

Muskegon Area Intermediate School District

**SINGLE AUDIT OF FEDERAL
FINANCIAL ASSISTANCE PROGRAMS**

Financial Report and
Independent Auditor's Reports

June 30, 2024



C O N T E N T S

FINANCIAL REPORT AND INDEPENDENT AUDITOR’S REPORTS

INTERNAL CONTROL AND COMPLIANCE REPORTS

INDEPENDENT AUDITOR’S 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*..... 1

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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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Muskegon Area Intermediate School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Muskegon Area Intermediate School District’s basic financial statements, and have issued our report thereon dated October 28, 2024.

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 Muskegon Area Intermediate School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of 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
Muskegon Area Intermediate School District
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

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 28, 2024

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 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 Muskegon Area Intermediate School District's major federal programs for the year ended June 30, 2024. 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, 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, 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 (*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 of our report.

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

Report on Compliance for Each Major Federal Program—Continued

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 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 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 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 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 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 Muskegon Area Intermediate School District as of and for the year ended June 30, 2024, and have issued our report thereon dated October 28, 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 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 28, 2024

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2023	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2024	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Education</i>									
Direct programs:									
School Safety National Activities	84.184M								
S184M190007-23		\$ 889,511	\$ 96,633	\$ -	\$ 252,892	\$ 586,478	\$ 156,259	\$ -	\$ -
S184M190007-23		916,965	-	-	386,796	-	454,958	68,162	-
		<u>1,806,476</u>	<u>96,633</u>	<u>-</u>	<u>639,688</u>	<u>586,478</u>	<u>611,217</u>	<u>68,162</u>	<u>-</u>
Programs passed through Michigan Department of Education:									
Title I Grants to Local Educational Agencies	84.010A								
231570 22-23		574,086	130,393	-	208,605	384,135	78,212	-	53,466
241570-23-24		713,145	-	-	199,303	-	379,216	179,913	142,634
Targeted Assistance		40,000	-	-	40,000	-	40,000	-	-
		<u>1,327,231</u>	<u>130,393</u>	<u>-</u>	<u>447,908</u>	<u>384,135</u>	<u>497,428</u>	<u>179,913</u>	<u>196,100</u>
Title III English Language Acquisition									
State Grants	84.365A								
230580-2223		44,571	9,601	-	12,401	22,491	2,800	-	-
240580-2324		89,414	-	-	4,108	-	37,765	33,657	31,920
		<u>133,985</u>	<u>9,601</u>	<u>-</u>	<u>16,509</u>	<u>22,491</u>	<u>40,565</u>	<u>33,657</u>	<u>31,920</u>
Special Education Cluster									
Special Education—Grants to States	84.027A								
220450 21-22		7,783,300	66,565	-	243,080	7,578,171	176,515	-	75,727
230493 22-23		167,000	33,696	-	33,696	167,000	-	-	-
230450 22-23		7,841,817	1,750,276	-	2,142,973	7,410,942	430,875	38,178	176,992
240493 23-24		183,700	-	-	154,712	-	183,700	28,988	-
240450 23-24		8,238,236	-	-	6,520,205	-	8,094,400	1,574,195	6,349,082
		<u>24,214,053</u>	<u>1,850,537</u>	<u>-</u>	<u>9,094,666</u>	<u>15,156,113</u>	<u>8,885,490</u>	<u>1,641,361</u>	<u>6,601,801</u>
Special Education—Grants to States	84.027X								
COVID-19 221280 21-22 ARP		1,520,816	770,003	-	842,041	1,448,778	72,038	-	1,299
Special Education—Preschool Grants	84.173A								
220460 21-22		379,832	95,310	-	104,216	370,926	8,906	-	-
230460 22-23		294,352	35,578	-	62,916	159,180	135,172	107,834	115,956
240460 23-24		299,784	-	-	142,533	-	181,488	38,955	181,488
		<u>973,968</u>	<u>130,888</u>	<u>-</u>	<u>309,665</u>	<u>530,106</u>	<u>325,566</u>	<u>146,789</u>	<u>297,444</u>
Special Education—Preschool Grants	84.173X								
COVID-19 221285 21-22 ARP		118,561	76,395	-	79,943	115,013	3,548	-	1,774
Total Special Education Cluster		26,827,398	2,827,823	-	10,326,315	17,250,010	9,286,642	1,788,150	6,902,318

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
For the year ended June 30, 2024

