

**KELLOGGSVILLE
PUBLIC SCHOOLS**
Kent County, Michigan

Additional Reports Required by
the Uniform Guidance

For the year ended June 30, 2022

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KELLOGGSVILLE PUBLIC SCHOOLS

For the year ended June 30, 2022

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**INDEPENDENT AUDITOR'S 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***

October 18, 2022

The Board of Education
Kelloggsville Public Schools
Kent County, 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 Kelloggsville Public Schools, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Kelloggsville Public Schools' basic financial statements, and have issued our report thereon dated October 18, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kelloggsville Public Schools' 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 Kelloggsville Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Kelloggsville Public Schools' 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 Kelloggsville Public Schools' 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.



Certified Public Accountants
Grand Rapids, Michigan

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

October 18, 2022

The Board of Education
Kelloggsville Public Schools
Kent County, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kelloggsville Public Schools' compliance with the types of compliance requirements identified as subject to audit *OMB Compliance Supplement* that could have a direct and material effect on Kelloggsville Public Schools' major federal program for the year ended June 30, 2022. Kelloggsville Public Schools' 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, Kelloggsville Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

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; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Kelloggsville Public Schools 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 the major federal program. Our audit does not provide a legal determination Kelloggsville Public Schools' 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 the provisions of contracts or grant agreements applicable to Kelloggsville Public Schools' federal programs.

Auditor's Responsibility 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 Kelloggsville Public Schools' 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 generally accepted auditing standards, *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 Kelloggsville Public Schools' compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Kelloggsville Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Kelloggsville Public Schools' 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 Kelloggsville Public Schools' 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 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 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. 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 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 Kelloggsville Public Schools, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise of Kelloggsville Public Schools' basic financial statements. We issued our report thereon dated October 18, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted 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.



Certified Public Accountants
Grand Rapids, Michigan

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

KELLOGGSVILLE PUBLIC SCHOOLS

For the year ended June 30, 2022

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount
Passed through Michigan Department of Education (MDE):		
Title I Cluster:		
Title I, Part A:	84.010	
211530 2021		\$ 571,563
221530 2122		<u>568,773</u>
Total Title I Cluster		<u>1,140,336</u>
Title II, Part A:	84.367	
210520 2021		135,485
210534 2021		10,000
220520 2122		<u>101,322</u>
Total Title IIA		<u>246,807</u>
Title III, Part A:	84.365	
210570 2021		10,755
210580 2021		89,451
220570 2122		10,349
220580 2122		<u>86,739</u>
Total Title III, Part A		<u>197,294</u>
Title IV, Part A:	84.424	
210750 2021		42,993
		<u>40,855</u>
Total Title IV, Part A		<u>83,848</u>

See Notes to Schedule of Expenditures of Federal Awards

Accrued (Deferred) Revenue At July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2022
\$ 182,934	\$ 554,361	\$ -	\$ 182,934	\$ -
-	-	545,895	443,047	102,848
182,934	554,361	545,895	625,981	102,848
54,632	135,120	-	54,632	-
-	-	9,879	9,879	-
		100,535	80,738	19,797
54,632	135,120	110,414	145,249	19,797
5,057	9,036	-	5,057	-
65,363	79,856	-	65,363	-
-	-	10,349	3,881	6,468
-	-	84,951	67,922	17,029
70,420	88,892	95,300	142,223	23,497
17,245	42,727	-	17,245	-
-	-	35,035	35,035	-
17,245	42,727	35,035	52,280	-

