
Van Dyke Public Schools

Federal Awards Supplemental Information
June 30, 2023

Independent Auditor's Reports

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

Independent Auditor's Report

To the Board of Education
Van Dyke Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Van Dyke Public Schools (the "School District") as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 18, 2023, which contained an unmodified opinion 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. We have not performed any procedures with respect to the audited financial statements subsequent to October 18, 2023.

The accompanying schedule of expenditures of federal awards and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis, as required by the Uniform Guidance, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

October 18, 2023

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Education
Van Dyke Public Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Van Dyke Public Schools (the "School District") as of June 30, 2023 and the related notes to the basic financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 18, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency, described in the accompanying schedule of findings and questioned costs as Finding 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The School District's Response to the Finding

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

To Management and the Board of Education
Van Dyke Public Schools

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moreau, PLLC

October 18, 2023

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance
Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
Van Dyke Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Van Dyke Public Schools' (the "School District") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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 the 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* (the "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 the 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 the 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 grant agreements applicable to the School District's federal programs.

Auditor's 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 the 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 the 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 the 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 the 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 the 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 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.

To the Board of Education
Van Dyke Public Schools

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moreau, PLLC

October 18, 2023

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2023	Current Year Cash Transferred to Subrecipients
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:										
Noncash Assistance (Commodities):										
National School Lunch Program Commodities 2022-2023	10.555	N/A	\$ 98,970	\$ -	\$ -	\$ -	\$ 98,970	\$ 98,970	\$ -	\$ -
National School Lunch Program Commodities 2022-2023 Bonus	10.555	N/A	5,973	-	-	-	5,973	5,973	-	-
Noncash Assistance (Commodities) subtotal	10.555		104,943	-	-	-	104,943	104,943	-	-
Cash Assistance:										
Seamless Summer Option (SSO) - Breakfast	10.553	221971	360,845	360,845	16,339	-	16,339	-	-	-
National School Breakfast Program 2022-2023	10.553	221970/231970	460,583	-	-	-	442,763	460,583	17,820	-
National School Breakfast Program subtotal	10.553		821,428	360,845	16,339	-	459,102	460,583	17,820	-
National School Lunch Program 2021-2022	10.555	221960/231960	968,766	-	-	-	938,070	968,766	30,696	-
National School Lunch Program 2022-2023	10.555	221980/231980	8,467	-	-	-	8,467	8,474	7	-
Seamless Summer Option (SSO) - Lunch	10.555	211961	105,075	105,075	29,237	-	29,237	-	-	-
Supply Chain Assistance	10.555	220910	41,979	-	-	-	41,979	41,979	-	-
Supply Chain Assistance	10.555	230910	24,059	-	-	-	24,059	24,059	-	-
National School Lunch Program (incl. commodities) subtotal	10.555		1,253,289	105,075	29,237	-	1,146,755	1,148,221	30,703	-
Summer Food Service Program for Children (SFSPC):										
2019-20 Operating and 2020-21 Extended	10.559	200900/210904	261,248	261,248	288	-	288	-	-	-
Summer Food Service Program 2022-2023	10.559	220900	29,925	-	-	-	29,925	35,347	5,422	-
Summer Food Service Program subtotal	10.559		291,173	261,248	288	-	30,213	35,347	5,422	-
Total Child Nutrition Cluster			2,365,890	727,168	45,864	-	1,636,070	1,644,151	53,945	-
Special Education Cluster - U.S. Department of Education - Passed through the Macomb County ISD:										
IDEA Flowthrough:										
IDEA Flowthrough 2022	84.027	220450	692,520	672,987	193,932	-	206,439	19,533	7,026	-
IDEA Flowthrough 2023	84.027	230450	630,761	-	-	-	547,111	630,761	83,650	-
COVID-19 American Rescue Plan - IDEA	84.027X	221280	151,029	151,029	43,962	-	43,962	-	-	-
Total IDEA Flowthrough	84.027		1,474,310	824,016	237,894	-	797,512	650,294	90,676	-
IDEA Preschool Incentive:										
IDEA Preschool 2022	84.173	220460	20,655	20,655	2,361	-	2,361	-	-	-
IDEA Preschool 2023	84.173	230460	17,692	-	-	-	17,692	17,692	-	-
COVID-19 American Rescue Plan - IDEA Preschool	84.173X	221285	10,176	7,018	2,895	-	6,053	3,158	-	-
Total IDEA Preschool Incentive	84.173		48,523	27,673	5,256	-	26,106	20,850	-	-
Total Special Education Cluster			1,522,833	851,689	243,150	-	823,618	671,144	90,676	-
Total clusters			3,888,723	1,578,857	289,014	-	2,459,688	2,315,295	144,621	-