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2023	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2024	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								
233520 23129		\$ 429,680	\$ 196,950	\$ -	\$ 196,950	\$ 429,680	\$ -	\$ -	\$ -
243520 24129		555,309	-	-	339,196	-	555,309	216,113	-
		<u>984,989</u>	<u>196,950</u>	<u>-</u>	<u>536,146</u>	<u>429,680</u>	<u>555,309</u>	<u>216,113</u>	<u>-</u>
Special Education—Grants for Infants and Families									
	84.181A								
231340 22-23		212,244	29,693	-	29,693	212,244	-	-	-
241340-23-24		226,794	-	-	167,112	-	226,794	59,682	-
		<u>439,038</u>	<u>29,693</u>	<u>-</u>	<u>196,805</u>	<u>212,244</u>	<u>226,794</u>	<u>59,682</u>	<u>-</u>
Education for Homeless Children and Youth									
	84.196A								
232320 22-23		98,343	29,203	-	32,331	29,203	3,128	-	-
242320 23-24		73,962	-	-	22,147	-	45,254	23,107	-
		<u>172,305</u>	<u>29,203</u>	<u>-</u>	<u>54,478</u>	<u>29,203</u>	<u>48,382</u>	<u>23,107</u>	<u>-</u>
Education Stabilization Fund									
American Rescue Plan—Elementary and Secondary School Emergency Relief Fund—Homeless Children and Youth									
	84.425W								
COVID-19 211012 21-22		26,067	-	-	11,216	-	12,069	853	-
COVID-19 211013 21-22		292,254	56,937	-	56,937	56,937	134,193	134,193	-
		<u>318,321</u>	<u>56,937</u>	<u>-</u>	<u>68,153</u>	<u>56,937</u>	<u>146,262</u>	<u>135,046</u>	<u>-</u>
Total passed through Michigan Department of Education		<u>30,203,267</u>	<u>3,280,600</u>	<u>-</u>	<u>11,646,314</u>	<u>18,384,700</u>	<u>10,801,382</u>	<u>2,435,668</u>	<u>7,130,338</u>
Total U.S. Department of Education		32,009,743	3,377,233	-	12,286,002	18,971,178	11,412,599	2,503,830	7,130,338

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
For the year ended June 30, 2024

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2023	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2024	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								
231970		\$ 30,236	\$ 1,080	\$ -	\$ 5,364	\$ 25,952	\$ 4,284	\$ -	\$ -
241970		24,235	-	-	23,126	-	24,235	1,109	-
		<u>54,471</u>	<u>1,080</u>	<u>-</u>	<u>28,490</u>	<u>25,952</u>	<u>28,519</u>	<u>1,109</u>	<u>-</u>
National School Lunch Program	10.555								
231960		56,095	2,011	-	9,311	48,795	7,300	-	-
241960		45,461	-	-	42,968	-	45,461	2,493	-
240910		59,808	-	-	59,808	-	59,808	-	-
Entitlement Commodities		9,418	-	-	9,418	-	9,418	-	-
		<u>170,782</u>	<u>2,011</u>	<u>-</u>	<u>121,505</u>	<u>48,795</u>	<u>121,987</u>	<u>2,493</u>	<u>-</u>
Summer Food Service Program for Children	10.559								
230900		4,992	-	-	4,992	-	4,992	-	-
Total Child Nutrition Cluster and total U.S. Department of Agriculture		230,245	3,091	-	154,987	74,747	155,498	3,602	-
<i>U.S. Department of Commerce</i>									
Direct Programs:									
Marine Sanctuary Program	11.429								
NA22NOS4290008		79,975	50,241	-	50,241	79,975	-	-	-

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
For the year ended June 30, 2024