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

KELLOGGSVILLE PUBLIC SCHOOLS

For the year ended June 30, 2022

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount
Education Stabilization Fund:	84.425	
201200 2021 GEER Funds K-12	84.425C	\$ 259,679
211202 2122 GEER Funds K-12	84.425C	46,750
203710 1920 ESSER Formula Funds	84.425D	460,232
213712 2021 ESSER Formula Funds II	84.425D	1,805,788
213722 2122 ESSER II 23b(2a) Summer Programming K-8	84.425D	155,650
213742 2122 ESSER II - Credit Recovery 9-12	84.425D	162,800
213752 2122 Before & After School 23b(2c)	84.425D	25,000
213762 2022 ESSER II Benchmark Assessments	84.425D	18,400
213713 2122 ARP ESSER III	84.425U	4,058,429
Total Education Stabilization Funds		6,992,728
Total Passed Through MDE		8,661,013
Passed through Kent Intermediate School District (KISD):		
Special Education Cluster:		
I.D.E.A. Grants to States:	84.027	
210450 2021		543,826
220450 2122		659,425
221280 2122		73,473
Total I.D.E.A. Grants to States		1,276,724
I.D.E.A. Preschool:	84.173	
210460 2021		25,743
220460 2122		27,043
221285 2122		8,788
Total I.D.E.A. Preschool		61,574
Total Special Education Cluster		1,338,298
Total Passed Through KISD		1,338,298
Total U.S. Department of Education		9,999,311

See Notes to Schedule of Expenditures of Federal Awards

Accrued (Deferred) Revenue At July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2022
\$ 83,523	\$ 259,679	\$ -	\$ 83,523	\$ -
-	-	46,750	46,750	-
147,320	460,232	-	147,320	-
-	-	1,805,788	1,632,515	173,273
-	-	155,650	153,603	2,047
-	-	162,800	94,082	68,718
-	-	25,000	-	25,000
-	-	18,400	18,400	-
-	-	592,879	289,058	303,821
230,843	719,911	2,807,267	2,465,251	572,859
556,074	1,541,011	3,593,911	3,430,984	719,001
132,208	543,826	-	132,208	-
-	-	632,382	459,492	172,890
-	-	73,473	41,639	31,834
132,208	543,826	705,855	633,339	204,724
6,261	25,743	-	6,261	-
-	-	27,043	27,043	-
-	-	8,788	4,998	3,790
6,261	25,743	35,831	38,302	3,790
138,469	569,569	741,686	671,641	208,514
138,469	569,569	741,686	671,641	208,514
694,543	2,110,580	4,335,597	4,102,625	927,515

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

KELLOGGSVILLE PUBLIC SCHOOLS

For the year ended June 30, 2022

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount
U.S. Department of Health and Human Services		
Passed through Kent Intermediate School District (KISD):		
Medicaid Cluster:		
Medical Assistance Program:	93.778	
1718 Medicaid Outreach		<u>\$ 10,285</u>
Total Medical Assistance Program		<u>10,285</u>
Total U.S. Department of Health and Human Services		<u>10,285</u>
Federal Communications Commission		
Passed through Universal Service Administrative Company (USAC)		
Emergency Connectivity Fund Program:	32.009	
ECF202102068		<u>30,232</u>
Total Federal Communications Commission		<u>30,232</u>
U.S. Department of Agriculture		
Passed through Michigan Department of Education (MDE):		
Child Nutrition Cluster:		
Non-Cash Assistance (USDA Commodities):		
Entitlement Commodities	10.555	<u>124,676</u>
Total Non-Cash Assistance		<u>124,676</u>
Cash Assistance:		
Seamless Summer Option - Breakfast	10.553	
211971		54,616
221970		2,759
221971		<u>350,359</u>
Total Seamless Summer Option - Breakfast		<u>407,734</u>

See Notes to Schedule of Expenditures of Federal Awards

Accrued (Deferred) Revenue At July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2022
\$ -	\$ -	\$ 10,285	\$ 10,285	\$ -
-	-	10,285	10,285	-
-	-	10,285	10,285	-
-	-	30,232	-	30,232
-	-	30,232	-	30,232
-	-	124,676	124,676	-
-	-	124,676	124,676	-
-	-	55,086	55,086	-
-	-	2,759	-	2,759
-	-	359,148	350,359	8,789
-	-	416,993	405,445	11,548

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

KELLOGGSVILLE PUBLIC SCHOOLS

For the year ended June 30, 2022

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount
Seamless Summer Option - Lunch	10.555	
211961		\$ 210,668
211965		113,319
211980		513
220910		55,308
221960		5,475
221961		1,243,796
221980		<u>4,647</u>
Total Seamless Summer Option - Lunch		<u>1,633,726</u>
Extended SFSP:	10.559	
210904		<u>1,049,644</u>
Total Cash Assistance		<u>3,091,104</u>
Total Child Nutrition Cluster		<u>3,215,780</u>
Child and Adult Care Food Program (CACFP):	10.558	
211920		8,405
212925		7,596
212010		98
221920		7,354
222010		<u>125</u>
Total CACFP Program		<u>23,578</u>
Total Passed Through MDE		<u>3,239,358</u>
Pandemic EBT Administrative Costs:	10.649	
210980 2021		<u>3,063</u>
Total U.S. Department of Agriculture		<u>3,242,421</u>
Total Federal Financial Assistance		<u><u>\$ 13,282,249</u></u>

