

Mount Clemens Community School District

Single Audit

June 30, 2024



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

Table of Contents

	Page
Single Audit Report	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs	11
Summary Schedule of Prior Audit Findings	13



**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 Auditors' Report

Management and the Board of Education
Mount Clemens Community School District
Mount Clemens, Michigan

We have audited, in accordance with the 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 Mount Clemens Community School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Mount Clemens Community School District's basic financial statements, and have issued our report thereon dated September 19, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mount Clemens Community 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 Mount Clemens Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Mount Clemens Community 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 entity'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 Mount Clemens Community 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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yeo & Yeo, P.C.

Auburn Hills, Michigan
September 19, 2024



Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

Management and the Board of Education
Mount Clemens Community School District
Mount Clemens, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mount Clemens Community School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Mount Clemens Community School District's major federal programs for the year ended June 30, 2024. Mount Clemens Community School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mount Clemens Community School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Mount Clemens Community 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 Mount Clemens Community 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 agreements applicable to Mount Clemens Community School District's federal programs.

Auditors' 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 Mount Clemens Community 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 Mount Clemens Community 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 Mount Clemens Community 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 Mount Clemens Community 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 Mount Clemens Community 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.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance

requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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 Auditors' 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mount Clemens Community School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Mount Clemens Community School District's basic financial statements. We issued our report thereon dated September 19, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Yeo & Yeo, P.C.

