

**Berkley School District**

**Single Audit Report**

**June 30, 2022**



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

### **Independent Auditors' Report**

Members of the Board of Education  
Berkley School District  
Oak Park, 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 Berkley School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Berkley School District's basic financial statements, and have issued our report thereon dated October 7, 2022.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Berkley School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Berkley School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Berkley 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 Berkley 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 determination of financial statement amounts. 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  
October 7, 2022

## **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**

Members of the Board of Education  
Berkley School District  
Oak Park, Michigan

#### **Report on Compliance for Each Major Federal Program**

##### **Opinion on Each Major Federal Program**

We have audited Berkley 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 Berkley School District's major federal programs for the year ended June 30, 2022. Berkley School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Berkley 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; 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 Berkley 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 Berkley 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 Berkley 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 Berkley 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 Berkley 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 Berkley 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 Berkley 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 Berkley 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. 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 Berkley School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Berkley School District's basic financial statements. We issued our report thereon dated October 7, 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 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  
October 7, 2022

**Berkley School District**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2022**

Federal Grantor Pass Through Grantor Program Title Grantor Number	Federal Assistance Listing Number	Approved Grant Amount	Accrued (Unearned) Revenue at July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue at June 30, 2022
<u>U.S. Department of Agriculture</u>							
Passed through the Michigan Department of Education							
Child Nutrition Cluster							
Seamless Summer Option (SSO) - Breakfast							
COVID-19 211971	10.553	\$ 3,127	\$ -	\$ -	\$ 3,127	\$ 3,127	\$ -
COVID-19 221970	10.553	96	-	-	96	-	96
COVID-19 221971	10.553	57,488	-	-	57,488	52,109	5,379
			-		60,711	55,236	5,475
Seamless Summer Option (SSO) - Breakfast							
COVID-19 211961	10.555	100,196	-	-	100,196	100,196	-
COVID-19 220910	10.555	73,451	-	-	21,253	73,451	(52,198)
COVID-19 220960	10.555	36	-	-	36	-	36
COVID-19 221961	10.555	961,747	-	-	961,747	894,167	67,580
			-		1,083,232	1,067,814	15,418
Summer Food Service Program							
COVID-19 210904	10.559	368,299	40,312	356,395	11,904	52,216	-
Total Child Nutrition Cluster - cash			40,312		1,155,847	1,175,266	20,893
U.S.D.A. Donated Food Commodities							
Entitlement commodities 2021-22	10.555	76,568	-	-	76,568	76,568	-
Total Child Nutrition Cluster			40,312		1,232,415	1,251,834	20,893
Child and Adult Care Food Program							
211920	10.558	4,149	220	3,749	400	620	-
211925	10.558	8,461	-	-	8,461	8,461	-
221920	10.558	6,198	-	-	6,198	5,737	461
			220		15,059	14,818	461
Pandemic EBT Local Level Costs							
COVID-19 210980	10.649	614	-	-	614	614	-
Total U.S. Department of Agriculture			40,532		1,248,088	1,267,266	21,354
<u>U.S. Department of Treasury</u>							
Passed through the Universal Service Administration Company							
COVID-19 Emergency Connectivity Fund	32.009	856,072	-	-	680,934	295,000	385,934

See Accompanying Notes to the Schedule of Expenditures of Federal Awards



**Berkley School District**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2022**

Federal Grantor Pass Through Grantor Program Title Grantor Number	Federal Assistance Listing Number	Approved Grant Amount	Accrued (Unearned) Revenue at July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue at June 30, 2022
<u>U.S. Department of Education</u>							
Passed through the Michigan Department of Education							
Title I Part A Improving Basic Programs							
Project Number 211530-2021	84.010	\$ 278,714	\$ 114,417	\$ 244,127	\$ 16,754	\$ 131,171	\$ -
Project Number 221530-2122	84.010	259,143	-	-	221,715	-	221,715
			<u>114,417</u>		<u>238,469</u>	<u>131,171</u>	<u>221,715</u>
Title II Part A Supporting Effective Instruction							
Project Number 210520-2021	84.367	81,671	34,828	67,824	-	34,828	-
Project Number 220520-2122	84.367	81,940	-	-	54,074	-	54,074
			<u>34,828</u>		<u>54,074</u>	<u>34,828</u>	<u>54,074</u>
Title IV Part A Student Support & Academic Enrichment							
Project Number 210750-2021	84.424	21,591	1,140	1,140	-	1,140	-
Project Number 220750-2122	84.424	33,251	-	-	25,475	-	25,475
			<u>1,140</u>		<u>25,475</u>	<u>1,140</u>	<u>25,475</u>
Title III Part A Language Instruction for Immigrant Student							
Project Number 210570-2021	84.365	5,937	1,808	1,808	-	1,808	-
Project Number 220570-2122	84.365	5,268	-	-	1,365	-	1,365
			<u>1,808</u>		<u>1,365</u>	<u>1,808</u>	<u>1,365</u>
Education Stabilization Fund							
COVID-19 211202-2122 GEER II - Teacher & Support Staff Payments	84.425C	36,750	-	-	36,750	36,750	-
COVID-19 211222-2022 GEER II - Benchmark Assessment	84.425C	33,000	-	-	33,000	-	33,000
COVID-19 203710-1920 ESSER Formula Funds	84.425D	196,117	9,339	165,095	31,022	40,361	-
COVID-19 203720-1920 ESSER Formula Funds Equity	84.425D	31,378	-	24,920	6,458	6,458	-
COVID-19 213712-2121 ESSER II Formula Funds Equity	84.425D	843,760	-	-	843,760	843,760	-
COVID-19 213722-2122 ESSER II Summer School Programming	84.425D	160,600	-	-	160,600	160,600	-
COVID-19 213742-2122 ESSER II Credit Recovery	84.425D	34,100	-	-	34,100	10,605	23,495
COVID-19 213713-2122 ESSER III Formula Funds	84.425U	1,896,314	-	-	1,533,919	-	1,533,919
COVID-19 213723-2122 ESSER Section 11t	84.425U	4,550,451	-	-	3,209,886	-	3,209,886
			<u>9,339</u>		<u>5,889,495</u>	<u>1,098,534</u>	<u>4,800,300</u>
Total passed through the Michigan Department of Education			<u>161,532</u>		<u>6,208,878</u>	<u>1,267,481</u>	<u>5,102,929</u>
Passed through Ferndale Public Schools							
Title III Part A Immigrant Students							
Project Number 210580	84.365	11,827	1,065	5,414	-	1,065	-
Project Number 220580	84.365	14,232	-	-	8,296	-	8,296
Total passed through Ferndale Public Schools			<u>1,065</u>		<u>8,296</u>	<u>1,065</u>	<u>8,296</u>
Total English Language Acquisition State Grants			<u>2,873</u>		<u>9,661</u>	<u>2,873</u>	<u>9,661</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

