Child Care Food Program	212010	10.558	6,690	-	-	-	6,313	6,690	377	-
Child Care Food Program	211925	10.558	114,627	-	-	-	-	114,627	114,627	-
Total Child Care Food Program			760,312	476,522	-	-	159,667	283,790	124,123	-
Fresh Fruit and Vegetable Program - Fresh Fruit and Vegetable: Program 121	210950	10.582	110,250	-	-	-	110,250	110,250	-	-
Total U.S. Department of Agriculture			870,562	476,522	-	-	269,917	394,040	124,123	-
U.S. Department of Treasury -										
Coronavirus Relief Fund:										
Passed through Michigan Department of Education:										
COVID-19 11p - CRF School Aid	N/A	21.019	4,490,360	-	-	-	4,490,360	4,490,360	-	-
COVID-19 103(2) - District COVID Costs	N/A	21.019	158,059	-	-	-	158,059	158,059	-	-
Total CRF passed through Michigan Department of Education			4,648,419	-	-	-	4,648,419	4,648,419	-	-
Passed through Copper County ISD:										
COVID-19 MiConnect/MAISA - Device Reimbursement	N/A	21.019	125,000	-	-	-	125,000	125,000	-	-
COVID-19 MiConnect/MAISA - Connectivity Reimbursement	N/A	21.019	85,898	-	-	-	85,898	85,898	-	-
Total CRF passed through Copper County ISD			210,898	-	-	-	210,898	210,898	-	-
Total Coronavirus Relief Fund			4,859,317	-	-	-	4,859,317	4,859,317	-	-
Total federal financial assistance			\$ 43,224,961	\$ 11,822,433	\$ 2,866,473	\$ -	\$ 21,690,661	\$ 20,739,262	\$ 1,915,074	\$ -

Kalamazoo Public Schools

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

Year Ended June 30, 2021

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 21,116,800
Federal revenue for which the School District is considered a vendor or beneficiary rather than a subrecipient	(18,000)
Federal subsidy interest related to qualified school construction bonds	<u>(359,538)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 20,739,262</u></u>

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

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, 2021. 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, except for those related to CFDA 21.019, Coronavirus Relief Fund (CRF), 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.

CRF does not apply 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*, but rather applies the U.S. Department of Treasury's guidance and frequently asked questions, as codified in the Federal Register.

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 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, 2021 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, 2021

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? X Yes _____ 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
21.019	Coronavirus Relief Fund	Unmodified
84.425C/ 84.425D	Education Stabilization Fund	Unmodified

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

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

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

Section II - Financial Statement Audit Findings

Reference Number	Finding
2021-001	<p>Finding Type - Significant deficiency</p> <p>Criteria - The School District is responsible for establishing and following policies and procedures for procurement of goods and services. Michigan Compiled Law 380.1267 details the rules and regulations related to bidding requirements for school districts. Paragraph (2) of 380.1267 details the requirement to advertise bids for at least two weeks on the Department of Management and Budget's website at www.michigan.gov/sigmavss.</p> <p>Condition - For certain requests for bids during the year ended June 30, 2021, the School District failed to post the bid advertisement on the Department of Management and Budget's website, as outlined in MCL 380.1267, paragraph 2.</p> <p>Context - A total of 1 out of 11 bond project bids did not properly follow the bid advertisement requirements under paragraph 2 of MCL 380.1267.</p> <p>Cause - The School District did not follow the bidding rules and regulations, which led to bid advertisements that were improperly omitted from the Department of Management and Budget's website.</p> <p>Effect - The School District did not properly advertise one bid request, as outlined in MCL 380.1267 (paragraph 2).</p> <p>Recommendation - The School District should implement and follow a checklist to verify that all rules and regulations of MCL 380.1267 are being followed. Additionally, an individual not responsible for preparing the bid request should be involved in the review process to ensure that the School District is maintaining compliance throughout the bid process.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The school district had one instance of non-compliance so it does not view this as a systemic issue. In addition to the checklist already in place, the Executive Supervisor of Facilities Management will prepare a list of upcoming construction projects for the school year, along with columns for bid advertisement posting date and review signoff. This listing will be shared with the Executive Supervisor of Operations and Transportation. When a bid advertisement is posted on the state's website, a confirmation email is sent to the Facilities Management department. This email will be forwarded to the Executive Supervisor of Operations and Transportation to verify and signoff on the project listing that the bid advertisement has been posted on the state's website. In addition, the Supervisor of Operations and Transportation will not approve any construction related board purchase recommendations without ensuring that the bid advertisement has been properly posted. The Finance office will periodically audit the bid process to confirm procedures are being followed.</p>

Section III - Federal Program Audit Findings

None