KELLOGGSVILLE PUBLIC SCHOOLS

Kent County, Michigan

Additional Reports Required by
the Uniform Guidance

For the year ended June 30, 2021

Hungerford Nichols CPAs + Advisors
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For the year ended June 30, 2021

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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 13, 2021

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, 2021, 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 13, 2021.

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) to determine the 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 may exist that have not been identified.

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 determination of financial statement amounts. 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.

Hungerford Nichols

Certified Public Accountants
Grand Rapids, Michigan

Hungerford Nichols CPAs + Advisors
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

October 13, 2021

The Board of Education
Kelloggsville Public Schools
Kent County, Michigan

Report on Compliance for Each Major Federal Program

We have audited Kelloggsville Public Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Kelloggsville Public Schools' major federal programs for the year ended June 30, 2021. Kelloggsville Public Schools' 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 Kelloggsville Public Schools' 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 (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 Kelloggsville Public Schools' 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 Kelloggsville Public Schools' compliance.

Opinion on Each Major Federal Program

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 each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Kelloggsville Public Schools 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 Kelloggsville Public Schools' 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 the 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 Kelloggsville Public Schools' 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.

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, 2021, 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 13, 2021, 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.

Hungerford Nichols

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, 2021

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount
U. S. Department of Education		
Passed through Michigan Department of Education MDE :		
Title I Cluster:		
Title I, Part A:	84.010	
201530 1920		$ 584,544
211530 2021		571,563
Total Title I Cluster		1,156,107
Title II, Part A:	84.367	
200520 1920		117,365
210520 2021		135,485
Total Title IIA		252,850
Title III, Part A:	84.365	
200570 1920		16,811
200580 1920		72,254
210570 2021		10,755
210580 2021		89,451
Total Title III, Part A		189,271
Title IV, Part A:	84.424	
200750 1920		46,467
210750 2021		42,993
Total Title IV, Part A		89,460
Education Stabilization Fund:	84.425	
201200 2021 GEER Funds K-12	84.425C	259,679
203710 1920 ESSER Formula Funds	84.425D	460,232
203720 1920 ESSER - Education Equity Funds	84.425D	46,023
Total Education Stabilization Funds		765,934
Total Passed Through MDE		2,453,622

See Notes to Schedule of Expenditures of Federal Awards

Accrued Deferred Revenue At July 1, 2020	Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts Cash Basis	Accrued Deferred Revenue At June 30, 2021
$ 259,966	$ 570,516	$ -	$ 259,966	$ -
-	-	554,361	371,427	182,934
259,966	570,516	554,361	631,393	182,934
2,300	74,616	-	2,300	-
-	-	135,120	80,488	54,632
2,300	74,616	135,120	82,788	54,632
10,124	13,065	-	10,124	-
31,194	61,110	-	31,194	-
-	-	9,036	3,979	5,057
-	-	79,856	14,493	65,363
41,318	74,175	88,892	59,790	70,420
18,167	44,220	-	18,167	-
-	-	42,727	25,482	17,245
18,167	44,220	42,727	43,649	17,245
-	-	259,679	176,156	83,523
-	-	460,232	312,912	147,320
-	-	46,023	46,023	-
-	-	765,934	535,091	230,843
321,751	763,527	1,587,034	1,352,711	556,074

KELLOGGSVILLE PUBLIC SCHOOLS
For the year ended June 30, 2021

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount
Passed through Kent Intermediate School District KISD :		
Special Education Cluster:		
I.D.E.A. Grants to States:	84.027	
200450 1920		$ 550,793
210450 2021		543,826
Total I.D.E.A. Grants to States		1,094,619
I.D.E.A. Preschool:	84.173	
200460 1920		23,913
210460 2021		25,743
Total I.D.E.A. Preschool		49,656
Total Special Education Cluster		1,144,275
Total Passed Through KISD		1,144,275
Total U.S. Department of Education		3,597,897
U.S. Department of Treasury		
Passed Through Michigan Department of Education MDE :		
Coronavirus Relief Funds:	21.019	
11p - Coronavirus Relief Funds		833,077
103 2 - District COVID Costs		29,324
Total Passed Through MDE		862,401
Passed through Kent County:		
Coronavirus Relief Funds:	21.019	
CRF-SRG-0020		59,374
Passed through Michigan Association of Intermediate School Administrators MAISA :		
Coronavirus Relief Funds:	21.019	
MiConnect Connectivity Program Rebate		45,263
MiConnect Device Purchasing Rebate		5,750
Total Passed Through MAISA		51,013
Total U.S. Department of Treasury		972,788