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2023	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2024	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Environmental Protection Agency</i>									
Direct programs:									
Voluntary School and Child Care Lead Testing and Reduction Grant Program 2023-2024	66.444	\$ 5,597	\$ -	\$ -	\$ 5,597	\$ -	\$ 5,597	\$ -	\$ -
<i>U.S. Department of Health and Human Services</i>									
Direct programs:									
Head Start Cluster									
Head Start	93.600								
COVID-19 05HE001049-01-04		1,217,397	112,538	-	112,538	1,215,353	-	-	-
05CH011882-03-02		9,743,367	2,227,298	-	6,669,484	5,301,179	4,442,186	-	1,275,137
05CH011882-04-02		9,981,529	-	-	4,073,889	-	5,675,908	1,602,019	1,922,640
Total Head Start Cluster		20,942,293	2,339,836	-	10,855,911	6,516,532	10,118,094	1,602,019	3,197,777
Programs passed through Michigan Department of Education:									
Every Student Succeeds Act/Preschool Development Grants 223910 3.622	93.434	32,500	7,597	-	7,597	32,500	-	-	-
Programs passed through Michigan Department of Labor and Economic Opportunity:									
Public Health Training Centers Program 2023-2024	93.516	46,157	-	-	3,577	-	3,577	-	-
Programs passed through Michigan Department of Community Health:									
Medicaid Cluster									
Medical Assistance Program Outreach 23-24	93.778	203,683	-	-	203,683	-	203,683	-	146,941
Total U.S. Department of Health and Human Services		21,224,633	2,347,433	-	11,070,768	6,549,032	10,325,354	1,602,019	3,344,718
TOTAL FEDERAL ASSISTANCE		\$ 53,550,193	\$ 5,777,998	\$ -	\$ 23,567,595	\$ 25,674,932	\$ 21,899,048	\$ 4,109,451	\$ 10,475,056

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, 2024

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, 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 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, 2023 were not received by the School District until July 2023:

Special Education—Grants to States	220450 21-22	\$ 66,565
Special Education—Grants to States	230493 22-23	33,696
Special Education—Grants to States	230450 22-23	1,750,276
Special Education—ARP Grants to States	COVID-19 221280 21-22	737,752
Special Education—Preschool Grants	220460 21-22	95,310
Special Education—Preschool Grants	230460 22-23	35,578
Special Education—ARP Preschool Grants	COVID-19 221285 21-22	76,395
English Language Acquisition	232320 22-23	9,601
School Breakfast Program	231970	1,080
National School Lunch Program	231960	2,011
Every Student Succeeds Act/Preschool Development Grants	223910 3.622	7,597

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, 2024

Governmental funds financial statements

General Fund	\$ 11,694,339
Special Education Fund	9,490,325
Vocational Education Fund	558,886
Other governmental funds (includes Food Service Fund)	<u>155,498</u>
	<u>\$ 21,899,048</u>

Expenditures per single audit report

Schedule of Expenditures of Federal Awards	<u><u>\$ 21,899,048</u></u>
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Muskegon Area Intermediate School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the year ended June 30, 2024

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 or Cluster</u>
	U.S. Department of Education
84.027A, 84.027X, 84.173A and 84.173X	• Special Education 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, each major fund, and the aggregate remaining fund information of Muskegon Area Intermediate School District as of and for the year ended June 30, 2024, 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 28, 2024, 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 28, 2024

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS
For the year ended June 30, 2024

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, 2023</u>	<u>Cash or payments in kind (cash basis)</u>	<u>Expenditures (accrual basis)</u>		<u>Due to (from) subrecipients June 30, 2024</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	231570 22-23	\$ 91,513	\$ -	\$ -	\$ 78,480	\$ -	\$ -
Orchard View Schools			108,946	78,364	95,518	78,364	17,154	-
Public Schools of the City of Muskegon			77,572	439	36,751	31,539	36,312	-
Total subrecipient amounts			<u>\$ 278,031</u>	<u>\$ 78,803</u>	<u>\$ 132,269</u>	<u>\$ 188,383</u>	53,466	<u>\$ -</u>
Muskegon Area Intermediate School District							24,746	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 78,212</u>	
Muskegon Heights Public School Academy	84.010A	241570 23-24	\$ 142,176	\$ -	\$ 43,949	\$ -	\$ 48,949	\$ 5,000
Orchard View Schools			137,244	-	23,372	-	70,041	46,669
Public Schools of the City of Muskegon			109,247	-	13,911	-	23,644	9,733
Total subrecipient amounts			<u>\$ 388,667</u>	<u>\$ -</u>	<u>\$ 81,232</u>	<u>\$ -</u>	142,634	<u>\$ 61,402</u>
Muskegon Area Intermediate School District							236,582	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 379,216</u>	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2024

