

L'Anse Creuse Public Schools

Single Audit

June 30, 2024



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

Management and the Board of Education
L'Anse Creuse Public Schools
Clinton Township, 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 L'Anse Creuse Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise L'Anse Creuse Public Schools' basic financial statements, and have issued our report thereon dated September 24, 2024.

Report on Internal Control Over Financial Reporting

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

Yeo & Yeo, P.C.

Auburn Hills, Michigan
September 24, 2024

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

Independent Auditors' Report

Management and the Board of Education
L'Anse Creuse Public Schools
Clinton Township, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited L'Anse Creuse Public Schools' 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 L'Anse Creuse Public Schools' major federal programs for the year ended June 30, 2024. L'Anse Creuse Public Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, L'Anse Creuse Public Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of L'Anse Creuse 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 each major federal program. Our audit does not provide a legal determination of L'Anse Creuse 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 provisions of contracts or agreements applicable to L'Anse Creuse Public Schools' 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 L'Anse Creuse 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 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 L'Anse Creuse Public Schools' 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 L'Anse Creuse 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 L'Anse Creuse 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 L'Anse Creuse 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 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 L'Anse Creuse Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise L'Anse Creuse Public Schools' basic financial statements. We issued our report thereon dated September 24, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Yeo & Yeo, P.C.

Auburn Hills, Michigan
September 24, 2024

L'Anse Creuse Public Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor Pass-Through Grantor Program or Cluster Title	Grant/ Project Number	Federal Assistance Listing Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2024
U.S. Department of Agriculture								
Passed through Michigan Department of Education								
Child Nutrition Cluster								
School Breakfast Program	231970	10.553	\$ 800,029	\$ 43,118	\$ 698,283	\$ 101,746	\$ 144,864	\$ -
School Breakfast Program	241970	10.553	960,774	-	-	960,774	907,836	52,938
Total School Breakfast Program			1,760,803	43,118	698,283	1,062,520	1,052,700	52,938
Non-Cash Assistance								
National School Lunch Program - Entitlement	N/A	10.555	356,730	-	-	356,730	356,730	-
National School Lunch Program - Entitlement	N/A	10.555	1,013	-	-	1,013	1,013	-
Total Non-Cash Assistance - National School Lunch Program			357,743	-	-	357,743	357,743	-
Cash Assistance								
National School Lunch Program - Supply Chain Assistance	220910	10.555	350,085	(57,776)	292,309	57,776	-	-
National School Lunch Program	231960	10.555	2,241,683	97,912	1,948,774	292,909	390,821	-
National School Lunch Program - Supply Chain Assistance	240910	10.555	227,894	-	-	227,894	227,894	-
National School Lunch Program	241960	10.555	2,310,670	-	-	2,310,670	2,214,910	95,760
Total Cash Assistance - National School Lunch Program			5,130,332	40,136	2,241,083	2,889,249	2,833,625	95,760
Total National School Lunch Program			5,488,075	40,136	2,241,083	3,246,992	3,191,368	95,760
Summer Food Service Program	230900	10.559	28,881	-	-	28,881	20,805	8,076
Fresh Fruits and Vegetables Program	230950	10.582	23,075	5,300	18,912	536	5,836	-
Fresh Fruits and Vegetables Program	240950	10.582	21,360	-	-	21,360	20,472	888
Total Fresh Fruits and Vegetables Program			44,435	5,300	18,912	21,896	26,308	888
Total Child Nutrition Cluster			7,322,194	88,554	2,958,278	4,360,289	4,291,181	157,662
Passed through Michigan Department of Education								
Local Food for Schools	230985	10.185	41,288	16,000	32,473	8,815	24,815	-
Passed through Michigan Department of Education								
School Breakfast Expansion	221997	10.579	10,000	-	-	10,000	10,000	-
Total U.S. Department of Agriculture			7,373,482	104,554	2,990,751	4,379,104	4,325,996	157,662