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2023

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2022	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2023	Current Year Cash Transferred to Subrecipients
Other federal awards:										
U.S. Department of Agriculture - Passed through the Michigan Department of Education - COVID-19 Pandemic EBT Local Level Costs	10.649	220980	\$ 3,135	\$ -	\$ -	\$ -	\$ 3,135	\$ 3,135	\$ -	\$ -
U.S. Department of Education - Passed through the Michigan Department of Education:										
Title I Part A:										
Title I Part A 2022	84.010	211530	2,407,333	2,145,247	275,035	-	275,035	-	-	-
Title I Part A 2023	84.010	231530	<u>1,893,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,575,390</u>	<u>1,803,725</u>	<u>228,335</u>	<u>-</u>
Total Title I Part A	84.010		4,300,560	2,145,247	275,035	-	1,850,425	1,803,725	228,335	-
Title II Part A: Improving Teacher Quality:										
Title II Part A 2122	84.367	220520	253,960	220,437	39,823	-	39,823	-	-	-
Title II Part A 2122	84.367	230520	<u>178,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,067</u>	<u>134,762</u>	<u>1,695</u>	<u>-</u>
Total Title II Part A	84.367		432,179	220,437	39,823	-	172,890	134,762	1,695	-
Title IV Part A: Student Support and Academic Enrich:										
Title IV - Part A SSAE 2122	84.424	220750	133,584	130,547	24,891	-	24,891	-	-	-
Title IV - Part A SSAE 2223	84.424	230750	<u>123,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,428</u>	<u>123,428</u>	<u>-</u>	<u>-</u>
Total Title IV Part A	84.424		257,012	130,547	24,891	-	148,319	123,428	-	-
Education Stabilization Fund (ESF):										
COVID-19 ESSER Formula Fund II	84.425D	213712	7,434,965	4,209,249	967,602	-	2,243,650	1,176,728	(99,320)	-
COVID-19 ESSER Education Equity Fund III	84.425U	213713	<u>9,769,300</u>	<u>1,502,687</u>	<u>(247,313)</u>	<u>-</u>	<u>5,925,561</u>	<u>6,445,541</u>	<u>272,667</u>	<u>-</u>
Total Education Stabilization Fund	84.425		17,204,265	5,711,936	720,289	-	8,169,211	7,622,269	173,347	-
Career and Technical Education - Passed through Warren Woods Public Schools - Basic Grants to States (Perkins II)										
	84.048	N/A	<u>21,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,515</u>	<u>21,515</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Education noncluster programs			<u>22,215,531</u>	<u>8,208,167</u>	<u>1,060,038</u>	<u>-</u>	<u>10,362,360</u>	<u>9,705,699</u>	<u>403,377</u>	<u>-</u>
Total federal awards			<u>\$ 26,107,389</u>	<u>\$ 9,787,024</u>	<u>\$ 1,349,052</u>	<u>\$ -</u>	<u>\$ 12,825,183</u>	<u>\$ 12,024,129</u>	<u>\$ 547,998</u>	<u>\$ -</u>

Van Dyke Public Schools

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

Year Ended June 30, 2023

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 12,286,234
MDE Child Care Relief Fund payments - Beneficiary payments not subject to single audit	(238,533)
Federal revenue for which the School District is considered a vendor rather than a subrecipient	(29,543)
Other differences	<u>5,971</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 12,024,129</u></u>

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Van Dyke Public Schools (the "School District") under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement, as outlined in the Compliance Supplement Addendum. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The pass-through entity identifying numbers are presented where available.

The School District has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Note 3 - Grant Auditor Report

Management has utilized the Michigan Department of Education NexSys Grant Auditor Report (GAR) in preparing the schedule of expenditures of federal awards. Differences, if any, between the GAR and the schedule of expenditures of federal awards relate to the timing of payments and the fiscal year to which the payments relate.

Note 4 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance.

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

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? X Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted?

 Yes X None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

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 Section 2 CFR 200.516(a)?

 Yes X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
---------------------------	------------------------------------

10.553, 10.555, 10.559	Child Nutrition Cluster
84.425D, 84.425U	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

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2023

Section II - Financial Statement Audit Findings

Reference Number	Finding
2023-001	<p>Finding Type - Material weakness</p> <p>Criteria - The School District's internal control structure should have the proper roles in place to ensure adequate reviews and reconciliations are in place, in particular, controls surrounding cash receipts, cash disbursements, payroll, and the ability to post journal entries.</p> <p>Condition - The School District did not have the proper reviews and reconciliations in place to ensure accounts were properly recorded and reconciled.</p> <p>Context - Year-end audit adjustments were identified by the auditor in order for payroll benefit expenditures, accounts payable, prepaid expenses, and state source revenue to be reflected accurately.</p> <p>Cause - The School District did not have the proper staffing to ensure proper controls were in place for review and reconciliations throughout the year.</p> <p>Effect - Lack of proper reviews and reconciliations can lead to material misstatements and errors in the financial statements.</p> <p>Recommendation - Management should establish an internal control structure to ensure that there is adequate monitoring and review throughout the year. Duties should be separated as much as possible, and compensating controls should be used to ensure items are properly reconciled and recorded.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The business department has hired an additional accounting/payroll clerk as of July 1, 2023, in which the clerk will complete bank reconciliations and the business director will then be the reviewer for the preceding functions. The accounting/payroll clerk will also be given accounting tasks, as deemed necessary. The School District is also planning a succession plan for the business director and plans on seeking a candidate for a co-director.</p>

Section III - Federal Program Audit Findings

Finding	Questioned Costs
None	