

Muskegon Area Intermediate School District

**SINGLE AUDIT OF FEDERAL
FINANCIAL ASSISTANCE PROGRAMS**

Financial Report and
Independent Auditor's Reports

June 30, 2022



C O N T E N T S

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FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education
Muskegon Area Intermediate School District
Muskegon, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Muskegon Area Intermediate School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Muskegon Area Intermediate School District's basic financial statements, and have issued our report thereon dated October 26, 2022.

Report on Internal Control Over Financial Reporting

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

Board of Education
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Muskegon Area Intermediate 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*.

Muskegon Area Intermediate School District’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Muskegon Area Intermediate School District’s response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Muskegon Area Intermediate 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 the response.

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.



Muskegon, Michigan
October 26, 2022

INDEPENDENT AUDITOR'S 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

Board of Education
Muskegon Area Intermediate School District
Muskegon, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Muskegon Area Intermediate School District'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 the Muskegon Area Intermediate School District's major federal programs for the year ended June 30, 2022. Muskegon Area Intermediate 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 Muskegon Area Intermediate 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 its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Muskegon Area Intermediate 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 Muskegon Area Intermediate 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 Muskegon Area Intermediate School District's federal programs.

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Muskegon Area Intermediate School District
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Auditor’s Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Muskegon Area Intermediate 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 Muskegon Area Intermediate 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 Muskegon Area Intermediate 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 Muskegon Area Intermediate 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 Muskegon Area Intermediate 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.

Board of Education
Muskegon Area Intermediate School District
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Report on Internal Control Over Compliance—Continued

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 limitation, 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 Muskegon Area Intermediate School District as of and for the year ended June 30, 2022, and have issued our report thereon dated October 26, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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 financial statements as a whole.



Muskegon, Michigan
October 26, 2022

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2022

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2021	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2022	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Education</i>									
Direct programs:									
School Safety National Activities	84.184M								
S184M190007-20		\$ 1,053,760	\$ 117,360	\$ -	\$ 285,113	\$ 886,007	\$ 167,753	\$ -	\$ -
S184M190007-30		895,521	-	-	563,399	-	689,838	126,439	-
		<u>1,949,281</u>	<u>117,360</u>	<u>-</u>	<u>848,512</u>	<u>886,007</u>	<u>857,591</u>	<u>126,439</u>	<u>-</u>
Programs passed through Michigan Department of Education:									
Title I Grants to Local Educational Agencies	84.010A								
211570 20-21		439,658	78,136	-	228,414	284,019	150,278	-	102,745
221570 21-22		526,821	-	-	175,251	-	268,368	93,117	91,489
		<u>966,479</u>	<u>78,136</u>	<u>-</u>	<u>403,665</u>	<u>284,019</u>	<u>418,646</u>	<u>93,117</u>	<u>194,234</u>
Title I State Agency Program For Neglected and Delinquent Children and Youth	84.013A								
211700 2021		130,592	16,665	-	18,075	92,520	1,410	-	-
221700 2122		79,641	-	-	48,469	-	50,849	2,380	-
		<u>210,233</u>	<u>16,665</u>	<u>-</u>	<u>66,544</u>	<u>92,520</u>	<u>52,259</u>	<u>2,380</u>	<u>-</u>
Special Education Cluster									
Special Education—Grants to States	84.027A								
200450 1920		7,448,603	421,064	-	421,064	7,448,603	-	-	-
210450 20-21		7,631,620	971,198	-	971,198	6,909,435	722,185	722,185	610,885
210493 GSSG		151,800	27,368	-	27,368	151,800	-	-	-
220450 21-22		7,780,796	-	-	6,179,245	-	7,287,152	1,107,907	5,867,601
220493 21-22		151,800	-	-	129,237	-	151,800	22,563	-
		<u>23,164,619</u>	<u>1,419,630</u>	<u>-</u>	<u>7,728,112</u>	<u>14,509,838</u>	<u>8,161,137</u>	<u>1,852,655</u>	<u>6,478,486</u>
Special Education—ARP Grants to States	84.027X								
221280 21-22		839,820	-	-	-	-	211,894	211,894	-
Special Education—Preschool Grants	84.173A								
200460 1920		282,992	51,057	-	51,057	282,992	-	-	-
210460 2021		284,227	25,967	-	25,967	190,978	-	-	90,309
220460 2122		379,832	-	-	156,165	-	275,616	119,451	185,307
		<u>947,051</u>	<u>77,024</u>	<u>-</u>	<u>233,189</u>	<u>473,970</u>	<u>275,616</u>	<u>119,451</u>	<u>275,616</u>
Total Special Education Cluster		24,951,490	1,496,654	-	7,961,301	14,983,808	8,648,647	2,184,000	6,754,102