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

L'Anse Creuse Public Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor Pass-Through Grantor Program or Cluster Title	Grant/ Project Number	Federal Assistance Listing Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2024
Federal Communications Commission								
Passed through the Universal Service Administration Company COVID-19 Emergency Connectivity Fund	N/A	32.009	\$ 823,200	\$ -	\$ -	\$ 823,200	\$ -	\$ 823,200
U.S. Department of Education								
Passed through the Macomb Intermediate School District Special Education Cluster								
COVID-19 American Rescue Plan (ARP) - Special Education - Grants to States - Flowthrough	221280-2122	84.027X	474,376	46,131	474,376	-	46,131	-
Special Education - Grants to States - Flowthrough	220450-2122	84.027	2,200,852	64,577	2,200,852	-	64,577	-
Special Education - Grants to States - Flowthrough	230450-2223	84.027	2,336,597	529,963	2,087,374	249,222	720,865	58,320
Special Education - Grants to States - Flowthrough	240450-2324	84.027	2,546,077	-	-	2,247,570	1,752,330	495,240
Total Special Education - Grants to States - Flowthrough			7,557,902	640,671	4,762,602	2,496,792	2,583,903	553,560
Special Education - Preschool Grants	230460-2223	84.173	70,770	15,735	70,770	-	15,735	-
Special Education - Preschool Grants	240460-2324	84.173	91,079	-	-	91,079	71,879	19,200
Total Special Education - Preschool Grants			161,849	15,735	70,770	91,079	87,614	19,200
Total Special Education Cluster			7,719,751	656,406	4,833,372	2,587,871	2,671,517	572,760
Passed through Michigan Department of Education								
Adult Education - Basic Grants to States	231130-231199	84.002	155,578	18,747	155,578	-	18,747	-
Adult Education - Basic Grants to States	231190-231199	84.002	80,928	3,721	80,928	-	3,721	-
Adult Education - Basic Grants to States	241130-231199	84.002	159,323	-	-	159,323	123,799	35,524
Adult Education - Basic Grants to States	241190-231199	84.002	82,903	-	-	82,903	72,613	10,290
Total Adult Education - Basic Grants to States			478,732	22,468	236,506	242,226	218,880	45,814
Passed through Michigan Department of Education								
Title I - Grants to Local Education Agencies, Part A	231530-2223	84.010	1,265,283	236,190	1,116,109	24,184	260,374	-
Title I - Grants to Local Education Agencies, Part A	241530-2324	84.010	1,639,514	-	-	1,196,209	882,381	313,828
Total Title I - Grants to Local Education Agencies, Part A			2,904,797	236,190	1,116,109	1,220,393	1,142,755	313,828
Passed through Michigan Department of Education								
Title I - Neglected and Delinquent, Part D	231700-2223	84.013	365,604	62,626	196,410	55,340	117,966	-
Title I - Neglected and Delinquent, Part D	241700-2324	84.013	394,816	-	-	197,369	144,732	52,637
Total Title I - Neglected and Delinquent, Part D			760,420	62,626	196,410	252,709	262,698	52,637
Passed through the Macomb Intermediate School District								
Vocational Education - Secondary Regional Allocation (Perkins)	233250-231216	84.048	69,528	4,090	69,528	-	4,090	-
Vocational Education - Secondary Regional Allocation (Perkins)	243250-241216	84.048	115,310	-	-	115,310	105,837	9,473
Total Vocational Education - Secondary Regional Allocation (Perkins)			184,838	4,090	69,528	115,310	109,927	9,473

