

Bloomington School District #16

Single Audit Report

June 30, 2023



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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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

Members of the Board of Education
Bloomington School District #16
Bloomington, 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 Bloomington School District #16, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Bloomington School District #16's basic financial statements, and have issued our report thereon dated October 10, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bloomington School District #16'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 Bloomington School District #16's internal control. Accordingly, we do not express an opinion on the effectiveness of Bloomington School District #16'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 Bloomington School District #16'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.

Kalamazoo, Michigan
October 10, 2023

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

Independent Auditors' Report

Members of the Board of Education
Bloomington School District #16
Bloomington, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bloomington School District #16'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 Bloomington School District #16's major federal programs for the year ended June 30, 2023. Bloomington School District #16'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, Bloomington School District #16 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, 2023.

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 Bloomington School District #16 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 Bloomington School District #16'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 Bloomingdale School District #16'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 Bloomingdale School District #16'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 Bloomingdale School District #16'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 Bloomingdale School District #16'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 Bloomingdale School District #16'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 Bloomingdale School District #16'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 Bloomingdale School District #16, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Bloomingdale School District #16's basic financial statements. We issued our report thereon dated October 10, 2023, 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.

Kalamazoo, Michigan
October 10, 2023

Bloomington School District #16
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

	Grant/Project Number	Assistance Listing Number	Approved Grant Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue July 1, 2022	Federal Funds/ Payments In-Kind	Expenditures	Accrued Revenue June 30, 2023
Child Nutrition Cluster - U.S. Department of Agriculture								
Passed through Michigan Department of Education								
Noncash Assistance (Commodities)								
National School Lunch Program Commodities - Entitlement	N/A	10.555	\$ 66,896	\$ -	\$ -	\$ 66,896	\$ 66,896	\$ -
National School Lunch Program Commodities - Bonus		10.555	5,577	-	-	5,577	5,577	-
Noncash Assistance Subtotal					-	72,473	72,473	-
Cash Assistance								
COVID-19 - Supply Chain Assistance	220910	10.555	49,257	24,443	-	24,814	24,814	-
National School Lunch Program	221960	10.555	84,928	-	-	84,928	84,928	-
COVID-19 - Seamless Summer Option - Lunch	221961	10.555	519,100	519,100	8,445	8,445	-	-
COVID-19 - Supply Chain Assistance	230910	10.555	14,829	-	-	14,829	14,829	-
National School Lunch Program	231960	10.555	509,498	-	-	509,498	509,498	-
Cash Assistance Subtotal					8,445	642,514	634,069	-
National School Lunch Program (including commodities) Subtotal					8,445	714,987	706,542	-
National School Breakfast Program	221970	10.553	34,059	-	-	34,059	34,059	-
COVID-19 - Seamless Summer Option - Breakfast	221971	10.553	190,605	190,605	3,694	3,694	-	-
National School Breakfast Program	231970	10.553	212,921	-	-	212,921	212,921	-
National School Breakfast Program Subtotal					3,694	250,674	246,980	-
Total Child Nutrition Cluster					12,139	965,661	953,522	-
COVID-19 - Pandemic EBT Local Level Costs	220980	10.649	3,135	-	-	3,135	3,135	-
Total U.S. Department of Agriculture					12,139	968,796	956,657	-
U.S. Federal Communications Commission								
Passed through Universal Service Administrative Co.								
Emergency Connectivity Funds								
COVID-19 - Emergency Connectivity Funds	2299000339	32.009	8,770	-	-	8,770	8,770	-
U.S. Department of Education								
Passed through Michigan Department of Education								
Title I Grants to Local Education Agencies	221530	84.010	468,217	431,523	35,860	35,860	-	-
Title I Grants to Local Education Agencies	231530	84.010	440,496	-	-	227,633	439,261	211,628
Title I Grants to Local Education Agencies Subtotal					35,860	263,493	439,261	211,628
Passed through Michigan Department of Education								
Rural Education	220660	84.358	26,141	23,121	(173)	(173)	-	-
Rural Education	230660	84.358	33,432	-	-	31,539	31,833	294
Rural Education Subtotal					(173)	31,366	31,833	294

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Bloomington School District #16
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

