

Muskegon Area Intermediate School District

**SINGLE AUDIT OF FEDERAL  
FINANCIAL ASSISTANCE PROGRAMS**

Financial Report and  
Independent Auditor's Reports

June 30, 2023



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**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***

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, the business-type 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, 2023, 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 31, 2023.

**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  
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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 31, 2023

**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, 2023. 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, 2023.

***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.

Board of Education  
Muskegon Area Intermediate School District  
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***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.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs, as **Findings 2023-001** and **2023-002**. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Muskegon Area Intermediate School District’s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Muskegon Area Intermediate School District’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as **Findings 2023-001 and 2023-002**, to be significant deficiencies.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on Muskegon Area Intermediate School District’s response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Muskegon Area Intermediate School District’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Board of Education  
Muskegon Area Intermediate School District  
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**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, 2023, and have issued our report thereon dated October 31, 2023 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 31, 2023



**Muskegon Area Intermediate School District**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2023

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2022	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2023	Passed through to subrecipients
						Prior year(s)	Current year		
<b>U.S. Department of Education</b>									
Direct programs:									
School Safety National Activities	84.184M								
S184M190007-20		\$ 889,511	\$ 126,439	\$ -	\$ 284,575	\$ 689,838	\$ 158,136	\$ -	\$ -
S184M190007-23		916,965	-	-	489,845	-	586,478	96,633	-
		<u>1,806,476</u>	<u>126,439</u>	<u>-</u>	<u>774,420</u>	<u>689,838</u>	<u>744,614</u>	<u>96,633</u>	<u>-</u>
Programs passed through Michigan Department of Education:									
Title I Grants to Local Educational Agencies	84.010A								
221570 21-22		492,121	93,117	-	303,605	268,368	210,488	-	157,294
231570 22-23		574,086	-	-	253,742	-	384,135	130,393	188,383
		<u>1,066,207</u>	<u>93,117</u>	<u>-</u>	<u>557,347</u>	<u>268,368</u>	<u>594,623</u>	<u>130,393</u>	<u>345,677</u>
Title I State Agency Program For Neglected and Delinquent Children and Youth	84.013A								
221700 21-22		79,641	2,380	-	2,380	50,849	-	-	-
Special Education Cluster									
Special Education—Grants to States	84.027A								
210450 20-21		7,631,620	722,185	-	722,185	722,185	-	-	-
220450 21-22		7,578,171	1,107,907	-	1,332,361	7,287,152	291,019	66,565	226,466
220493 21-22		151,800	22,563	-	22,563	151,800	-	-	-
230493 22-23		167,000	-	-	133,304	-	167,000	33,696	-
230450 22-23		7,607,999	-	-	5,660,666	-	7,410,942	1,750,276	5,808,502
		<u>23,136,590</u>	<u>1,852,655</u>	<u>-</u>	<u>7,871,079</u>	<u>8,161,137</u>	<u>7,868,961</u>	<u>1,850,537</u>	<u>6,034,968</u>
Special Education—ARP Grants to States COVID-19 221280 21-22	84.027X	1,480,174	211,894	-	711,026	211,894	1,236,884	737,752	603,112
Special Education—Preschool Grants	84.173A								
220460 21-22		379,832	119,451	-	119,451	275,616	95,310	95,310	95,310
230460 22-23		294,352	-	-	123,602	-	159,180	35,578	159,180
		<u>674,184</u>	<u>119,451</u>	<u>-</u>	<u>243,053</u>	<u>275,616</u>	<u>254,490</u>	<u>130,888</u>	<u>254,490</u>
Special Education—ARP Preschool Grants COVID-19 221285 21-22	84.173X	118,561	-	-	38,618	-	115,013	76,395	115,013
<b>Total Special Education Cluster</b>		<b>25,409,509</b>	<b>2,184,000</b>	<b>-</b>	<b>8,863,776</b>	<b>8,648,647</b>	<b>9,475,348</b>	<b>2,795,572</b>	<b>7,007,583</b>

**Muskegon Area Intermediate School District**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued**  
For the year ended June 30, 2023