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
For the year ended June 30, 2022

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2021	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2022	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Education—Continued</i>									
Programs passed through Michigan Department of Education—continued:									
Career and Technical Education—Basic Grants to States	84.048A								
213520 21129		\$ 392,885	\$ 80,210	\$ -	\$ 80,210	\$ 392,885	\$ -	\$ -	\$ -
223520 21129		378,706	-	-	340,622	-	378,706	38,084	-
		<u>771,591</u>	<u>80,210</u>	<u>-</u>	<u>420,832</u>	<u>392,885</u>	<u>378,706</u>	<u>38,084</u>	<u>-</u>
Special Education—Grants for Infants and Families	84.181A								
211340 20-21		223,716	18,844	-	18,844	211,239	-	-	-
221340 21-22		222,289	-	-	200,828	-	222,289	21,461	-
		<u>446,005</u>	<u>18,844</u>	<u>-</u>	<u>219,672</u>	<u>211,239</u>	<u>222,289</u>	<u>21,461</u>	<u>-</u>
Special Education— ARP Grants for Infants and Families	84.181X								
221283 EOARP		101,983	-	-	-	-	97,197	97,197	-
Education for Homeless Children and Youth	84.196A								
222320 2122		68,569	-	-	-	-	30,973	30,973	-
English Language Acquisition	84.365A								
210580 2021		58,573	15,839	-	18,198	26,550	2,359	-	2,359
220580 2122		40,935	-	-	14,157	-	30,654	16,497	27,571
		<u>99,508</u>	<u>15,839</u>	<u>-</u>	<u>32,355</u>	<u>26,550</u>	<u>33,013</u>	<u>16,497</u>	<u>29,930</u>
Education Stabilization Fund									
Governor's Emergency Education Relief Fund	84.425C								
COVID-19 201200 20-21		17,793	-	-	8,522	9,271	8,522	-	-
COVID-19 201230 20-21		20,051	2,732	-	17,202	5,581	14,470	-	-
		<u>37,844</u>	<u>2,732</u>	<u>-</u>	<u>25,724</u>	<u>14,852</u>	<u>22,992</u>	<u>-</u>	<u>-</u>
Elementary and Secondary School Emergency Relief Fund	84.425D								
COVID-19 213762 2022		762	-	-	-	-	762	762	-
Total Education Stabilization Fund		<u>38,606</u>	<u>2,732</u>	<u>-</u>	<u>25,724</u>	<u>14,852</u>	<u>23,754</u>	<u>762</u>	<u>-</u>
Total passed through Michigan Department of Education		<u>27,654,464</u>	<u>1,709,080</u>	<u>-</u>	<u>9,130,093</u>	<u>16,005,873</u>	<u>9,905,484</u>	<u>2,484,471</u>	<u>6,978,266</u>
Total U.S. Department of Education		29,603,745	1,826,440	-	9,978,605	16,891,880	10,763,075	2,610,910	6,978,266

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
For the year ended June 30, 2022

