

Avondale School District

Single Audit Report

June 30, 2024



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

Table of Contents

	<u>Page</u>
Single Audit Report	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
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 Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs	11
Summary Schedule of Prior Audit Findings	13



800.968.0010 | YEOANDYEO.COM

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
Avondale School District
Auburn Hills, 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 Avondale School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Avondale School District's basic financial statements, and have issued our report thereon dated October 30, 2024.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Avondale 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*.

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, MI
October 30, 2024



800.968.0010 | YEOANDYEO.COM

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
Avondale School District
Auburn Hills, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Avondale School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Avondale School District's major federal programs for the year ended June 30, 2024. Avondale 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, Avondale 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, 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 Avondale 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 Avondale 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 agreements applicable to Avondale School District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Avondale 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 Avondale 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 Avondale 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 Avondale 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 Avondale 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 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 Avondale School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Avondale School District's basic financial statements. We issued our report thereon dated October 30, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion 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, MI
October 30, 2024

Avondale School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grant Number		Assistance Listing Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Adjustments	Accrued (Unearned) Revenue June 30, 2024
U.S. Department of Agriculture									
Passed through Michigan Department of Education									
230985 Local Food for Schools Cooperative Agreement Programs		10.185	\$ 30,552	\$ 15,272	\$ 15,272	\$ 15,280	\$ 30,552	\$ -	\$ -
Child Nutrition Cluster									
231970 School Breakfast Program		10.553	156,560	-	126,733	29,827	29,827	-	-
241970 School Breakfast Program			267,930	-	-	267,930	260,348	-	7,582
				-		297,757	290,175	-	7,582
Non-cash assistance (commodities)									
Entitlement Commodities		10.555	137,080	-	-	137,080	137,080	-	-
Bonus Commodities			1,516	-	-	1,516	1,516	-	-
Cash assistance									
230910 Supply Chain Assistance			34,555	(34,555)	-	34,555	-	-	-
231960 National School Lunch Program			756,660	(18,390)	609,806	146,854	128,464	-	-
240910 Supply Chain Assistance			85,487	-	-	85,487	85,487	-	-
241960 National School Lunch Program			905,383	-	-	905,383	887,628	-	17,755
				(52,945)		1,310,875	1,240,175	-	17,755
230900 Summer Food Service Program for Children		10.559	19,780	10,174	10,174	9,606	19,780	-	-
240900 Summer Food Service Program for Children			12,246	-	-	12,246	-	-	12,246
				10,174		21,852	19,780	-	12,246
Total Nutrition Cluster				(42,771)		1,630,484	1,550,130	-	37,583
Total U.S. Department of Agriculture				(27,499)		1,645,764	1,580,682	-	37,583
U.S. Department of Treasury									
Passed through Oakland County									
COVID-19 SLFRP2640 Local Fiscal Recovery Fund		21.027	350,000	(250,806)	99,194	250,806	-	-	-

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Avondale School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grant Number	Assistance Listing Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Adjustments	Accrued (Unearned) Revenue June 30, 2024
U.S. Department of Education								
Passed through Michigan Department of Education								
Title I Grants to Local Educational Agencies								
221530 2122 Title I Grants to Local Educational Agencies	84.010	\$ 361,177	\$ 17,367	\$ 295,558	\$ -	\$ -	\$ (17,367)	\$ -
231530 2223 Title I Grants to Local Educational Agencies		368,373	310,189	310,189	-	327,556	17,367	-
241530 2324 Title I Grants to Local Educational Agencies		331,367	-	-	331,367	313,134	-	18,233
			<u>327,556</u>		<u>331,367</u>	<u>640,690</u>	<u>-</u>	<u>18,233</u>
Passed through Calhoun Intermediate School District								
231580 2223 Title I, Part A Grants to Local Education Agencies	84.010A	20,000	20,000	20,000	-	5,466	-	14,534
241580 2324 Title I, Part A Grants to Local Educational Agencies		23,000	-	-	23,000	-	-	23,000
			<u>20,000</u>		<u>23,000</u>	<u>5,466</u>	<u>-</u>	<u>37,534</u>
Total Title I Grants to Local Educational Agencies			<u>347,556</u>		<u>354,367</u>	<u>646,156</u>	<u>-</u>	<u>55,767</u>
Passed through Oakland County Intermediate School District								
Special Education Cluster								
230450 2223 Special Education Grants to States	84.027	1,039,633	1,039,633	1,039,633	-	1,039,633	-	-
240450 2324 Special Education Grants to States		1,088,990	-	-	1,088,990	850,604	-	238,386
Total Special Education Grants to States			1,039,633		1,088,990	1,890,237		238,386
220470 2223 Special Education Teacher Tuition	84.027A	21,933	<u>2,045</u>	21,933	<u>15,616</u>	<u>17,661</u>	<u>-</u>	<u>-</u>
221280 2223 Special Education Grants	84.027X	225,911	<u>218,051</u>	218,051	<u>7,860</u>	<u>225,911</u>	<u>-</u>	<u>-</u>
230460 2223 Special Education Preschool Grants	84.173	26,323	26,323	26,323	-	26,323	-	-
240460 2324 Special Education Preschool Grants		29,356	-	-	29,356	-	-	29,356
			<u>26,323</u>		<u>29,356</u>	<u>26,323</u>	<u>-</u>	<u>29,356</u>
221285 2122 Special Education Preschool Grants	84.173X	13,566	<u>13,566</u>	13,566	-	<u>13,566</u>	<u>-</u>	<u>-</u>
Total Special Education Cluster			<u>1,299,618</u>		<u>1,141,822</u>	<u>2,173,698</u>	<u>-</u>	<u>267,742</u>
Passed through Michigan Department of Education								
English Language Acquisition State Grants								
220580 2122 English Language Acquisition State Grants	84.365	105,326	855	52,911	-	-	(855)	-
230580 2223 English Language Acquisition State Grants		113,381	111,395	111,395	-	112,250	855	-
240580 2324 English Language Acquisition State Grants		60,923	-	-	59,220	57,800	-	1,420
Total English Language Acquisition State Grants			<u>112,250</u>		<u>59,220</u>	<u>170,050</u>	<u>-</u>	<u>1,420</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Avondale School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grant Number	Assistance Listing Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Adjustments	Accrued (Unearned) Revenue June 30, 2024
Supporting Effective Instruction State Grants								
220520 2122 Supporting Effective Instruction State Grants	84.367	\$ 80,212	\$ 76,550	\$ 147,637	\$ -	\$ -	\$ (76,550)	\$ -
230520 2223 Supporting Effective Instruction State Grants		76,550	351	351	-	76,550	76,199	-
240520 2324 Supporting Effective Instruction State Grants		66,353	-	-	64,842	55,535	-	9,307
Total Supporting Effective Instruction State Grants			76,901		64,842	132,085	(351)	9,307
Student Support & Academic Enrichment								
230750 2223 Student Support & Academic Enrichment	84.424	19,290	20,186	20,186	-	19,290	(896)	-
240750 2324 Student Support & Academic Enrichment		22,019	-	-	21,882	18,105	-	3,777
Total Student Support & Academic Enrichment Grants			20,186		21,882	37,395	(896)	3,777
Education Stabilization Fund								
COVID-19 213782 98(c) Learning Loss	84.425D	242,205	242,205	242,205	-	242,205	-	-
COVID-19 213713 ESSER III ARP	84.425U	2,043,261	992,397	992,397	1,050,864	2,043,261	-	-
COVID-19 213723 ESSER III 11t		2,940,098	-	-	2,940,098	2,856,498	-	83,600
			992,397		3,990,962	4,899,759	-	83,600
COVID-19 211012 American Rescue Plan - Homeless II	84.425W	14,493	-	-	14,493	14,493	-	-
Total Education Stabilization Fund			1,234,602		4,005,455	5,156,457	-	83,600
Total U.S. Department of Education			3,091,113		5,647,588	8,315,841	(1,247)	421,613
U.S. Department of Health and Human Services								
Passed through Oakland County Intermediate School District								
Medicaid Cluster								
Medical Assistance Program	93.778	12,147	-	-	12,147	12,147	-	-
Total Federal Financial Awards			\$ 2,812,808		\$ 7,556,305	\$ 9,908,670	\$ (1,247)	\$ 459,196