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2022	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2023	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									
223520 21129	84.048A	\$ 378,706	\$ 38,084	\$ -	\$ 38,084	\$ 378,706	\$ -	\$ -	\$ -
233520 23129		429,680	-	-	232,730	-	429,680	196,950	-
		<u>808,386</u>	<u>38,084</u>	<u>-</u>	<u>270,814</u>	<u>378,706</u>	<u>429,680</u>	<u>196,950</u>	<u>-</u>
Special Education—Grants for Infants and Families									
221340 21-22	84.181A	222,289	21,461	-	21,461	222,289	-	-	-
231340 22-23		212,244	-	-	182,551	-	212,244	29,693	-
		<u>434,533</u>	<u>21,461</u>	<u>-</u>	<u>204,012</u>	<u>222,289</u>	<u>212,244</u>	<u>29,693</u>	<u>-</u>
Special Education—Grants for Infants and Families									
COVID-19 221283 EOARP	84.181X	101,983	97,197	-	101,983	97,197	4,786	-	-
Education for Homeless Children and Youth									
222320 21-22	84.196A	68,569	30,973	-	35,247	30,973	4,274	-	-
232320 22-23		98,343	-	-	29,203	-	29,203	-	-
		<u>166,912</u>	<u>30,973</u>	<u>-</u>	<u>64,450</u>	<u>30,973</u>	<u>33,477</u>	<u>-</u>	<u>-</u>
English Language Acquisition									
220580 21-22	84.365A	40,935	16,497	-	16,917	30,654	420	-	-
232320 22-23		98,343	-	-	12,890	-	22,491	9,601	-
		<u>139,278</u>	<u>16,497</u>	<u>-</u>	<u>29,807</u>	<u>30,654</u>	<u>22,911</u>	<u>9,601</u>	<u>-</u>
Education Stabilization Fund									
Elementary and Secondary School Emergency Relief Fund									
COVID-19 213762 2022	84.425D	762	762	-	762	762	-	-	-
ARP Elementary and Secondary School Emergency Relief Fund									
COVID-19 211010 21-22	84.425W	150	-	-	150	-	150	-	-
COVID-19 211013 22-23		152,678	-	-	56,937	-	56,937	-	-
		<u>152,828</u>	<u>-</u>	<u>-</u>	<u>57,087</u>	<u>-</u>	<u>57,087</u>	<u>-</u>	<u>-</u>
Total Education Stabilization Fund		<u>153,590</u>	<u>762</u>	<u>-</u>	<u>57,849</u>	<u>762</u>	<u>57,087</u>	<u>-</u>	<u>-</u>
Total passed through Michigan Department of Education		<u>28,360,039</u>	<u>2,484,471</u>	<u>-</u>	<u>10,152,418</u>	<u>9,728,445</u>	<u>10,830,156</u>	<u>3,162,209</u>	<u>7,353,260</u>
Total U.S. Department of Education		30,166,515	2,610,910	-	10,926,838	10,418,283	11,574,770	3,258,842	7,353,260

**Muskegon Area Intermediate School District**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued**  
For the year ended June 30, 2023

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2022	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2023	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								
221970		\$ 3,572	\$ -	\$ -	\$ 3,572	\$ -	\$ 3,572	\$ -	\$ -
221971		34,473	1,965	-	1,965	34,473	-	-	-
231970		25,952	-	-	24,872	-	25,952	1,080	-
		<u>63,997</u>	<u>1,965</u>	<u>-</u>	<u>30,409</u>	<u>34,473</u>	<u>29,524</u>	<u>1,080</u>	<u>-</u>
National School Lunch Program	10.555								
220910		7,143	-	-	7,143	-	7,143	-	-
221960		7,300	-	-	7,300	-	7,300	-	-
221961		67,837	3,750	-	3,750	67,837	-	-	-
230910		25,126	-	-	25,126	-	25,126	-	-
231960		48,795	-	-	46,784	-	48,795	2,011	-
Entitlement Commodities		9,300	-	-	9,300	-	9,300	-	-
		<u>165,501</u>	<u>3,750</u>	<u>-</u>	<u>99,403</u>	<u>67,837</u>	<u>97,664</u>	<u>2,011</u>	<u>-</u>
Summer Food Service Program	10.559								
220900		3,743	-	-	3,743	-	3,743	-	-
Total Child Nutrition Cluster		233,241	5,715	-	133,555	102,310	130,931	3,091	-
Child and Adult Care Food Program	10.558								
221920		25,970	3,135	-	3,135	25,970	-	-	-
222010		1,450	190	-	190	1,449	-	-	-
		<u>27,420</u>	<u>3,325</u>	<u>-</u>	<u>3,325</u>	<u>27,419</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pandemic Electronic Benefit Transfer (P-EBT)									
Administrative Costs	10.649								
COVID-19 220980 2022		3,135	-	-	3,135	-	3,135	-	-
Total U.S. Department of Agriculture		263,796	9,040	-	140,015	129,729	134,066	3,091	-
<i>U.S. Department of Commerce</i>									
Direct Programs:									
Marine Sanctuary Program	11.429								
NA22NOS4290008		79,975	-	-	29,734	-	79,975	50,241	-