See Notes to Schedule of Expenditures of Federal Awards

Accrued (Deferred) Revenue At July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2022
\$ -	\$ -	\$ 210,668	\$ 210,668	\$ -
-	-	113,319	113,319	-
-	-	513	513	-
-	-	55,308	55,308	-
-	-	5,475	-	5,475
-	-	1,243,796	1,222,521	21,275
-	-	4,647	4,595	52
-	-	1,633,726	1,606,924	26,802
42,655	1,049,644	4,814	47,469	-
42,655	1,049,644	2,055,533	2,059,838	38,350
42,655	1,049,644	2,180,209	2,184,514	38,350
48	8,405	2,075	2,123	-
-	-	7,596	7,596	-
-	-	98	98	-
-	-	7,354	7,354	-
-	-	125	125	-
48	8,405	17,248	17,296	-
42,703	1,058,049	2,197,457	2,201,810	38,350
-	-	3,063	3,063	-
42,703	1,058,049	2,200,520	2,204,873	38,350
\$ 737,246	\$ 3,168,629	\$ 6,576,634	\$ 6,317,783	\$ 996,097

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

KELLOGGSVILLE PUBLIC SCHOOLS

For the year ended June 30, 2022

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Kelloggsville Public Schools under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with 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 Kelloggsville Public Schools, it is not intended to and does not present the financial position, changes in net position, or cash flows, as applicable, of Kelloggsville Public Schools.

Note B – Summary of Significant Accounting Policies

Expenditures reported on 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* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

Kelloggsville Public Schools has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note D – Grant Section Auditor Report

Management has utilized the MDE NexSys Grant, Application and Cash Management System Grant Auditor Report (GAR) in preparing the Schedule of Expenditures of Federal Awards.

Note E – Non-Cash Assistance

The amounts reported on the Recipient Entitlement Balance Report, or PAL Report, agree with the schedule for USDA donated food commodities.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

KELLOGGSVILLE PUBLIC SCHOOLS
For the year ended June 30, 2022

Note F - Federal Income Reconciliation

	Grant Expenditures Per Schedule of Federal Financial Assistance	Federal Revenue Per Financial Statements	Difference
Title I, Part A	\$ 545,895	\$ 545,895	\$ -
Title II, Part A	110,414	110,414	-
Title III, Part A	95,300	95,300	-
Title IV, Part A	35,035	35,035	-
ESSER Stabilization Funds	2,807,267	2,807,267	-
Special Education Cluster	741,686	741,686	-
Medicaid Cluster	10,285	10,285	-
Emergency Connectivity Fund Program	30,232	-	30,232 *
Child Nutrition Cluster	2,180,209	2,180,209	-
Child and Adult Care Food Program	17,248	17,248	-
Pandemic EBT Local Level Costs	3,063	3,063	-
	<u>\$ 6,576,634</u>	<u>\$ 6,546,402</u>	<u>\$ 30,232</u>

*The difference in Federal expenditures to Federal revenue per the financial statements is due to Emergency Connectivity Funds not yet received being recognized as deferred revenue as of June 30, 2022.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

KELLOGGSVILLE PUBLIC SCHOOLS

For the year ended June 30, 2022

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? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _____ Yes X No

Identification of major programs audited: 84.425 Education Stabilization Funds

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

KELLOGGSVILLE PUBLIC SCHOOLS

For the year ended June 30, 2022

Section I - Summary of Auditor's Results (Continued)

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

\$750,000

Auditee qualified as a low-risk auditee?

X

Yes

 No

Section II - Financial Statements Audit Findings

There are no findings that are required to be reported under *Government Auditing Standards*.

Section III – Federal Award Programs Findings and Questioned Costs

There are no findings or questioned costs.