Auburn Hills, Michigan
September 19, 2024

Mount Clemens Community School District
Schedule of Expenditures of Federal Awards
June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grantor Number	Assistance Listing Number	Grant Number	Approved Grant Amount	Accrued (Unearned) Revenue at July 1, 2023	(Memo Only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue at June 30, 2024
U.S. Department of Agriculture Child Nutrition Cluster Passed through Michigan Department of Education									
Cash assistance									
School Breakfast Program	10.553	231970	\$ 191,171	\$ -	\$ 171,761	\$ -	\$ 19,410	\$ 19,410	\$ -
School Breakfast Program	10.553	241970	190,996	-	-	-	190,996	183,715	7,281
				<u>-</u>	<u>171,761</u>	<u>-</u>	<u>210,406</u>	<u>203,125</u>	<u>7,281</u>
Non-cash assistance (commodities)									
National School Lunch Program - Entitlement Commodities	10.555	23-24	37,355	-	-	-	37,355	37,355	-
National School Lunch Program - Commodities Bonus	10.555	23-24	201	-	-	-	201	201	-
				<u>-</u>	<u>-</u>	<u>-</u>	<u>37,556</u>	<u>37,556</u>	<u>-</u>
Cash assistance									
COVID-19 - Emergency Operations - SNP Meals	10.555	211965	81,701	(81,701)	-	81,701	-	-	-
COVID-19 - Supply Chain Assistance	10.555	220910	42,317	(21,006)	21,311	21,006	-	-	-
National School Lunch Program	10.555	231960	398,241	-	357,386	-	40,855	40,855	-
National School Lunch Program	10.555	240910	24,466	-	-	-	24,466	24,466	-
National School Lunch Program	10.555	241960	358,953	-	-	-	358,953	344,285	14,668
National School Lunch Program	10.555	241980	6,494	-	-	-	6,494	6,333	161
				<u>(102,707)</u>	<u>378,697</u>	<u>102,707</u>	<u>430,768</u>	<u>415,939</u>	<u>14,829</u>
				<u>(102,707)</u>	<u>378,697</u>	<u>102,707</u>	<u>468,324</u>	<u>453,495</u>	<u>14,829</u>
Summer Food Service Program Operating	10.559	230900	20,330	-	-	-	10,029	10,029	-
Total Child Nutrition Cluster				<u>(102,707)</u>	<u>550,458</u>	<u>102,707</u>	<u>688,759</u>	<u>666,649</u>	<u>22,110</u>
Passed through Michigan Department of Education									
Child and Adult Care Food Program (CACFP)	10.558	241920	7,463	-	-	-	7,463	7,463	-
Child and Adult Care Food Program (CACFP)	10.558	242010	518	-	-	-	518	518	-
				<u>-</u>	<u>-</u>	<u>-</u>	<u>7,981</u>	<u>7,981</u>	<u>-</u>
Passed through Michigan Department of Education									
Fresh Fruit and Vegetable Program	10.582	230950	22,167	-	22,167	(3,491)	-	(3,491)	-
Total U.S. Department of Agriculture				<u>(102,707)</u>	<u>572,625</u>	<u>99,216</u>	<u>696,740</u>	<u>671,139</u>	<u>22,110</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Mount Clemens Community School District
Schedule of Expenditures of Federal Awards
June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grantor Number	Assistance Listing Number	Grant Number	Approved Grant Amount	Accrued (Unearned) Revenue at July 1, 2023	(Memo Only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue at June 30, 2024
U.S. Department of Education									
Special Education Cluster									
Passed through Macomb Intermediate School District									
Special Education - Grants to States	84.027A	230450	\$ 528,761	\$ 515,335	\$ 515,335	\$ -	\$ 13,426	\$ 528,761	\$ -
Special Education - Grants to States	84.027A	240450	696,886	-	-	-	696,886	484,024	212,862
				<u>515,335</u>	<u>515,335</u>	<u>-</u>	<u>710,312</u>	<u>1,012,785</u>	<u>212,862</u>
Special Education - Preschool Grants	84.173	230460	42,772	42,772	42,772	-	-	42,772	-
Special Education - Preschool Grants	84.173	240460	13,196	-	-	-	13,196	13,196	-
				<u>42,772</u>	<u>42,772</u>	<u>-</u>	<u>13,196</u>	<u>55,968</u>	<u>-</u>
Total Special Education Cluster				<u>558,107</u>	<u>558,107</u>	<u>-</u>	<u>723,508</u>	<u>1,068,753</u>	<u>212,862</u>
Title I									
Passed through Michigan Department of Education									
Title I Part A									
Title I Grants to Local Educational Agencies	84.010	231530	1,124,112	929,464	929,464	-	77,968	1,007,432	-
Title I Grants to Local Educational Agencies	84.010	241530	1,268,019	-	-	-	968,586	640,503	328,083
				<u>929,464</u>	<u>929,464</u>	<u>-</u>	<u>1,046,554</u>	<u>1,647,935</u>	<u>328,083</u>
Passed through Macomb Intermediate School District									
Title I Regional Assistance Grant (RAG)	84.010	231570	56,352	51,257	51,257	(265)	4,525	55,517	-
Title I Regional Assistance Grant (RAG)	84.010	241570	66,299	-	-	-	55,233	-	55,233
				<u>51,257</u>	<u>51,257</u>	<u>(265)</u>	<u>59,758</u>	<u>55,517</u>	<u>55,233</u>
Passed through Macomb Intermediate School District									
Title I Technical Assistance Grant (TAG)	84.010	231580	40,000	15,400	16,384	-	2,170	17,570	-
Total Title I				<u>996,121</u>	<u>997,105</u>	<u>(265)</u>	<u>1,108,482</u>	<u>1,721,022</u>	<u>383,316</u>
Passed through Michigan Department of Education									
Title II Part A									
Supporting Effective Instruction State Grants	84.367	220520	180,395	-	153,572	(1,140)	-	(1,140)	-
Supporting Effective Instruction State Grants	84.367	230520	170,884	123,063	123,063	-	-	123,063	-
Supporting Effective Instruction State Grants	84.367	240520	193,118	-	-	-	130,302	113,599	16,703
				<u>123,063</u>	<u>276,635</u>	<u>(1,140)</u>	<u>130,302</u>	<u>235,522</u>	<u>16,703</u>
Passed through Michigan Department of Education									
Title IV Part A									
Student Support and Academic Enrichment	84.424A	230750	123,804	64,247	64,247	-	-	64,247	-
Student Support and Academic Enrichment	84.424A	240750	133,807	-	-	-	83,647	56,701	26,946
				<u>64,247</u>	<u>64,247</u>	<u>-</u>	<u>83,647</u>	<u>120,948</u>	<u>26,946</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Mount Clemens Community School District
Schedule of Expenditures of Federal Awards
June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grantor Number	Assistance Listing Number	Grant Number	Approved Grant Amount	Accrued (Unearned) Revenue at July 1, 2023	(Memo Only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue at June 30, 2024
Passed through Michigan Department of Education									
Education Stabilization Fund									
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Formula II	84.425D	213712	3,182,752	\$ 285,745	\$ 1,658,830	\$ -	\$ -	\$ 285,745	\$ -
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Formula II - 98c Learning Loss	84.425D	213782	45,245	<u>45,245</u>	<u>45,245</u>	<u>-</u>	<u>-</u>	<u>45,245</u>	<u>-</u>
				<u>330,990</u>	<u>1,704,075</u>	<u>-</u>	<u>-</u>	<u>330,990</u>	<u>-</u>
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Formula III - 11t	84.425U	213713	7,153,093	<u>2,871,426</u>	<u>3,785,236</u>	<u>-</u>	<u>1,050,404</u>	<u>3,867,865</u>	<u>53,965</u>
COVID-19 - American Rescue Plan - Homeless II	84.425W	211012	29,495	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,495</u>	<u>29,495</u>	<u>-</u>
Total Education Stabilization Fund				<u>3,202,416</u>	<u>5,489,311</u>	<u>-</u>	<u>1,079,899</u>	<u>4,228,350</u>	<u>53,965</u>
Total U.S. Department of Education				<u>4,943,954</u>	<u>7,385,405</u>	<u>(1,405)</u>	<u>3,125,838</u>	<u>7,374,595</u>	<u>693,792</u>
Total Federal Programs				<u>\$ 4,841,247</u>	<u>\$ 7,958,030</u>	<u>\$ 97,811</u>	<u>\$ 3,822,578</u>	<u>\$ 8,045,734</u>	<u>\$ 715,902</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Mount Clemens Community School District
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Mount Clemens Community School District under programs of the federal government for the year ended June 30, 2024. The information in this 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* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Mount Clemens Community School District, it is not intended to and does not present the financial position and changes in financial positions of Mount Clemens Community School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance where 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.