**Muskegon Area Intermediate School District**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued**  
For the year ended June 30, 2023

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2022	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2023	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Treasury</i>									
Programs passed through Michigan Department of Education:									
Coronavirus State and Local Fiscal Recovery Fund	21.027								
222390 GSRP21 22		\$ 139,200	\$ 94,975	\$ -	\$ 139,200	\$ 94,975	\$ 44,225	\$ -	\$ -
232425 22-23		892,857	-	-	267,857	-	267,857	-	-
		<u>1,032,057</u>	<u>94,975</u>	<u>-</u>	<u>407,057</u>	<u>94,975</u>	<u>312,082</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Treasury		1,032,057	94,975	-	407,057	94,975	312,082	-	-
<i>U.S. Department of Health and Human Services</i>									
Direct programs:									
Head Start Cluster									
Head Start	93.600								
05CH011882-03-00		9,457,441	1,182,349	-	5,031,898	5,360,416	3,849,549	-	1,184,061
COVID-19 05HE001049-01-02		1,217,397	254,611	-	952,183	405,243	810,110	112,538	253,759
05CH011882-03-01		9,457,441	-	-	3,073,881	-	5,301,179	2,227,298	1,755,147
Total Head Start Cluster		<u>20,132,279</u>	<u>1,436,960</u>	<u>-</u>	<u>9,057,962</u>	<u>5,765,659</u>	<u>9,960,838</u>	<u>2,339,836</u>	<u>3,192,967</u>
Programs passed through Michigan Department of Education:									
Every Student Succeeds Act/Preschool Development Grants	93.434								
223910 3.622		32,500	8,145	-	18,333	14,715	17,785	7,597	-
Child Care Development Block Grant	93.575								
COVID-19 2131AC-GSRP2223		25,000	-	-	25,000	-	25,000	-	-
Total passed through Michigan Department of Education		<u>57,500</u>	<u>8,145</u>	<u>-</u>	<u>43,333</u>	<u>14,715</u>	<u>42,785</u>	<u>7,597</u>	<u>-</u>
Programs passed through the Michigan Department of Community Health:									
Medicaid Cluster									
Medical Assistance Program	93.778								
Outreach 22-23		126,777	-	-	126,777	-	126,777	-	88,706
Total U.S. Department of Health and Human Services		<u>20,316,556</u>	<u>1,445,105</u>	<u>-</u>	<u>9,228,072</u>	<u>5,780,374</u>	<u>10,130,400</u>	<u>2,347,433</u>	<u>3,281,673</u>
<b>TOTAL FEDERAL ASSISTANCE</b>		<b>\$ 51,858,899</b>	<b>\$ 4,160,030</b>	<b>\$ -</b>	<b>\$ 20,731,716</b>	<b>\$ 16,423,361</b>	<b>\$ 22,231,293</b>	<b>\$ 5,659,607</b>	<b>\$ 10,634,933</b>

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, 2023

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, 2023. 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.
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, 2023

Governmental funds financial statements

General Fund	\$ 12,065,422	
Special Education Fund	9,602,125	
Vocational Education Fund	429,680	
Other governmental funds (includes Food Service Fund)	<u>134,066</u>	<u>\$ 22,231,293</u>

Expenditures per single audit report

Schedule of Expenditures of Federal Awards	<u><u>\$ 22,231,293</u></u>
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Muskegon Area Intermediate School District  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 For the year ended June 30, 2023

**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?   X   yes    \_\_\_\_\_ 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)?   X   yes    \_\_\_\_\_ no

4. Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	<b>U.S. Department of Education</b>
<b>84.027A, 84.027X, 84.173A and 84.173X</b>	<b>• Special Education Cluster</b>

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

Muskegon Area Intermediate School District  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS—Continued**  
For the year ended June 30, 2023

**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

*Specific Requirement:* Suspension and Debarment

*Criteria:* Section 200.214 of the Cost Principles of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) restricts awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities. This guidance requires a non-federal entity to establish policies and procedures for verifying the status of contractors and vendors whenever the value of a contract or cumulative transactions is expected to equal or exceed \$25,000 to protect the federal government from fraud, waste and abuse.