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2021	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2022	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Agriculture</i>									
Programs passed through Michigan Department of Education:									
Child Nutrition Cluster									
School Breakfast Program	10.553								
COVID-19 211971		\$ 4,708	\$ -	\$ -	\$ 4,708	\$ -	\$ 4,708	\$ -	\$ -
COVID-19 221971		34,473	-	-	32,508	-	34,473	1,965	-
		<u>39,181</u>	<u>-</u>	<u>-</u>	<u>37,216</u>	<u>-</u>	<u>39,181</u>	<u>1,965</u>	<u>-</u>
National School Lunch Program	10.555								
COVID-19 211961		9,365	-	-	9,365	-	9,365	-	-
COVID-19 211965		12,410	-	-	12,410	-	12,410	-	-
COVID-19 220910		7,103	-	-	7,103	-	7,103	-	-
COVID-19 221961		67,837	-	-	64,087	-	67,837	3,750	-
Entitlement Commodities		9,393	-	-	9,393	-	9,393	-	-
		<u>106,108</u>	<u>-</u>	<u>-</u>	<u>102,358</u>	<u>-</u>	<u>106,108</u>	<u>3,750</u>	<u>-</u>
Summer Food Service Program	10.559								
COVID-19 210904		188,775	27,591	-	31,843	184,523	4,252	-	-
Total Child Nutrition Cluster		<u>334,064</u>	<u>27,591</u>	<u>-</u>	<u>171,417</u>	<u>184,523</u>	<u>149,541</u>	<u>5,715</u>	<u>-</u>
Child and Adult Care Food Program	10.558								
211920		54,609	4,795	-	4,795	54,608	-	-	-
201970		2,951	260	-	260	2,951	-	-	-
221920		25,970	-	-	22,835	-	25,970	3,135	-
222010		1,450	-	-	1,259	-	1,449	190	-
		<u>84,980</u>	<u>5,055</u>	<u>-</u>	<u>29,149</u>	<u>57,559</u>	<u>27,419</u>	<u>3,325</u>	<u>-</u>
Team Nutrition Grants	10.574								
212220		2,550	(22)	-	-	2,528	22	-	-
212220 TN21FY22		5,173	-	-	5,173	-	5,173	-	-
		<u>7,723</u>	<u>(22)</u>	<u>-</u>	<u>5,173</u>	<u>2,528</u>	<u>5,195</u>	<u>-</u>	<u>-</u>
Pandemic Electronic Benefit Transfer (P-EBT)									
Administrative Costs	10.649								
COVID-19 210980 2021		3,063	-	-	3,063	-	3,063	-	-
Total U.S. Department of Agriculture		<u>429,830</u>	<u>32,624</u>	<u>-</u>	<u>208,802</u>	<u>244,610</u>	<u>185,218</u>	<u>9,040</u>	<u>-</u>
<i>U.S. Department of Commerce</i>									
Direct Programs:									
Marine Sanctuary Program	11.429								
NA20NOS4290004		78,170	18,247	-	41,607	54,810	23,360	-	-

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
For the year ended June 30, 2022

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2021	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2022	Passed through to subrecipients
						Prior year(s)	Current year		
U.S. Department of Treasury									
Programs passed through Michigan Department of Education:									
Coronavirus State and Local Fiscal Recovery Funds 222390 GSRP21 22	21.019	\$ 139,200	\$ -	\$ -	\$ -	\$ -	\$ 94,975	\$ 94,975	\$ -
U.S. Department of Health and Human Services									
Direct programs:									
Head Start Cluster									
Head Start	93.600								
05CH010377-05-04		8,798,257	-	42,253	42,253	8,798,257	-	-	-
05CH011882-01-02		8,704,810	1,029,121	-	4,868,192	4,865,738	3,839,071	-	1,091,334
05CH011882-02-01		9,204,338	-	-	4,178,067	-	5,360,416	1,182,349	1,615,414
COVID-19 05HE001049-01-02		1,217,397	2,044	-	152,676	2,044	405,243	254,611	105,868
Total Head Start Cluster		27,924,802	1,031,165	42,253	9,241,188	13,666,039	9,604,730	1,436,960	2,812,616
Programs passed through Michigan Department of Education:									
Every Student Succeeds Act/Preschool Development Grants									
213910 3.621	93.434	59,100	3,095	-	54,745	3,095	51,650	-	-
213910 3.622		25,000	-	-	6,570	-	14,715	8,145	-
		84,100	3,095	-	61,315	3,095	66,365	8,145	-
Programs passed through the Michigan Department of Community Health:									
Medicaid Cluster									
Medical Assistance Program	93.778								
Outreach 2021		124,910	60,458	-	60,458	124,910	-	-	-
Outreach 2122		75,000	-	-	75,000	-	75,000	-	50,803
		199,910	60,458	-	135,458	124,910	75,000	-	50,803
Total U.S. Department of Health and Human Services		28,208,812	1,094,718	42,253	9,437,961	13,794,044	9,746,095	1,445,105	2,863,419
TOTAL FEDERAL ASSISTANCE		\$ 58,459,757	\$ 2,972,029	\$ 42,253	\$ 19,666,975	\$ 30,985,344	\$ 20,812,723	\$ 4,160,030	\$ 9,841,685