Indirect Cost Rate

Mount Clemens Community School District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Reconciliation to the Financial Statements

Expenditures per the SEFA	\$ 3,843,584
Prior period unavailable revenue not received within 60 days and recognized in the current fiscal year	<u>4,301,302</u>
Federal revenues per the financial statements	<u><u>\$ 8,144,886</u></u>

Current year receipts were reduced for the deobligation of federal funding from the following prior year grants:

<u>AL #</u>	<u>Grant #</u>	<u>Amount</u>
10.582	230950	\$ (3,491)
84.010	231570	(265)
84.367	220520	(1,140)

Mount Clemens Community School District
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2024

Note 4 - Subrecipients

No amounts were provided to subrecipients.

Note 5 - Michigan Department of Education Disclosures

The federal amounts reported on the grant auditor report are in agreement with the schedule of expenditures of federal awards, except as follows:

<u>AL #</u>	<u>Grant #</u>	<u>Per GAR</u>	<u>Per SEFA</u>	<u>Difference</u>
10.553	241970	\$ 190,996	\$ 183,715	\$ 7,281
10.555	241960	358,953	344,285	14,668
10.555	241980	6,493	6,333	160

The above payments were disbursed per the Grant Auditor Report at June 30, 2024 but not yet received by the District.

The amounts reported on the recipient entitlement balance report agree with the schedule of expenditures of federal awards for U.S.D.A. donated food commodities.

Mount Clemens Community School District
Schedule of Findings and Questioned Costs
June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared in accordance with Generally Accepted Accounting Principles:

Unmodified

Internal control over financial reporting:

- | | | | |
|---|-----------|------------------------------------|--|
| • Material weakness(es) identified? | _____ yes | _____ <u>X</u> _____ no | |
| • Significant deficiency(ies) identified? | _____ yes | _____ <u>X</u> _____ none reported | |

Noncompliance material to financial statements noted?

_____ yes _____ X _____ no

Federal Awards

Internal control over financial reporting:

- | | | | |
|---|-----------|------------------------------------|--|
| • Material weakness(es) identified? | _____ yes | _____ <u>X</u> _____ no | |
| • Significant deficiency(ies) identified? | _____ yes | _____ <u>X</u> _____ none reported | |

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516(a)?

_____ yes _____ X _____ no

Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

84.027A / 84.173
84.425D / 84.425U / 84.425W

Special Education Cluster
Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes _____ X _____ no

Mount Clemens Community School District
Schedule of Findings and Questioned Costs
June 30, 2024

Section II – *Government Auditing Standards* Findings

There were no *Government Auditing Standards* findings for the year ended June 30, 2024.

Section III – Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2024.

Mount Clemens Community School District
Schedule of Findings and Questioned Costs
June 30, 2024

Section IV - Prior Audit Findings

Government Auditing Standards Findings

Finding 2023-001 - Material Weakness – Financial Statement Reconciliations

Criteria: A good system of internal controls provides for consistent, timely reconciliation of accounts throughout the year and at year end to ensure an efficient and effective audit.

Status: Corrected

Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2023.