**Berkley School District**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2022**

Federal Grantor Pass Through Grantor Program Title Grantor Number	Federal Assistance Listing Number	Approved Grant Amount	Accrued (Unearned) Revenue at July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue at June 30, 2022
Passed through the Oakland County Intermediate School District							
Special Education Cluster							
Special Education Grants to States							
Project Number 200450	84.027A	\$ 705,785	\$ 6,121	\$ 705,700	\$ 85	\$ 6,206	\$ -
Project Number 210450	84.027A	720,444	440,183	711,512	8,523	441,194	7,512
Project Number 220450	84.027A	678,938	-	-	678,938	536,500	142,438
Project Number 221280	84.027X	156,263	-	-	108,948	89,273	19,675
			<u>446,304</u>		<u>796,494</u>	<u>1,073,173</u>	<u>169,625</u>
Special Education Preschool Grants							
Project Number 210460	84.173A	19,602	3,166	19,602	-	3,166	-
Project Number 220460	84.173X	18,746	-	-	18,746	18,746	-
			<u>3,166</u>		<u>18,746</u>	<u>21,912</u>	<u>-</u>
Total passed through the Oakland County Intermediate School District - (Total Special Education Cluster)			<u>449,470</u>		<u>815,240</u>	<u>1,095,085</u>	<u>169,625</u>
Total U.S. Department of Education			<u>612,067</u>		<u>7,032,414</u>	<u>2,363,631</u>	<u>5,280,850</u>
<u>U.S. Department of Health and Human Services</u>							
Passed through the Oakland Livingston Human Service Agency							
Head Start							
2020 - 05CH010367-006	93.600	296,452	46,375	296,452	-	46,375	-
COVID-19 HS	93.600	73,100	-	-	5,373	-	5,373
COVID-19 EHS	93.600	17,000	-	-	704	-	704
2021 - 05CH011937-006	93.600	253,128	133,403	133,403	119,725	253,128	-
2021 - 05CH011937-206	93.600	98,650	41,036	41,036	57,614	98,650	-
2022 - 05CH011937-006	93.600	261,092	-	-	130,512	-	130,512
2022 - 05CH011937-206	93.600	101,689	-	-	50,297	-	50,297
Total passed through the Oakland Livingston Human Service Agency - Department of Health and Human Services			<u>220,814</u>		<u>364,225</u>	<u>398,153</u>	<u>186,886</u>
Total Federal Assistance			<u>\$ 873,413</u>		<u>\$ 9,325,661</u>	<u>\$ 4,324,050</u>	<u>\$ 5,875,024</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

**Berkley School District**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**June 30, 2022**

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**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Berkley 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 Berkley School District, it is not intended to and does not present the financial position or changes in net assets of Berkley 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 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 or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Indirect Cost Rate**

Berkley 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**

Expenditures per the Schedule of Expenditures of Federal Awards	\$ 9,325,661
Emergency Connectivity Funds not received within 60 days	(378,700)
Child Care Relief Fund Grants received as beneficiary	<u>917,235</u>
Federal Revenues per the financial statements	<u>\$ 9,864,196</u>

**Note 4 - Subrecipients**

The School District did not transfer any federal funds to subrecipients during the fiscal year.

**Note 5 - Michigan Department of Education Disclosures**

The federal amounts reported on the CMS Grant Auditor Report (GAR) is in agreement with the Schedule of Expenditures of Federal Awards.

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.

**Berkley School District**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2022**

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**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 Deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes      X   no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant Deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes      X   none reported

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

Any audit findings disclosed that are required to be reported in accordance with §200.516(a)?

\_\_\_\_\_ yes      X   no

Identification of major programs:

*Assistance Listing Number(s)*

*Name of Federal Program or Cluster*

10.553, 10.555 & 10.559  
32.009  
84.425C, 84.425D & 84.425U

Child Nutrition Cluster  
Emergency Connectivity Fund  
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

**Berkley School District**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2022**

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**Section II – *Government Auditing Standards* Findings**

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards* generally accepted in the United States of America for the year ended June 30, 2022.

**Section III – Federal Award Findings**

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

**Berkley School District**  
**Summary Schedule of Prior Audit Findings**  
**June 30, 2022**

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**Section IV – *Government Auditing Standards* Findings**

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards* generally accepted in the United States of America for the year ended June 30, 2021.

**Section V – Federal Award Findings**

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2021.