The accompanying notes are an integral part of this schedule.

Muskegon Area Intermediate School District
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2022

1. The accompanying Schedule of Expenditures of Federal Awards (the “schedule”) includes the federal award activity of the School District under programs of the federal government for the year ended June 30, 2022. 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 the School District, it is not intended to and does not present the financial position or change in net position of the School District.
2. Please see the financial statement footnotes for the significant accounting policies used in preparing this schedule. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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 School District is not using the ten-percent de minimis indirect cost rate as allowed under the Uniform Guidance.
3. Management has utilized the Michigan Department of Education NexSys Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards.
4. Cash or payments in kind received (cash basis) for certain federal programs do not match the Grant Auditor Report because the following payments in the Grant Auditor Report as of June 30, 2022 were not received by the School District until July 2022.

School Breakfast Program	COVID-19 221971	\$	4,787
National School Lunch Program	COVID-19 220910		9,445
Child and Adult Care Food Program	221920		4,935
Child and Adult Care Food Program	222010		276

- 5 Reconciliation of revenues from federal sources per governmental funds financial statements and expenditures per single audit report Schedule of Expenditures of Federal Awards.

Revenues from federal sources per June 30, 2022

Governmental funds financial statements

General Fund	\$ 11,501,398	
Special Education Fund	8,747,401	
Vocational Education Fund	383,901	
Other governmental funds (includes Food Service Fund)	180,023	\$ 20,812,723

Expenditures per single audit report

Schedule of Expenditures of Federal Awards		\$ 20,812,723
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Muskegon Area Intermediate School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the year ended June 30, 2022

SECTION I—SUMMARY OF AUDITOR’S RESULTS

A. Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified**
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

B. Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
2. Type of auditor’s report issued on compliance for major federal programs: **Unmodified**
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no
4. Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program/Cluster</u>
93.600	U.S. Department of Health and Human Services • Head Start Cluster
5. Dollar threshold used to distinguish between type A and type B programs: **\$750,000**
6. Auditee qualified as low-risk auditee? _____ X yes _____ no

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SUPPLEMENTAL INFORMATION

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

Board of Education
Muskegon Area Intermediate School District
Muskegon, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Muskegon Area Intermediate School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Muskegon Area Intermediate School District's basic financial statements. We issued our report thereon dated October 26, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards Provided to Subrecipients is presented for purposes of additional analysis and is not a required part of the basic financial statements or the accompanying Schedule of Expenditures of Federal Awards. 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 Provided to Subrecipients is fairly stated in all material respects in relation to the basic financial statements as a whole.

Brickley DeLong, P.C.

Muskegon, Michigan
October 26, 2022

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS
For the year ended June 30, 2022

Muskegon Area Intermediate School District acts as a fiscal agent and passes through federal funds to the following schools:

<u>Federal program / pass-through grantee</u>	<u>Assistance Listing Number</u>	<u>Pass-through grantor's number</u>	<u>Amount of subrecipient award</u>	<u>Due to (from) subrecipients July 1, 2021</u>	<u>Cash or payments in kind (cash basis)</u>	<u>Expenditures (accrual basis)</u>		<u>Due to (from) subrecipients June 30, 2022</u>
						<u>Prior year</u>	<u>Current year</u>	
<i>Title I Grants to Local Educational Agencies</i>								
Muskegon Heights Public School Academy	84.010A	211570 20-21	\$ 123,121	\$ 13,982	\$ 102,149	\$ 34,954	\$ 88,167	\$ -
Orchard View Schools			88,446	37,783	45,829	80,401	8,045	-
Public Schools of the City of Muskegon			52,493	13,699	20,232	45,960	6,533	-
Total subrecipient amounts			<u>\$ 264,060</u>	<u>\$ 65,464</u>	<u>\$ 168,210</u>	<u>\$ 161,315</u>	102,745	<u>\$ -</u>
Muskegon Area Intermediate School District							47,533	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 150,278</u>	
Muskegon Heights Public School Academy	84.010A	221570 21-22	\$ 150,673	\$ -	\$ 27,182	\$ -	\$ 29,087	\$ 1,905
Orchard View Schools			105,310	-	25,448	-	42,658	17,211
Public Schools of the City of Muskegon			109,579	-	19,744	-	19,744	-
Total subrecipient amounts			<u>\$ 365,562</u>	<u>\$ -</u>	<u>\$ 72,374</u>	<u>\$ -</u>	91,489	<u>\$ 19,116</u>
Muskegon Area Intermediate School District							176,879	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 268,368</u>	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2022

Muskegon Area Intermediate School District acts as a fiscal agent and passes through federal funds to the following schools:

<u>Federal program / pass-through grantee</u>	<u>Assistance Listing Number</u>	<u>Pass-through grantor's number</u>	<u>Amount of subrecipient award</u>	<u>Due to (from) subrecipients July 1, 2021</u>	<u>Cash or payments in kind (cash basis)</u>	<u>Expenditures (accrual basis)</u>		<u>Due to (from) subrecipients June 30, 2022</u>
						<u>Prior year</u>	<u>Current year</u>	
<i>Special Education Cluster</i>								
<i>Special Education—Grants to States</i>								
Fruitport Community Schools	84.027A	210450 20-21	\$ 1,521,378	\$ 133,867	\$ 133,867	\$ 314,617	\$ 290,764	\$ 290,764
Holton Public Schools			128,204	49,876	49,876	-	-	-
Mona Shores Public Schools			730,985	82,324	82,324	2,529	11,248	11,248
Montague Public Schools			232,121	30,083	30,083	-	-	-
Muskegon Covenant Academy			29,784	-	-	-	-	-
Muskegon Heights Public School Academy			218,416	-	-	-	-	-
Muskegon Montessori Academy for Environmental Change			29,784	-	-	-	-	-
North Muskegon Public Schools			89,656	15,501	15,501	-	-	-
Oakridge Public Schools			195,333	31,184	31,184	-	-	-
Public Schools of the City of Muskegon			769,969	218,621	218,621	42,907	-	-
Ravenna Public Schools			313,976	60,053	60,053	-	-	-
Reeths-Puffer Schools			1,207,100	182,070	182,070	365,040	308,873	308,873
Three Oaks Public School Academy			109,208	14,375	14,375	-	-	-
Timberland Charter Academy			147,265	-	-	-	-	-
Whitehall District Schools			388,846	23,623	23,623	-	-	-
Total subrecipient amounts			<u>\$ 6,112,025</u>	<u>\$ 841,577</u>	<u>\$ 841,577</u>	<u>\$ 725,093</u>	610,885	<u>\$ 610,885</u>
Muskegon Area Intermediate School District							111,300	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 722,185</u>	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2022

Muskegon Area Intermediate School District acts as a fiscal agent and passes through federal funds to the following schools:

<u>Federal program / pass-through grantee</u>	<u>Assistance Listing Number</u>	<u>Pass-through grantor's number</u>	<u>Amount of subrecipient award</u>	<u>Due to (from) subrecipients</u>	<u>Cash or payments in kind (cash basis)</u>	<u>Expenditures (accrual basis)</u>		<u>Due to (from) subrecipients</u>
				<u>July 1, 2021</u>		<u>Prior year</u>	<u>Current year</u>	<u>June 30, 2022</u>
<i>Special Education Cluster—Continued</i>								
<i>Special Education—Grants to States—Continued</i>								
Fruitport Community Schools	84.027A	220450 21-22	\$ 1,440,917	\$ -	\$ 1,226,906	\$ -	\$ 1,435,521	\$ 208,615
Holton Public Schools			105,916	-	99,883	-	105,916	6,033
Mona Shores Public Schools			786,462	-	673,438	-	771,597	98,159
Montague Public Schools			193,136	-	161,370	-	193,136	31,766
Muskegon Covenant Academy			28,596	-	28,596	-	28,596	-
Muskegon Heights Public School Academy			233,818	-	183,711	-	220,711	37,000
Muskegon Montessori Academy for Environmental Change			31,961	-	31,961	-	31,961	-
North Muskegon Public Schools			84,106	-	-	-	84,106	84,106
Oakridge Public Schools			213,782	-	179,758	-	213,782	34,024
Public Schools of the City of Muskegon			789,598	-	651,692	-	789,598	137,906
Ravenna Public Schools			316,706	-	255,885	-	316,706	60,821
Reeths-Puffer Schools			1,272,392	-	868,798	-	1,045,926	177,128
Three Oaks Public School Academy			117,750	-	99,023	-	117,750	18,727
Timberland Charter Academy			163,168	-	86,713	-	86,713	-
Whitehall District Schools			425,582	-	344,861	-	425,582	80,721
Total subrecipient amounts			\$ 6,203,890	\$ -	\$ 4,892,595	\$ -	5,867,601	\$ 975,006
Muskegon Area Intermediate School District							1,419,551	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 7,287,152	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2022

Muskegon Area Intermediate School District acts as a fiscal agent and passes through federal funds to the following schools:

<u>Federal program / pass-through grantee</u>	<u>Assistance Listing Number</u>	<u>Pass-through grantor's number</u>	<u>Amount of subrecipient award</u>	<u>Due to (from) subrecipients July 1, 2021</u>	<u>Cash or payments in kind (cash basis)</u>	<u>Expenditures (accrual basis)</u>		<u>Due to (from) subrecipients June 30, 2022</u>	
						<u>Prior year</u>	<u>Current year</u>		
<i>Special Education Cluster—Continued</i>									
<i>Special Education—Preschool Grants</i>									
Fruitport Community Schools	84.173A	210460-2021	\$ 89,046	\$ -	\$ -	\$ -	\$ 89,046	\$ 89,046	
Mona Shores Public Schools			33,815	239	239	32,552	1,263	1,263	
Muskegon Heights Public School Academy			10,291	-	-	10,291	-	-	
Muskegon Montessori Academy for Environmental Change			1,470	-	-	1,470	-	-	
Public Schools of the City of Muskegon			63,705	14,401	14,401	63,705	-	-	
Reeths-Puffer Schools			64,199	11,189	11,189	64,199	-	-	
Three Oaks Public School Academy			138	138	138	138	-	-	
Whitehall District Schools			18,623	-	-	18,623	-	-	
Total subrecipient amounts			\$ 281,287	\$ 25,967	\$ 25,967	\$ 190,978	90,309	\$ 90,309	
Muskegon Area Intermediate School District							(90,309)		
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ -		
Fruitport Community Schools	84.173A	220460-2122	\$ 181,698	\$ -	\$ -	\$ -	\$ -	\$ -	
Mona Shores Public Schools			42,206	-	39,867	-	40,942	1,075	
Muskegon Heights Public School Academy			17,239	-	17,239	-	17,239	-	
Muskegon Montessori Academy for Environmental Change			2,155	-	-	-	-	-	
Public Schools of the City of Muskegon			59,789	-	46,879	-	59,266	12,387	
Reeths-Puffer Schools			51,717	-	36,037	-	51,717	15,680	
Three Oaks Public School Academy			2,155	-	520	-	520	-	
Timberland Charter Academy			7,250	-	-	-	-	-	
Whitehall District Schools			15,623	-	15,623	-	15,623	-	
Total subrecipient amounts			\$ 379,832	\$ -	\$ 156,165	\$ -	185,307	\$ 29,142	
Muskegon Area Intermediate School District							90,309		
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 275,616		