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, 2023	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to (from) subrecipients June 30, 2024
						Prior year	Current year	
<i>Title III English Language Acquisition State Grants</i>								
Brandywine Community Schools	84.365A	240580-2324	\$ 13,023	\$ -	\$ -	\$ -	\$ -	\$ -
Cadillac Area Public Schools			704	-	-	-	1,380	1,380
Fruitport Community Schools			3,620	-	-	-	-	-
Holton Public Schools			394	-	-	-	100	100
Ludington Area School District			8,241	-	-	-	5,009	5,009
McBain Rural Agricultural Schools			11,331	-	-	-	3,845	3,845
Montague Public Schools			7,020	-	-	-	13,540	13,540
Muskegon Montessori Academy for Environmental Change			1,087	-	-	-	-	-
Oakridge Public Schools			3,086	-	-	-	2,985	2,985
Orchard View Schools			10,828	-	-	-	2,005	2,005
Ravenna Public Schools			2,784	-	-	-	2,731	2,731
Reeths-Puffer Schools			3,026	-	-	-	-	-
Whitehall District Schools			1,352	-	-	-	325	325
Total subrecipient amounts			\$ 66,496	\$ -	\$ -	\$ -	31,920	\$ 31,920
Muskegon Area Intermediate School District							5,845	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 37,765	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2024

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, 2023	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to (from) subrecipients June 30, 2024
						Prior year	Current year	
<i>Special Education Cluster</i>								
<i>Special Education—Grants to States</i>								
Reeths-Puffer Schools	84.027A	220450 21-22	\$ 1,272,392	\$ 226,466	\$ 226,466	\$ 226,466	\$ -	\$ -
Timberland Charter Academy			162,440	-	-	-	75,727	75,727
Total subrecipient amounts			<u>\$ 1,434,832</u>	<u>\$ 226,466</u>	<u>\$ 226,466</u>	<u>\$ 226,466</u>	75,727	<u>\$ 75,727</u>
Muskegon Area Intermediate School District							100,788	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 176,515</u>	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2024

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, 2023</u>	<u>Cash or payments in kind (cash basis)</u>	<u>Expenditures (accrual basis)</u>		<u>Due to (from) subrecipients June 30, 2024</u>
						<u>Prior year</u>	<u>Current year</u>	
<i>Special Education Cluster—Continued</i>								
<i>Special Education—Grants to States—Continued</i>								
Fruitport Community Schools	84.027A	230450 22-23	\$ 1,370,214	\$ 482,458	\$ 482,458	\$ 1,370,214	\$ -	\$ -
Holton Public Schools			109,863	-	-	105,916	3,947	3,947
Mona Shores Public Schools			782,478	112,153	117,313	771,597	10,881	5,721
Montague Public Schools			193,136	18,270	18,270	193,136	-	-
Muskegon Covenant Academy			28,596	-	-	28,596	-	-
Muskegon Montessori Academy for Environmental Change			31,961	-	-	31,961	-	-
North Muskegon Public Schools			86,079	84,106	84,106	84,106	1,973	1,973
Oakridge Public Schools			223,603	83,733	83,733	223,603	-	-
Public Schools of the City of Muskegon			803,084	97,531	110,076	789,598	13,486	941
Ravenna Public Schools			377,588	156,148	156,148	377,588	-	-
Reeths-Puffer Schools			1,272,392	184,614	326,633	1,125,687	146,705	4,686
Three Oaks Public School Academy			117,750	29,930	29,930	117,750	-	-
Timberland Charter Academy			163,168	163,168	163,168	163,168	-	-
Whitehall District Schools			425,582	35,537	35,537	425,582	-	-
Total subrecipient amounts			\$ 5,985,494	\$ 1,447,648	\$ 1,607,372	\$ 5,808,502	176,992	\$ 17,268
Muskegon Area Intermediate School District							253,883	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 430,875	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2024