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

L'Anse Creuse Public Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor Pass-Through Grantor Program or Cluster Title	Grant/ Project Number	Federal Assistance Listing Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2024
U.S. Department of Education (Continued)								
Passed through Michigan Department of Education								
Title III - Immigrant Students, Part A	230570-2223	84.365	\$ 4,112	\$ 540	\$ 1,048	\$ 1,364	\$ 1,904	\$ -
Title III - Immigrant Students, Part A	230580-2223	84.365	37,349	8,370	32,005	-	8,370	-
Title III - Immigrant Students, Part A	240570-2324	84.365	4,999	-	-	799	-	799
Title III - Immigrant Students, Part A	240580-2324	84.365	39,562	-	-	32,696	25,383	7,313
Total Title III - Immigrant Students, Part A			86,022	8,910	33,053	34,859	35,657	8,112
Passed through Michigan Department of Education								
Title II - Supporting Effective Instruction, Part A	230520-2223	84.367	249,606	45,460	225,886	1,100	46,560	-
Title II - Supporting Effective Instruction, Part A	240520-2324	84.367	284,774	-	-	239,278	187,992	51,286
Total Title II - Supporting Effective Instruction, Part A			534,380	45,460	225,886	240,378	234,552	51,286
Passed through Michigan Department of Education								
Title IV - Student Support and Academic Enrichment, Part A	230750-2223	84.424	114,567	1,513	37,733	-	1,513	-
Title IV - Student Support and Academic Enrichment, Part A	240750-2324	84.424	162,993	-	-	61,267	41,286	19,981
Total Title IV - Student Support and Academic Enrichment, Part A			277,560	1,513	37,733	61,267	42,799	19,981
Passed through Michigan Department of Education								
Education Stabilization Fund								
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) II - 98C Learning Loss	213782-2223	84.425D	504,364	133,939	504,364	-	133,939	-
COVID-19 ARP / ESSER III	213713-2122	84.425U	9,389,039	1,209,989	8,574,471	814,568	2,024,557	-
COVID-19 ESSER III - 11t	213723-2122	84.425U	1,664,142	90,581	341,424	1,208,670	926,716	372,535
Total Federal Assistance Listing Number 84.425U			11,053,181	1,300,570	8,915,895	2,023,238	2,951,273	372,535
COVID-19 ARP-Homeless II	211012-2122	84.425W	58,565	13,573	23,732	34,832	48,405	-
Total Education Stabilization Fund			11,616,110	1,448,082	9,443,991	2,058,070	3,133,617	372,535
Total U.S. Department of Education			24,562,610	2,485,745	16,192,588	6,813,083	7,852,402	1,446,426
U.S. Department of Health and Human Services								
Passed through Michigan Department of Education								
Health Resources Advocates Grant	242810-HRA2024	93.323	134,000	-	-	134,000	-	134,000
Total Federal awards			\$ 32,893,292	\$ 2,590,299	\$ 19,183,339	\$ 12,149,387	\$ 12,178,398	\$ 2,561,288

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

L'Anse Creuse Public Schools
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of L'Anse Creuse Public Schools under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of L'Anse Creuse Public Schools, it is not intended to and does not present the financial position or changes in fund balances of L'Anse Creuse Public Schools.

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

L'Anse Creuse Public Schools 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

The federal revenues per the financial statements are in agreement with the SEFA except for the following:

Expenditures per the schedule of expenditures of federal awards	\$ 12,149,387
Revenue not received within 60 days - deferred inflows	(823,200)
Other revenue not reported on the SEFA	<u>31,174</u>
Federal revenues per the financial statements	<u><u>\$ 11,357,361</u></u>

Note 4 - Michigan Department of Education Disclosures

Management has reported the expenditures in the SEFA equal to those amounts reported in the annual or final cost reports that have been submitted for that particular grant year.

The federal amounts reported on the Grant Auditor Report (GAR) are in agreement with the SEFA.

The amounts reported on the Recipient Entitlement Balance Report (PAL Report) and the MISD Subrecipient Schedule are in agreement with the SEFA.

L'Anse Creuse Public Schools
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2024

Note 5 - Subrecipients

No amounts were provided to subrecipients.

L'Anse Creuse Public Schools
Schedule of Findings and Questioned Costs
June 30, 2024

Section I – Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

- | | | | | |
|-------------------------------------------------------|-------|-----|--------------|---------------|
| • Material weakness(es) identified? | _____ | yes | <u> X </u> | no |
| • Significant deficiency(ies) identified? | _____ | yes | <u> X </u> | none reported |
| Noncompliance material to financial statements noted? | _____ | yes | <u> X </u> | no |

Federal Awards

Internal control over major federal programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	yes	<u> X </u>	no
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Identification of major federal programs:

Assistance Listing Number(s)

10.553 / 10.555 / 10.559 / 10.582
32.009
84.010

Name of Federal Program or Cluster

Child Nutrition Cluster
Emergency Connectivity Fund Program
Title I – Part A

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?	<u> X </u>	yes	_____	no
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L'Anse Creuse Public Schools
Schedule of Findings and Questioned Costs
June 30, 2024

Section II – *Government Auditing Standards* Findings

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

Section III – Federal Award Findings

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

L'Anse Creuse Public Schools
Summary Schedule of Prior Audit Findings
June 30, 2024

Section IV – Prior Audit Findings

Government Auditing Standards Findings

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

Federal Award Findings

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