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2022

Muskegon Area Intermediate School District acts as a fiscal agent and passes through federal funds to the following schools:

<u>Federal program / pass-through grantee</u>	<u>Assistance Listing Number</u>	<u>Pass-through grantor's number</u>	<u>Amount of subrecipient award</u>	<u>Due to (from) subrecipients July 1, 2021</u>	<u>Cash or payments in kind (cash basis)</u>	<u>Expenditures (accrual basis)</u>		<u>Due to (from) subrecipients June 30, 2022</u>	
						<u>Prior year</u>	<u>Current year</u>		
<i>English Language Acquisition</i>									
Brandywine Community Schools	84.365A	210580 2021	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ -	\$ -	
Fruitport Community Schools			1,401	246	246	1,401	-	-	
McBain Rural Agricultural Schools			5,412	3,053	5,412	3,053	2,359	-	
Montague Public Schools			4,226	-	-	4,226	-	-	
Muskegon Montessori Academy for Environmental Change			1,224	1,224	1,224	1,224	-	-	
Oakridge Public Schools			3,162	-	-	3,162	-	-	
Ravenna Public Schools			6,384	-	-	6,384	-	-	
Reeths-Puffer Schools			1,400	-	-	1,400	-	-	
Whitehall District Schools			960	746	746	960	-	-	
Total subrecipient amounts			<u>\$ 28,169</u>	<u>\$ 5,269</u>	<u>\$ 7,628</u>	<u>\$ 25,810</u>	2,359	<u>\$ -</u>	
Muskegon Area Intermediate School District							-		
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 2,359</u>		
Cadillac Area Public Schools	84.365A	220580 2122	\$ 3,124	\$ -	\$ -	\$ -	\$ 3,124	\$ 3,124	
Fruitport Community Schools			495	-	495	-	495	-	
McBain Rural Agricultural Schools			9,702	-	429	-	9,702	9,273	
Montague Public Schools			4,827	-	4,730	-	4,730	-	
Oakridge Public Schools			4,055	-	689	-	2,986	2,297	
Ravenna Public Schools			4,478	-	3,160	-	4,478	1,318	
Reeths-Puffer Schools			1,159	-	1,110	-	1,110	-	
Whitehall District Schools			965	-	897	-	946	49	
Total subrecipient amounts			<u>\$ 28,805</u>	<u>\$ -</u>	<u>\$ 11,510</u>	<u>\$ -</u>	27,571	<u>\$ 16,061</u>	
Muskegon Area Intermediate School District							3,083		
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 30,654</u>		

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2022

Muskegon Area Intermediate School District acts as a fiscal agent and passes through federal funds to the following schools:

Federal program / pass-through grantee	Assistance Listing Number	Pass-through grantor's number	Amount of subrecipient award	Due to (from) subrecipients July 1, 2021	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to (from) subrecipients June 30, 2022
						Prior year	Current year	
<i>Head Start Cluster</i>								
Head Start								
Hart Public Schools	93.600	05CH011882-01-02	\$ 373,672	\$ 70,395	\$ 221,372	\$ 222,695	\$ 150,977	\$ -
Orchard View Schools			856,036	109,574	493,929	471,681	384,355	-
Shelby Public Schools			382,011	220,563	382,011	220,563	161,448	-
Whitehall District Schools			1,000,182	226,440	620,993	605,628	394,554	-
Total subrecipient amounts			\$ 2,611,901	\$ 626,972	\$ 1,718,305	\$ 1,520,567	1,091,334	\$ -
Muskegon Area Intermediate School District							2,747,737	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 3,839,071	
Hart Public Schools	93.600	05CH011882-02-01	\$ 379,609	\$ -	\$ 148,556	\$ -	\$ 249,235	\$ 100,679
Orchard View Schools			821,396	-	301,398	-	538,802	237,404
Shelby Public Schools			389,809	-	-	-	233,674	233,674
Whitehall District Schools			1,023,659	-	467,493	-	593,703	126,210
Total subrecipient amounts			\$ 2,614,473	\$ -	\$ 917,447	\$ -	1,615,414	\$ 697,967
Muskegon Area Intermediate School District							3,745,002	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 5,360,416	
Orchard View Schools	93.600	COVID-19 05HE001049-01-02	\$ 80,973	\$ -	\$ -	\$ -	\$ 80,973	\$ 80,973
Shelby Public Schools			24,895	-	-	-	24,895	24,895
Total subrecipient amounts			\$ 105,868	\$ -	\$ -	\$ -	105,868	\$ 105,868
Muskegon Area Intermediate School District							299,375	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 405,243	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2022