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Avondale School District
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 Avondale School District 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 Avondale School District, it is not intended to and does not present the financial position, changes in financial positions of Avondale School District.

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, as applicable, either the cost principles contained in the Uniform Guidance where certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

Avondale School District 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 schedule of expenditures of federal awards except for the following items:

Federal revenues per the financial statements	\$ 8,501,023
Federal reimbursed interest	(155,450)
Grant funds not received within 60 days	153,871
Prior year grant funds not received within 60 days received in the current year	<u>(943,139)</u>
 Federal revenues per schedule of federal awards	 <u><u>\$ 7,556,305</u></u>

Note 4 - Subrecipients

No amounts were provided to subrecipients.

Avondale School District
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2024

Note 5 - Michigan Department of Education Disclosures

The federal amounts reported on the grant auditor report are in agreement with the schedule of expenditures of federal awards except for the following:

<u>Assistance Listing Number</u>	<u>Project Number</u>	<u>Cash Received per SEFA</u>	<u>Add: Amount Disbursed in 23-24 per MDE Grant Auditor Report but received in 24-25 by District</u>	<u>Cash Paid per June 30, 2024 MDE Grant Auditor Report</u>
10.553	241970	\$ 260,348	\$ 7,582	\$ 267,930
10.555	241960	905,383	17,755	923,138

The amounts reported on the recipient entitlement balance report agree with the schedule of expenditures of federal awards for U.S.D.A. donated food commodities.

Note 6 - Adjustments

The June 30, 2023 Schedule of Expenditures of Federal Awards recorded \$351 of expenditures for grant number 230520-2223 and \$896 of expenditures for grant number 230750-2223. These expenditures were in excess of the grant budget therefore reported as adjustments of \$(351) for grant number 230520-2223 and \$(896) for grant number 230750-2223 on the June 30, 2024 Schedule of Expenditures for Federal Awards.

The June 30, 2023 Schedule of Expenditures of Federal Awards recorded expenditures related to the 21-22 grant year which were reclassified on the June 30, 2024 Schedule of Expenditures of Federal Awards as carryover grant expenditures for the 22-23 grant year. The reclassification is detailed as follow:

<u>Assistance Listing Number</u>	<u>Project Number</u>	<u>Amount Reclassified Due to Carryover Adjustment</u>
84.010	221530-2122	\$ (17,367)
84.010	231530-2223	17,367
84.365	220580-2122	(855)
84.365	230580-2223	855
84.367	220520-2122	(76,550)
84.367	230520-2223	76,550

Avondale School District
Schedule of Findings and Questioned Costs
June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(s) identified that are not considered to be material weaknesses? _____ yes X none

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(s) identified that are not considered to be material weaknesses? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with §200.516(a)? _____ yes X no

Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

84.425D, 84.425U, 84.425W

Education Stabilization Fund

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

Auditee qualified as low-risk auditee? X yes _____ no

Avondale School District
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 Federal Award findings for the year ended June 30, 2024.

Avondale School District
Summary Schedule of Prior Audit Findings
June 30, 2024

Section IV - Prior Audit Findings

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

There were no Federal Award findings for the year ended June 30, 2023.