*Questioned Costs:* None.

*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.

*Context:* One vendor charged to the Special Education Cluster received payments in excess of the \$25,000 testing threshold during the fiscal year, but the School District did not perform the necessary suspension or debarment testing prior to doing business with them. A subsequent vendor search on the federal System for Award Management (SAM.gov) website indicated that the vendor was not ineligible for participation in federal assistance programs or activities. The sample was not a statistically valid sample.

*Effect:* Failure to verify the status of contractors and vendors prior to entering into business contracts or transactions that equal or exceed \$25,000 could result in business activities with ineligible vendors and disallowed federal program expenditures.

*Cause:* The School District did not follow its established procedure for verifying that its contractors and vendors were not suspended or debarred prior to entering into business contracts or transactions that equaled or exceeded \$25,000 for any of its grant-funded programs.

*Repeat Finding:* This is **not** a repeat finding.

*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.

*Views of Responsible Officials:* The School District agrees with this finding.

Muskegon Area Intermediate School District  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS—Continued**  
For the year ended June 30, 2023

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**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

*Specific Requirement:* Allowable Costs/Cost Principles

*Criteria:* Section 200.430 of the Cost Principles of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200—*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* requires charges to federal award for salaries and wages to be based on records that accurately reflect the work performed. These records must (1) be supported by a system of internal controls which provide reasonable assurance that charges are accurate, allowable and properly allocated, (2) reasonably reflect total activity for which the employee is compensated, (3) encompass both federally assisted and all other activities compensated by the entity, (4) support the distribution of the employee’s wages among specific cost objectives if the employee works on more than one federal award, (5) be reconciled with payroll budget estimates with necessary adjustments made to accounting records to ensure that excess costs are not charged to federal programs. Appendix B to 2 CFR, Part 225—*Selected Items of Cost* indicates that where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

*Questioned Costs:* None.

*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.

*Context:* Eighteen employees working in the federal program were eligible for semi-annual certifications because their payroll costs were fully allocated to a single federal program or cost objective. Separate semi-annual certifications were prepared for each eligible employee for each six-month period during the fiscal year. While all certifications contained the proper components, including documented supervisor approval, they were not prepared timely as the forms for fourteen employees were completed and certified at least two-and-a-half or three-and-a-half months after the six-month period ending dates. Additionally, both semi-annual certifications for four employees were approved during the audit process. The sample was not a statistically valid sample.

*Effect:* Failure to timely and properly prepare and review time-and-effort reporting could allow improper payroll expenses to be charged to the School District’s federal programs. As a result, payroll compensation and fringe benefits charged for these employees could be disallowed, or there could be missed opportunities for reimbursement.



Muskegon Area Intermediate School District  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS—Continued**  
For the year ended June 30, 2023

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS—Continued**

**Finding 2023-002: Special Education Cluster Semi-Annual Certification Procedures**

*Cause:* The School District program personnel did not timely review and approve the federal requirements for time-and-effort reporting semi-annual certifications. As a result, semi-annual certifications were not reviewed and approved for these employees during the required timeframes.

*Repeat Finding:* This is **not** a repeat finding.

*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.

*Views of Responsible Officials:* The School District agrees with this finding.

**SUPPLEMENTAL INFORMATION**

**INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION**

Board of Education  
Muskegon Area Intermediate School District  
Muskegon, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Muskegon Area Intermediate School District as of and for the year ended June 30, 2023, 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 31, 2023, 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.