	Grant/Project Number	Assistance Listing Number	Approved Grant Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue July 1, 2022	Federal Funds/ Payments In-Kind	Expenditures	Accrued Revenue June 30, 2023
Passed through Michigan Department of Education English Language Acquisition State Grants	230580	84.365	34,743	-	-	33,016	34,374	1,358
Passed through Michigan Department of Education Supporting Effective Instruction State Grants	220520	84.367	88,356	82,409	(443)	(443)	-	-
Supporting Effective Instruction State Grants	230520	84.367	62,310	-	-	57,676	61,700	4,024
Supporting Effective Instruction State Grants Subtotal					(443)	57,233	61,700	4,024
Passed through Michigan Department of Education Student Support & Academic Enrichment Program	220750	84.424	52,957	48,469	3,595	3,595	-	-
Student Support & Academic Enrichment Program	230750	84.424	34,111	-	-	13,147	31,351	18,204
Student Support & Academic Enrichment Program Subtotal					3,595	16,742	31,351	18,204
Passed through Michigan Department of Education Student Support & Academic Enrichment Program	210775-2022	84.424A	14,500	6,571	3,797	11,726	7,929	-
Student Support & Academic Enrichment Program	210775-2024	84.424A	27,000	-	-	-	816	816
Student Support & Academic Enrichment Program Subtotal					3,797	11,726	8,745	816
Passed through Michigan Department of Education Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act								
COVID-19 - ESSER II - Formula	213712-2021	84.425D	1,397,039	1,376,309	84,319	84,319	8,022	8,022
COVID-19 - ESSER II - 98C Learning Loss	213782-2223	84.425D	56,885	-	-	-	56,885	56,885
COVID-19 - ESSER II - Summer Programming	213722-2122	84.425D	102,850	100,791	-	1,268	1,268	-
COVID-19 - ESSER II - Credit Recovery	213742-2122	84.425D	23,765	13,791	-	8,205	8,205	-
COVID-19 - ESSER III - Formula	213713-2122	84.425U	3,139,784	778,098	87,023	87,023	2,253,301	2,253,301
Education Stabilization Fund Subtotal					171,342	180,815	2,327,681	2,318,208
Total U.S. Department of Education					213,978	594,391	2,934,945	2,554,532
U.S. Department of Health and Human Services Passed through the Van Buren/Cass District Health Department COVID-19 - Epidemiology and Laboratory Capacity for Infectious Disease	2021-2022	93.323	13,090	13,090	13,090	13,090	-	-
Passed through the Van Buren Intermediate School District Medicaid Cluster Medical Assistance Program	N/A	93.778	826	-	-	826	826	-
Total Department of Health and Human Services					13,090	13,916	826	-
Total Federal Programs					\$ 239,207	\$ 1,585,873	\$ 3,901,198	\$ 2,554,532

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Bloomington School District #16
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2023

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Bloomington School District #16 under programs of the federal government for the year ended June 30, 2023. 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 Bloomington School District #16, it is not intended to and does not present the financial position or changes in financial position of Bloomington School District #16.

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.

Indirect Cost Rate

Bloomington School District #16 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

Federal revenues per the financial statements equal the federal expenditures per the Schedule.

Note 4 – Subrecipients

No amounts were provided to subrecipients.

Note 5 – Michigan Department of Education Disclosures

The amounts reported on the recipient entitlement balance report agree with the Schedule for U.S.D.A. donated food commodities. The federal amounts reported on the grant auditor report are in agreement with the Schedule except as follows:

ALN	Grant #	Payments per the GAR as of June 30	Received by the District as of June 30	Difference
84.424	230750-2223	\$ 23,260	\$ 13,147	\$ 10,113
84.424A	210775-2024	315	-	315

The difference above represents payments disbursed by year end per the GAR, but not received by the District until after year end.

Bloomington School District #16
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2023

Additionally, the following payments were missing from the GAR during the 2021-2022 fiscal year, but were made: ALN 10.553, Grant 221971, project 322, \$13,837; ALN 10.555, Grant 221961, project 322, \$40,317. This was believed to be a technological error on the GAR, and as such, the payments received column on the Schedule for 2021-2022 reflects these amounts. These amounts now show on the 2022-2023 GAR, even though they were made in 2021-2022.

Bloomington School District #16
Schedule of Findings and Questioned Costs
June 30, 2023

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 weaknesses identified? | _____ | Yes | _____ | X | No |
| • Significant deficiency(s) identified that are not considered to be material weaknesses? | _____ | Yes | _____ | X | None Reported |
| • Noncompliance material to financial statements noted? | _____ | Yes | _____ | X | No |

Federal Awards

Internal control over major programs:

- | | | | | | |
|---|-------|-----|-------|---|---------------|
| • Material weaknesses identified? | _____ | Yes | _____ | X | No |
| • Significant deficiency(s) identified that are not considered to be material weaknesses? | _____ | Yes | _____ | X | 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

10.553, 10.555, 10.559
84.425D, 84.425U

Child Nutrition Cluster
Educational Stabilization Fund Under the Coronavirus Aid,
Relief, and Economic Security Act

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

\$ 750,000

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

Bloomington School District #16
Schedule of Findings and Questioned Costs
June 30, 2023

SECTION II - GOVERNMENT AUDITING STANDARDS FINDINGS

There were no *Government Audit Standards* findings for the year ended June 30, 2023.

SECTION III - FEDERAL AWARD FINDINGS

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

Bloomington School District #16
Summary Schedule of Prior Audit Findings
June 30, 2023

SECTION IV - PRIOR AUDIT FINDINGS

GOVERNMENT AUDITING STANDARDS FINDINGS

There were no *Government Auditing Standards* findings for the year ended June 30, 2022.

FEDERAL AWARD FINDINGS

There were no federal award findings or questioned costs for the year ended June 30, 2022.