Muskegon Area Intermediate School District acts as a fiscal agent and passes through federal funds to the following schools:

<u>Federal program / pass-through grantee</u>	<u>Assistance Listing Number</u>	<u>Pass-through grantor's number</u>	<u>Amount of subrecipient award</u>	<u>Due to (from) subrecipients July 1, 2021</u>	<u>Cash or payments in kind (cash basis)</u>	<u>Expenditures (accrual basis)</u>		<u>Due to (from) subrecipients June 30, 2022</u>
						<u>Prior year</u>	<u>Current year</u>	
<i>Medicaid Cluster</i>								
<i>Medical Assistance Program</i>								
Fruitport Community Schools	93.778	Outreach 2122	\$ 6,842	\$ -	\$ 6,842	\$ -	\$ 6,842	\$ -
Holton Public Schools			1,336	-	1,336	-	1,336	-
Mona Shores Public Schools			8,136	-	8,136	-	8,136	-
Montague Public Schools			2,577	-	2,577	-	2,577	-
Muskegon Heights Public School Academy			1,553	-	1,553	-	1,553	-
Muskegon Montessori Academy for Environmental Change			284	-	284	-	284	-
North Muskegon Public Schools			2,108	-	2,108	-	2,108	-
Oakridge Public Schools			1,819	-	1,819	-	1,819	-
Orchard View Schools			2,967	-	2,967	-	2,967	-
Public Schools of the City of Muskegon			8,739	-	8,739	-	8,739	-
Ravenna Public Schools			1,301	-	1,301	-	1,301	-
Reeths-Puffer Schools			8,540	-	8,540	-	8,540	-
Three Oaks Public Academy			581	-	581	-	581	-
Whitehall District Schools			4,020	-	4,020	-	4,020	-
Total subrecipient amounts			<u>\$ 50,803</u>	<u>\$ -</u>	<u>\$ 50,803</u>	<u>\$ -</u>	50,803	<u>\$ -</u>
Muskegon Area Intermediate School District							24,197	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 75,000</u>	

CLIENT DOCUMENTS

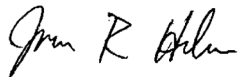
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

October 26, 2022

Michigan Department of Education
Lansing, Michigan

Muskegon Area Intermediate School District respectfully advises you that there were **no** audit findings reported in our single audit report, dated October 27, 2021, for the year ended June 30, 2021.

Sincerely,



Jason Helsen
Director of Financial Services

CORRECTIVE ACTION PLAN

October 26, 2022

Michigan Department of Education
Lansing, Michigan

Muskegon Area Intermediate School District respectfully submits the following Corrective Action Plan for the year ended June 30, 2022.

Name and address of independent public accounting firm:

Brickley DeLong, P.C.
P.O. Box 999
Muskegon, MI 49443

Audit period: June 30, 2022

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2022 provided **no** findings in either Section II or Section III. Accordingly, there are **no** matters requiring corrective action as shown below.

SECTION II – FINANCIAL STATEMENT FINDINGS

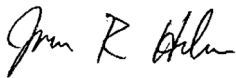
There were **no** findings in relation to the financial statement audit.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were **no** findings in relation to the major federal award programs.

If the Michigan Department of Education has questions regarding this plan, please call Jason Helsen at (231) 767-7209.

Sincerely,



Jason Helsen
Director of Financial Services