Muskegon, Michigan  
October 31, 2023

Muskegon Area Intermediate School District  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS**  
For the year ended June 30, 2023

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, 2022</u>	<u>Cash or payments in kind (cash basis)</u>	<u>Expenditures (accrual basis)</u>		<u>Due to (from) subrecipients June 30, 2023</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	221570 21-22	\$ 150,673	\$ 1,905	\$ 80,166	\$ 29,087	\$ 78,261	\$ -
Orchard View Schools			105,310	17,211	27,371	42,658	10,160	-
Public Schools of the City of Muskegon			109,579	-	68,873	19,744	68,873	-
Total subrecipient amounts			<u>\$ 365,562</u>	<u>\$ 19,116</u>	<u>\$ 176,410</u>	<u>\$ 91,489</u>	157,294	<u>\$ -</u>
Muskegon Area Intermediate School District							53,194	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 210,488</u>	
Muskegon Heights Public School Academy	84.010A	231570 22-23	\$ 91,513	\$ -	\$ 78,480	\$ -	\$ 78,480	\$ -
Orchard View Schools			108,946	-	-	-	78,364	78,364
Public Schools of the City of Muskegon			77,572	-	31,101	-	31,539	438
Total subrecipient amounts			<u>\$ 278,031</u>	<u>\$ -</u>	<u>\$ 109,581</u>	<u>\$ -</u>	188,383	<u>\$ 78,802</u>
Muskegon Area Intermediate School District							195,752	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 384,135</u>	

Muskegon Area Intermediate School District  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued**  
For the year ended June 30, 2023

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, 2022</u>	<u>Cash or payments in kind (cash basis)</u>	<u>Expenditures (accrual basis)</u>		<u>Due to (from) subrecipients June 30, 2023</u>
						<u>Prior year</u>	<u>Current year</u>	
<i>Special Education Cluster</i>								
<i>Special Education—Grants to States</i>								
Fruitport Community Schools	84.027A	220450 21-22	\$ 1,440,917	\$ 208,615	\$ 208,615	\$ 1,435,521	\$ -	\$ -
Holton Public Schools			105,916	6,033	6,033	105,916	-	-
Mona Shores Public Schools			786,462	98,159	98,159	771,597	-	-
Montague Public Schools			193,136	31,766	31,766	193,136	-	-
Muskegon Covenant Academy			28,596	-	-	28,596	-	-
Muskegon Heights Public School Academy			233,818	37,000	37,000	220,711	-	-
Muskegon Montessori Academy for Environmental Change			31,961	-	-	31,961	-	-
North Muskegon Public Schools			84,106	84,106	84,106	84,106	-	-
Oakridge Public Schools			213,782	34,024	34,024	213,782	-	-
Public Schools of the City of Muskegon			789,598	137,906	137,906	789,598	-	-
Ravenna Public Schools			316,706	60,821	60,821	316,706	-	-
Reeths-Puffer Schools			1,272,392	177,128	177,128	1,045,926	226,466	226,466
Three Oaks Public School Academy			117,750	18,727	18,727	117,750	-	-
Timberland Charter Academy			163,168	-	-	86,713	-	-
Whitehall District Schools			425,582	80,721	80,721	425,582	-	-
Total subrecipient amounts			<u>\$ 6,203,890</u>	<u>\$ 975,006</u>	<u>\$ 975,006</u>	<u>\$ 5,867,601</u>	226,466	<u>\$ 226,466</u>
Muskegon Area Intermediate School District							<u>64,553</u>	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 291,019</u>	

Muskegon Area Intermediate School District  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued**  
For the year ended June 30, 2023

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

<b>Federal program / pass-through grantee</b>	<b>Assistance Listing Number</b>	<b>Pass-through grantor's number</b>	<b>Amount of subrecipient award</b>	<b>Due to (from) subrecipients July 1, 2022</b>	<b>Cash or payments in kind (cash basis)</b>	<b>Expenditures (accrual basis)</b>		<b>Due to (from) subrecipients June 30, 2023</b>
						<b>Prior year</b>	<b>Current year</b>	
<i>Special Education Cluster—Continued</i>								
<i>Special Education—Grants to States—Continued</i>								
Fruitport Community Schools	84.027A	230450 22-23	\$ 1,405,778	\$ -	\$ 887,756	\$ -	\$ 1,370,214	\$ 482,458
Holton Public Schools			105,916	-	105,916	-	105,916	-
Mona Shores Public Schools			786,462	-	659,444	-	771,597	112,153
Montague Public Schools			193,136	-	174,866	-	193,136	18,270
Muskegon Covenant Academy			28,596	-	28,596	-	28,596	-
Muskegon Montessori Academy for Environmental Change			31,961	-	31,961	-	31,961	-
North Muskegon Public Schools			84,106	-	-	-	84,106	84,106
Oakridge Public Schools			236,757	-	139,870	-	223,603	83,733
Public Schools of the City of Muskegon			789,598	-	692,067	-	789,598	97,531
Ravenna Public Schools			377,588	-	221,440	-	377,588	156,148
Reeths-Puffer Schools			1,272,392	-	941,073	-	1,125,687	184,614
Three Oaks Public School Academy			117,750	-	87,820	-	117,750	29,930
Timberland Charter Academy			163,168	-	-	-	163,168	163,168
Whitehall District Schools			425,582	-	390,045	-	425,582	35,537
Total subrecipient amounts			<b>\$ 6,018,790</b>	<b>\$ -</b>	<b>\$ 4,360,854</b>	<b>\$ -</b>	5,808,502	<b>\$ 1,447,648</b>
Muskegon Area Intermediate School District							1,602,440	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<b>\$ 7,410,942</b>	