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, 2023	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to (from) subrecipients June 30, 2024
						Prior year	Current year	
<i>Special Education Cluster—Continued</i>								
<i>Special Education—Grants to States—Continued</i>								
Fruitport Community Schools	84.027A	240450-2324	\$ 1,555,467	\$ -	\$ 1,072,574	\$ -	\$ 1,544,058	\$ 471,484
Holton Public Schools			81,829	-	53,604	-	64,180	10,576
Mona Shores Public Schools			869,931	-	786,801	-	868,241	81,440
Montague Public Schools			145,613	-	121,782	-	145,613	23,831
Muskegon Covenant Academy			32,183	-	32,183	-	32,183	-
Muskegon Montessori Academy for Environmental Change			35,571	-	26,567	-	35,571	9,004
North Muskegon Public Schools			45,894	-	45,894	-	45,894	-
Oakridge Public Schools			252,180	-	213,393	-	252,180	38,787
Public Schools of the City of Muskegon			853,171	-	701,300	-	853,171	151,871
Ravenna Public Schools			403,384	-	304,638	-	401,018	96,380
Reeths-Puffer Schools			1,516,354	-	936,425	-	1,410,801	474,376
Three Oaks Public School Academy			125,345	-	99,202	-	125,345	26,143
Timberland Charter Academy			135,508	-	135,508	-	135,508	-
Whitehall District Schools			435,319	-	402,259	-	435,319	33,060
Total subrecipient amounts			\$ 6,487,749	\$ -	\$ 4,932,130	\$ -	6,349,082	\$ 1,416,952
Muskegon Area Intermediate School District							1,745,318	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 8,094,400	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2024

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, 2023	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to (from) subrecipients June 30, 2024
						Prior year	Current year	
<i>Special Education Cluster</i>								
<i>Special Education—Grants to States</i>								
Fruitport Community Schools	84.027X	COVID-19 221280 21-22 ARP	\$ 66,272	\$ -	\$ -	\$ 66,272	\$ -	\$ -
Holton Public Schools			21,551	-	-	21,551	-	-
Mona Shores Public Schools			72,576	-	-	72,576	-	-
Montague Public Schools			39,299	-	-	39,299	-	-
Muskegon Covenant Academy			2,694	-	-	2,694	-	-
Muskegon Heights Public School Academy			22,027	-	-	22,027	-	-
Muskegon Montessori Academy for Environmental Change			3,011	-	-	3,011	-	-
North Muskegon Public Schools			17,114	-	-	17,114	-	-
Oakridge Public Schools			43,190	-	-	43,190	-	-
Orchard View Schools			58,949	-	-	58,949	-	-
Public Schools of the City of Muskegon			94,581	-	1,299	93,282	1,299	-
Ravenna Public Schools			18,382	-	-	18,382	-	-
Reeths-Puffer Schools			78,211	-	-	78,211	-	-
Three Oaks Public School Academy			11,092	-	-	11,092	-	-
Timberland Charter Academy			15,371	-	-	15,371	-	-
Whitehall District Schools			40,091	-	-	40,091	-	-
Total subrecipient amounts			\$ 604,411	\$ -	\$ 1,299	\$ 603,112	1,299	\$ -
Muskegon Area Intermediate School District							70,739	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 72,038	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2024

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, 2023	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to (from) subrecipients June 30, 2024
						Prior year	Current year	
<i>Special Education Cluster—Continued</i>								
<i>Special Education—Preschool Grants</i>								
Fruitport Community Schools	84.173A	220460 21-22	\$ 183,833	\$ 94,787	\$ 94,787	\$ 94,787	\$ -	\$ -
Mona Shores Public Schools			42,205	-	-	-	-	-
Muskegon Heights Public School Academy			17,239	-	-	-	-	-
Public Schools of the City of Muskegon			59,789	523	523	523	-	-
Reeths-Puffer Schools			51,717	-	-	-	-	-
Three Oaks Public School Academy			520	-	-	-	-	-
Whitehall District Schools			15,623	-	-	-	-	-
Total subrecipient amounts			\$ 370,926	\$ 95,310	\$ 95,310	\$ 95,310	-	\$ -
Muskegon Area Intermediate School District							8,906	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 8,906	
Fruitport Community Schools	84.173A	230460 22-23	\$ 107,425	\$ -	\$ -	\$ -	\$ 95,207	\$ 95,207
Mona Shores Public Schools			38,992	6,001	6,001	27,964	6,100	-
Public Schools of the City of Muskegon			66,719	-	1,149	61,739	1,149	-
Reeths-Puffer Schools			62,387	-	-	52,915	8,226	8,226
Three Oaks Public School Academy			873	-	873	-	873	-
Whitehall District Schools			20,963	-	-	16,562	4,401	4,401
Total subrecipient amounts			\$ 297,359	\$ 6,001	\$ 8,023	\$ 159,180	115,956	\$ 107,834
Muskegon Area Intermediate School District							19,216	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 135,172	
Fruitport Community Schools	84.173A	240460 23-24	\$ 95,207	\$ -	\$ -	\$ -	\$ -	\$ -
Mona Shores Public Schools			38,992	-	38,992	-	38,992	-
Public Schools of the City of Muskegon			66,719	-	51,138	-	66,719	15,581
Reeths-Puffer Schools			61,141	-	32,474	-	55,848	23,374
Three Oaks Public School Academy			873	-	-	-	-	-
Whitehall District Schools			20,963	-	19,929	-	19,929	-
Total subrecipient amounts			\$ 283,895	\$ -	\$ 142,533	\$ -	181,488	\$ 38,955
Muskegon Area Intermediate School District							-	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 181,488	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2024