See Notes to Schedule of Expenditures of Federal Awards

Accrued Deferred Revenue At July 1, 2020	Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts Cash Basis	Accrued Deferred Revenue At June 30, 2021
$ 143,557	$ 550,793	$ -	$ 143,557	$ -
-	-	543,826	411,618	132,208
143,557	550,793	543,826	555,175	132,208
6,642	23,913	-	6,642	-
-	-	25,743	19,482	6,261
6,642	23,913	25,743	26,124	6,261
150,199	574,706	569,569	581,299	138,469
150,199	574,706	569,569	581,299	138,469
471,950	1,338,233	2,156,603	1,934,010	694,543
-	-	833,077	833,077	-
-	-	29,324	29,324	-
-	-	862,401	862,401	-
-	-	59,374	59,374	-
		45,263	45,263	
-	-	5,750	5,750	-
-	-	51,013	51,013	-
-	-	972,788	972,788	-

KELLOGGSVILLE PUBLIC SCHOOLS
For the year ended June 30, 2021

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	
1920 Medicaid Outreach		$ 9,800
2021 Medicaid Outreach		5,609
Total Medical Assistance Program		15,409
Total U.S. Department of Health and Human Services		15,409
U.S. Department of Agriculture		
Passed through Michigan Department of Education MDE :		
Child Nutrition Cluster:		
Non-Cash Assistance USDA Commodities :		
Entitlement Commodities	10.555	90,637
Entitlement Commodities - Bonus		994
Total Non-Cash Assistance		91,631
Cash Assistance:		
Lunch Program:	10.555	
200902 1920 - SFSP COVID19		226,785
Summer Food Service Program SFSP :	10.559	
200900 SFSP Operating		156,991
210904 SFSP Operating		1,049,644
Total SFSP Program		1,206,635
Total Cash Assistance		1,433,420
Total Child Nutrition Cluster		1,525,051

See Notes to Schedule of Expenditures of Federal Awards

Accrued Deferred Revenue At July 1, 2020	Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts Cash Basis	Accrued Deferred Revenue At June 30, 2021
$ 9,800	$ 9,800	$ -	$ 9,800	$ -
-	-	5,609	5,609	-
9,800	9,800	5,609	15,409	-
9,800	9,800	5,609	15,409	-
-	-	90,637	90,637	-
-	-	994	994	-
-	-	91,631	91,631	-
37,997	226,785	-	37,997	-
-	-	156,991	156,991	-
-	-	1,049,644	1,006,989	42,655
-	-	1,206,635	1,163,980	42,655
37,997	226,785	1,206,635	1,201,977	42,655
37,997	226,785	1,298,266	1,293,608	42,655

KELLOGGSVILLE PUBLIC SCHOOLS
For the year ended June 30, 2021

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount
Child and Adult Care Food Program CACFP :	10.558	
201920		$ 1,134
202010		34
211920		8,405
212010		200
Total CACFP Program		9,773
Total Passed Through MDE		1,534,824
Total U.S. Department of Agriculture		1,534,824
Total Federal Financial Assistance		$ 6,120,918

See Notes to Schedule of Expenditures of Federal Awards

Accrued Deferred Revenue At July 1, 2020	Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts Cash Basis	Accrued Deferred Revenue At June 30, 2021
$ -	$ -	$ 1,134	$ 1,134	$ -
-	-	34	34	-
-	-	8,405	8,357	48
-	-	200	200	-
-	-	9,773	9,725	48
37,997	226,785	1,308,039	1,303,333	42,703
37,997	226,785	1,308,039	1,303,333	42,703
$ 519,747	$ 1,574,818	$ 4,443,039	$ 4,225,540	$ 737,246

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

KELLOGGSVILLE PUBLIC SCHOOLS
For the year ended June 30, 2021

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, 2021. 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 Cash Management System (CMS) 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 SEFA for USDA donated food commodities.

KELLOGGSVILLE PUBLIC SCHOOLS
For the year ended June 30, 2021

Note F - Federal Income Reconciliation

	Grant Expenditures Per Schedule of Federal Financial Assistance	Federal Revenue Per Financial Statements	Difference
Title I, Part A	$ 554,361	$ 554,361	$ -
Title II, Part A	135,120	135,120	-
Title III, Part A	88,892	88,892	-
Title IV, Part A	42,727	42,727	-
ESSER Stabilization Funds	765,934	765,934	-
Special Education Cluster	569,569	569,569	-
Coronavirus Relief Funds	972,788	972,788	-
Medicaid Cluster	5,609	5,609	-
Child Nutrition Cluster	1,298,266	1,298,266	-
Child and Adult Care Food Program	9,773	9,773	-
	$ 4,443,039	$ 4,443,039	$ -

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

KELLOGGSVILLE PUBLIC SCHOOLS
For the 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?	_____	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:

21.019 Coronavirus Relief Funds
84.425 Education Stablization Funds

KELLOGGSVILLE PUBLIC SCHOOLS
For the year ended June 30, 2021

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.