Muskegon Area Intermediate School District  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued**  
For the year ended June 30, 2023

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, 2022</u>	<u>Cash or payments in kind (cash basis)</u>	<u>Expenditures (accrual basis)</u>		<u>Due to (from) subrecipients June 30, 2023</u>
						<u>Prior year</u>	<u>Current year</u>	
<i>Special Education Cluster—Continued</i>								
<i>Special Education—Preschool Grants</i>								
Fruitport Community Schools	84.173A	220460 21-22	\$ 181,698	\$ -	\$ -	\$ -	\$ 94,787	\$ 94,787
Mona Shores Public Schools			42,206	1,075	1,075	40,942	-	-
Muskegon Heights Public School Academy			17,239	-	-	17,239	-	-
Muskegon Montessori Academy for Environmental Change			2,155	-	-	-	-	-
Public Schools of the City of Muskegon			59,789	12,387	12,387	59,266	523	523
Reeths-Puffer Schools			51,717	15,680	15,680	51,717	-	-
Three Oaks Public School Academy			2,155	-	-	520	-	-
Timberland Charter Academy			7,250	-	-	-	-	-
Whitehall District Schools			15,623	-	-	15,623	-	-
Total subrecipient amounts			<u>\$ 379,832</u>	<u>\$ 29,142</u>	<u>\$ 29,142</u>	<u>\$ 185,307</u>	95,310	<u>\$ 95,310</u>
Muskegon Area Intermediate School District							-	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 95,310</u>	
Fruitport Community Schools	84.173A	230460 22-23	\$ 94,787	\$ -	\$ -	\$ -	\$ -	\$ -
Mona Shores Public Schools			41,891	-	21,963	-	27,964	1,075
Muskegon Montessori Academy for Environmental Change			2,205	-	-	-	-	-
Public Schools of the City of Muskegon			61,739	-	47,511	-	61,739	12,387
Reeths-Puffer Schools			52,915	-	37,566	-	52,915	15,680
Three Oaks Public School Academy			2,205	-	-	-	-	-
Timberland Charter Academy			410	-	-	-	-	-
Whitehall District Schools			16,562	-	16,562	-	16,562	-
Total subrecipient amounts			<u>\$ 272,714</u>	<u>\$ -</u>	<u>\$ 123,602</u>	<u>\$ -</u>	159,180	<u>\$ 29,142</u>
Muskegon Area Intermediate School District							-	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 159,180</u>	

Muskegon Area Intermediate School District  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued**  
For the year ended June 30, 2023