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	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to	
				(from) subrecipients July 1, 2023		Prior year	Current year	(from) subrecipients June 30, 2024	
<i>Special Education—Preschool Grants</i>									
Fruitport Community Schools	84.173X	COVID-19 221285 21-22 ARP	\$ 11,750	\$ 11,750	\$ 11,750	\$ 11,750	\$ -	\$ -	
Mona Shores Public Schools			16,849	16,849	16,849	16,849	-	-	
Muskegon Heights Public School Academy			7,094	-	-	7,094	-	-	
Muskegon Montessori Academy for Environmental Change			887	-	-	-	-	-	
North Muskegon Public Schools			665	665	665	665	-	-	
Oakridge Publick Schools			7,316	7,316	7,316	7,316	-	-	
Orchard View Schools			12,637	12,637	12,637	12,637	-	-	
Public Schools of the City of Muskegon			25,447	17,347	17,347	25,447	-	-	
Ravenna Public Schools			6,208	6,208	6,208	6,208	-	-	
Reeths-Puffer Schools			20,618	3,623	3,623	20,618	-	-	
Timberland Charter Academy			1,774	-	1,744	-	1,774	-	
Whitehall District Schools			6,429	-	-	6,429	-	-	
Total subrecipient amounts			<u>\$ 117,674</u>	<u>\$ 76,395</u>	<u>\$ 78,139</u>	<u>\$ 115,013</u>	1,774	<u>\$ -</u>	
Muskegon Area Intermediate School District							1,774		
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 3,548</u>		

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2024

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, 2023</u>	<u>Cash or payments in kind (cash basis)</u>	<u>Expenditures (accrual basis)</u>		<u>Due to (from) subrecipients June 30, 2024</u>
						<u>Prior year</u>	<u>Current year</u>	
<i>Head Start Cluster</i>								
<i>Head Start</i>								
Hart Public Schools	93.600	05CH011882-03-02	\$ 451,623	\$ 91,875	\$ 306,237	\$ 237,261	\$ 214,362	\$ -
Orchard View Schools			887,400	223,085	613,165	497,320	390,080	-
Shelby Public Schools			427,822	76,391	262,347	241,866	185,956	-
Whitehall District Schools			1,263,439	197,776	682,515	778,700	484,739	-
Total subrecipient amounts			<u>\$ 3,030,284</u>	<u>\$ 589,127</u>	<u>\$ 1,864,264</u>	<u>\$ 1,755,147</u>	1,275,137	<u>\$ -</u>
Muskegon Area Intermediate School District							3,167,049	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 4,442,186</u>	
Hart Public Schools	93.600	05CH011882-04-02	\$ 271,691	\$ -	\$ -	\$ -	\$ 271,691	\$ 271,691
Orchard View Schools			539,006	-	270,370	-	539,007	268,636
Shelby Public Schools			242,363	-	-	-	242,362	242,363
Whitehall District Schools			869,580	-	678,365	-	869,580	191,215
Total subrecipient amounts			<u>\$ 1,922,640</u>	<u>\$ -</u>	<u>\$ 948,735</u>	<u>\$ -</u>	1,922,640	<u>\$ 973,905</u>
Muskegon Area Intermediate School District							3,753,268	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 5,675,908</u>	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued
For the year ended June 30, 2024