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, 2022	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to (from) subrecipients June 30, 2023
						Prior year	Current year	
<i>Special Education Cluster—Continued</i>								
<i>Special Education—ARP Grants to states</i>								
Fruitport Community Schools	84.027X	COVID-19	\$ 66,272	\$ -	\$ -	\$ -	\$ 66,272	\$ 66,272
Holton Public Schools		221280 21-22	21,551	-	21,551	-	21,551	-
Mona Shores Public Schools			72,576	-	-	-	72,576	72,576
Montague Public Schools			39,299	-	26,325	-	39,299	12,974
Muskegon Covenant Academy			2,694	-	2,694	-	2,694	-
Muskegon Heights Public School Academy			22,027	-	22,027	-	22,027	-
Muskegon Montessori Academy for Environmental Change			3,011	-	3,011	-	3,011	-
North Muskegon Public Schools			17,114	-	-	-	17,114	17,114
Oakridge Public Schools			43,190	-	-	-	43,190	43,190
Orchard View Schools			58,949	-	-	-	58,949	58,949
Public Schools of the City of Muskegon			94,581	-	82,968	-	93,282	10,314
Ravenna Public Schools			18,382	-	-	-	18,382	18,382
Reeths-Puffer Schools			78,211	-	-	-	78,211	78,211
Three Oaks Public School Academy			11,092	-	11,092	-	11,092	-
Timberland Charter Academy			15,371	-	-	-	15,371	15,371
Whitehall District Schools			40,091	-	-	-	40,091	40,091
Total subrecipient amounts			<b>\$ 604,411</b>	<b>\$ -</b>	<b>\$ 169,668</b>	<b>\$ -</b>	603,112	<b>\$ 433,444</b>
Muskegon Area Intermediate School District							633,772	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<b>\$ 1,236,884</b>	
<i>Special Education—ARP Preschool Grants</i>								
Fruitport Community Schools	84.173X	COVID-19	\$ 11,750	\$ -	\$ -	\$ -	\$ 11,750	\$ 11,750
Mona Shores Public Schools		221285 21-22	16,849	-	-	-	16,849	16,849
Muskegon Heights Public School Academy			7,094	-	7,094	-	7,094	-
Muskegon Montessori Academy for Environmental Change			887	-	-	-	-	-
North Muskegon Public Schools			665	-	-	-	665	665
Oakridge Public Schools			7,316	-	-	-	7,316	7,316
Orchard View Schools			12,637	-	-	-	12,637	12,637
Public Schools of the City of Muskegon			25,447	-	8,100	-	25,447	17,347
Ravenna Public Schools			6,208	-	-	-	6,208	6,208
Reeths-Puffer Schools			20,618	-	16,995	-	20,618	3,623
Three Oaks Public School Academy			887	-	-	-	-	-
Timberland Charter Academy			1,774	-	-	-	-	-
Whitehall District Schools			6,429	-	6,429	-	6,429	-
Total subrecipient amounts			<b>\$ 118,561</b>	<b>\$ -</b>	<b>\$ 38,618</b>	<b>\$ -</b>	115,013	<b>\$ 76,395</b>
Muskegon Area Intermediate School District							-	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<b>\$ 115,013</b>	



Muskegon Area Intermediate School District  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued**  
For the year ended June 30, 2023

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, 2022</u>	<u>Cash or payments in kind (cash basis)</u>	<u>Expenditures (accrual basis)</u>		<u>Due to (from) subrecipients June 30, 2023</u>
						<u>Prior year</u>	<u>Current year</u>	
<i>Head Start Cluster</i>								
<b>Head Start</b>								
Hart Public Schools	93.600	05CH011882-03-00	\$ 403,465	\$ 100,679	\$ 254,909	\$ 249,235	\$ 154,230	\$ -
Orchard View Schools			964,825	237,404	663,427	538,802	426,023	-
Shelby Public Schools			388,489	233,674	388,489	233,674	154,815	-
Whitehall District Schools			1,042,696	126,210	575,203	593,703	448,993	-
Total subrecipient amounts			<u>\$ 2,799,475</u>	<u>\$ 697,967</u>	<u>\$ 1,882,028</u>	<u>\$ 1,615,414</u>	1,184,061	<u>\$ -</u>
Muskegon Area Intermediate School District							2,665,488	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 3,849,549</u>	
COVID-19								
Hart Public Schools	93.600	05HE001049-01-02	\$ 12,924	\$ -	\$ 12,924	\$ -	\$ 12,924	\$ -
Orchard View Schools			168,291	80,973	168,291	80,973	87,318	-
Shelby Public Schools			90,998	24,895	90,998	24,895	66,103	-
Whitehall District Schools			87,414	-	87,414	-	87,414	-
Total subrecipient amounts			<u>\$ 359,627</u>	<u>\$ 105,868</u>	<u>\$ 359,627</u>	<u>\$ 105,868</u>	253,759	<u>\$ -</u>
Muskegon Area Intermediate School District							556,351	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 810,110</u>	
Hart Public Schools	93.600	05CH011882-03-01	\$ 395,767	\$ -	\$ 145,386	\$ -	\$ 237,261	\$ 91,875
Orchard View Schools			846,038	-	274,235	-	497,320	223,085
Shelby Public Schools			401,503	-	165,475	-	241,866	76,391
Whitehall District Schools			1,128,580	-	580,924	-	778,700	197,776
Total subrecipient amounts			<u>\$ 2,771,888</u>	<u>\$ -</u>	<u>\$ 1,166,020</u>	<u>\$ -</u>	1,755,147	<u>\$ 589,127</u>
Muskegon Area Intermediate School District							3,546,032	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							<u>\$ 5,301,179</u>	