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	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to	
				(from) subrecipients July 1, 2023		Prior year	Current year	(from) subrecipients June 30, 2024	
<i>Medicaid Cluster</i>									
<i>Medical Assistance Program</i>									
Fruitport Community Schools	93.778	Outreach 23-24	\$ 36,111	\$ -	\$ 14,974	\$ 13,695	\$ 22,416	\$ 7,442	
Holton Public Schools			9,034	-	4,404	2,749	6,285	1,881	
Mona Shores Public Schools			42,237	-	17,256	15,344	26,893	9,637	
Montague Public Schools			13,421	-	5,696	4,747	8,674	2,978	
Muskegon Heights Public School Academy			1,410	-	-	1,410	-	-	
Muskegon Montessori Academy for Environmental Change			1,209	-	500	593	616	116	
North Muskegon Public Schools			9,547	-	3,678	3,786	5,761	2,083	
Oakridge Public Schools			7,092	-	2,779	2,920	4,172	1,393	
Orchard View Schools			13,524	-	3,912	6,068	7,456	3,544	
Public Schools of the City of Muskegon			33,767	-	15,304	12,189	21,578	6,274	
Ravenna Public Schools			4,231	-	1,500	1,516	2,715	1,215	
Reeths-Puffer Schools			39,767	-	15,559	14,544	25,223	9,664	
Three Oaks Public Academy			2,073	-	704	907	1,166	462	
Whitehall District Schools			22,224	-	9,174	8,238	13,986	4,812	
Total subrecipient amounts			<u>\$ 235,647</u>	<u>\$ -</u>	<u>\$ 95,440</u>	<u>\$ 88,706</u>	146,941	<u>\$ 51,501</u>	
Muskegon Area Intermediate School District							56,742		
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 203,683</u>		

CLIENT DOCUMENTS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

October 28, 2024

Michigan Department of Education
Lansing, Michigan

Muskegon Area Intermediate School District respectfully submits the following summary of the current status of prior audit findings contained in the single audit report for the year ended June 30, 2023 dated October 31, 2023.

SECTION II – FINANCIAL STATEMENT FINDINGS

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

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2023-001: Special Education Cluster Suspension and Debarment Procedures

U.S. Department of Education

Pass-through agency: Michigan Department of Education

Assistance Listing Numbers: 84.027A, 84.027X, 84.173A and 84.173X

Award numbers: 220450 21-22, 230493 22-23, 230450 22-23, COVID-19 221280 21-22, 220460 21-22, 230460 22-23 and COVID-19 221285 21-22

Award year ends: June 30, 2023, September 30, 2023 and September 30, 2024

Condition: During our detailed testing of suspension and debarment for the Special Education Cluster, we noted that the School District did not verify that its contractors and vendors receiving payments in excess of \$25,000 were not suspended or debarred prior to doing business with them.

Recommendation: The School District should follow its suspension and debarment procedures for verifying the eligibility of its contractors and vendors prior to entering into business contracts or transactions that equal or exceed \$25,000 in value. In addition, the School District should retain supporting documentation of these verifications performed, such as the printing of vendor search results from the SAM.gov website.

Current Status: This recommendation was implemented during the year ended June 30, 2024. No similar finding was reported during the single audit for the year ended June 30, 2024.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS—Continued

Finding 2023-002: Special Education Cluster Semi-Annual Certification Procedures
U.S. Department of Education

Pass-through agency: Michigan Department of Education

Assistance Listing Numbers: 84.027A, 84.027X, 84.173A and 84.173X

Award numbers: 220450 21-22, 230493 22-23, 230450 22-23, COVID-19 221280 21-22, 220460 21-22, 230460 22-23 and COVID-19 221285 21-22

Award year ends: June 30, 2023, September 30, 2023 and September 30, 2024

Condition: During our detailed testing of time-and-effort reporting for the Special Education Cluster programs, we noted that semi-annual certifications were prepared to comply with federal time and effort requirements. However, the reports were not timely prepared or timely reviewed by the program supervisors with documented approval.

Recommendation: The School District should provide training to educate all employees working in federal programs of the requirements for documenting personnel expenses under Uniform Grant Guidance, and the School District should require proper time-and-effort documentation to be timely reviewed and approved by the appropriate program supervisor.

Current Status: This recommendation was implemented during the year ended June 30, 2024. No similar finding was reported during the single audit for the year ended June 30, 2024.

Sincerely,



Jesse Rickard
Director of Financial Services

CORRECTIVE ACTION PLAN

October 28, 2024

Michigan Department of Education
Lansing, Michigan

Muskegon Area Intermediate School District respectfully submits the following Corrective Action Plan for the year ended June 30, 2024.

Name and address of independent public accounting firm:

Brickley DeLong, P.C.
P.O. Box 999
Muskegon, Michigan 49440

Audit period: June 30, 2024

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2024 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 Jesse Rickard at (231) 767-7209.

Sincerely,



Jesse Rickard
Director of Financial Services