Muskegon Area Intermediate School District  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—Continued**  
For the year ended June 30, 2023

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, 2022	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to (from) subrecipients June 30, 2023	
						Prior year	Current year		
<i>Medicaid Cluster</i>									
<i>Medical Assistance Program</i>									
Fruitport Community Schools	93.778	Outreach 22-23	\$ 13,695	\$ -	\$ 13,695	\$ -	\$ 13,695	\$ -	
Holton Public Schools			2,749	-	2,749	-	2,749	-	
Mona Shores Public Schools			15,344	-	15,344	-	15,344	-	
Montague Public Schools			4,747	-	4,747	-	4,747	-	
Muskegon Heights Public School Academy			1,410	-	1,410	-	1,410	-	
Muskegon Montessori Academy for Environmental Change			593	-	593	-	593	-	
North Muskegon Public Schools			3,786	-	3,786	-	3,786	-	
Oakridge Public Schools			2,920	-	2,920	-	2,920	-	
Orchard View Schools			6,068	-	6,068	-	6,068	-	
Public Schools of the City of Muskegon			12,189	-	12,189	-	12,189	-	
Ravenna Public Schools			1,516	-	1,516	-	1,516	-	
Reeths-Puffer Schools			14,544	-	14,544	-	14,544	-	
Three Oaks Public Academy			907	-	907	-	907	-	
Whitehall District Schools			8,238	-	8,238	-	8,238	-	
Total subrecipient amounts			<u>\$ 88,706</u>	<u>\$ -</u>	<u>\$ 88,706</u>	<u>\$ -</u>	88,706	<u>\$ -</u>	
Muskegon Area Intermediate School District								<u>38,071</u>	
Total expenditures appearing on Schedule of Expenditures of Federal Awards								<u>\$ 126,777</u>	

**CLIENT DOCUMENTS**

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

October 31, 2023

Michigan Department of Education  
Lansing, Michigan

Muskegon Area Intermediate School District respectfully advises you that there were **no** audit findings reported in our single audit report, dated October 26, 2022, for the year ended June 30, 2022.

Sincerely,



Jesse Rickard  
Director of Financial Services

## CORRECTIVE ACTION PLAN

October 31, 2023

Michigan Department of Education  
Lansing, Michigan

Muskegon Area Intermediate School District respectfully submits the following Corrective Action Plan for the year ended June 30, 2023.

Name and address of independent public accounting firm:

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

Audit period: June 30, 2023

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2023 are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### 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**

*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.

*Action Taken:* At the start of each fiscal year, the School District will generate a list of vendors that were paid amounts in excess of \$25,000 in the previous fiscal year. Vendor searches will be completed and documented on all these vendors using the SAM.gov website. All purchase requisitions made exceeding \$10,000 will reference the MAISD Debarment list to ensure the suspension and debarment procedures were completed. Vendor searches will be performed and added to the MAISD Debarment list if vendor is not already on list. Requisitions will be denied if vendor is ineligible for participation in federal assistance programs or activities.

*Responsible Person and Anticipated Completion Date:* Director of Financial Services, October 2023.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS—Continued**

**Finding 2023-002: Special Education Cluster Semi-Annual Certification Procedures**

*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.

*Action Taken:* Trainings will be provided to all directors of federally funded programs regarding the semi-annual certification process. Certifications will be performed by all federally funded staff two times each year. The first certification is due to the Director of Fiscal Services no later than January 15 of each year. The second certification is due to the Director of Fiscal Services office no later than July 15 of each year. Certification records will be verified and maintained by the Director of Financial Services.

*Responsible Person and Anticipated Completion Date:* Director of Financial Services, November 2023.

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